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JONES HALL



\$67,860,000

City of Roseville

Westpark Community Facilities District No.1 (Public Facilities)

Special Tax Refunding Bonds

Series 2015

Closing Date: August 12, 2015

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

SCHEDULE OF TRANSCRIPT DOCUMENTS

A. BASE LEGAL DOCUMENTS

1. List of Financing Participants.
2. Certificate of the City of Roseville (the "City") Regarding Resolutions and Ordinance.
3. City Resolution No. 04-331, entitled "A Resolution of Intention of the City Council of the City of Roseville to Form a Community Facilities District and Levy a Special Tax in Westpark Community Facilities District No. 1 (Public Facilities) to Finance the Acquisition and Construction of Certain Public Facilities In and For Such Community Facilities District," adopted August 4, 2004.
4. City Resolution No. 04-332, entitled "A Resolution of the City Council of the City of Roseville of Intention to Incur Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities In and For the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities)," adopted August 4, 2004.
5. Proposed Boundary Map, recorded on August 4, 2004 with the Placer County Recorder's Office as Document No. 2004-108605 and in Book 3, at Page 38.
6. City Resolution No. 04-439, entitled "Resolution of Formation of Community Facilities District and to Levy a Special Tax in Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004.
7. City Resolution No. 04-440, entitled "Resolution Deeming It Necessary to Incur Bonded Indebtedness in Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004.
8. City Resolution No. 04-441, entitled "Resolution Calling Special Election in Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004.
9. City Resolution No. 04-442, entitled "Resolution Declaring Election Results of Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004.
10. City Ordinance No. 4128, entitled "Ordinance of the City Council of the City of Roseville Levying a Special Tax Within Westpark Community Facilities District

- No. 1 (Public Facilities),” introduced on September 15, 2004, and adopted October 6, 2004.
11. Notice of Special Tax Lien, recorded in the Placer County Recorder’s Office on October 22, 2004 as Document No. 20040140667, and Amended Notice of Special Tax Lien, recorded in Placer County on August 9, 2013 as Document No. 2013007969800.
 12. Certificate of the City dated August 6, 2013.
 13. Certificate of Special Tax Administrator dated August 5, 2015 relating to Amendment #1 to Rate and Method of Apportionment of Special Tax for the District.
 14. Consent of City and Property Owner dated August 5, 2013.
 15. City Resolution No. 15-323, entitled “Resolution Authorizing the Issuance of Special Tax Refunding Bonds for and on Behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities), Approving and Directing the Execution of a Fiscal Agent Agreement, Approving the Form of Preliminary Official Statement, Approving Sale of Such Bonds, and Approving Other Related Documents and Actions,” adopted July 15, 2015.
 16. Preliminary Official Statement, dated July 17, 2015.
 17. Bond Purchase Agreement, dated July 30, 2015 (the “Purchase Agreement”), by and between the City and Stifel, Nicolaus & Company, Incorporated (the “Representative”), as representative of itself and of Piper Jaffray & Co. (together with the Representative, the “Underwriter”).
 18. Fiscal Agent Agreement, dated as of August 1, 2015 (the “Fiscal Agent Agreement”), given by the City to The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”).
 19. Irrevocable Refunding Instructions, dated as of August 1, 2015, given by the City to The Bank of New York Mellon Trust Company, N.A., as prior bonds fiscal agent (the “Prior Bonds Fiscal Agent”).
 20. Final Official Statement, dated July 30, 2015.
 21. Continuing Disclosure Agreement, dated as of August 1, 2015, by and between the City and Willdan Financial Services, as dissemination agent.
 22. Certificate of Filing Report of Final Sale with the California Debt and Investment Advisory Commission (“CDIAC”) and Acknowledgment No. 2015-1527 of Receipt of Report of Proposed Debt Issuance from CDIAC, together with Reports.

B. CITY DOCUMENTS

1. Officer’s Certificate of the City, pursuant to Section 3(d)(6) of the Purchase Agreement.

2. Certificate as to Arbitrage.
3. 15c2-12 Certificate of the City, pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934 and Section 1(c) of the Purchase Agreement.
4. Certificate Regarding Use of Proceeds.
5. Requisition No. 1 for Disbursement from the Costs of Issuance Fund, pursuant to Section 3.04(B) of the Fiscal Agent Agreement.
6. Written Request of the City to Fiscal Agent Regarding Investment of Funds, pursuant to Section 6.01 of the Fiscal Agent Agreement, as acknowledged by the Fiscal Agent.
7. Certificate Regarding Sufficiency of Escrow.
8. Certificate of Mailing Information Return for Tax-Exempt Governmental Obligations Form 8038-G to the Internal Revenue Service Center, together with Form 8038-G.
9. Opinion of City Attorney, pursuant to Section 3(d)(7) of the Purchase Agreement.

C. FISCAL AGENT/PRIOR BONDS FISCAL AGENT DOCUMENTS

1. Authentication and Incumbency Certificate of the Fiscal Agent, together with excerpts from the Bylaws.
2. Certificate of Fiscal Agent, pursuant to Section 3(d)(10) of the Purchase Agreement.
3. Fiscal Agent's Receipt of Proceeds and Acknowledgement of Transfer of Funds.
4. Prior Bonds Fiscal Agent's Receipt of Funds.
5. Opinion of Law Offices of Samuel D. Waldman, Counsel to the Fiscal Agent, pursuant to Section 3(d)(10) of the Purchase Agreement.

D. FINANCIAL ADVISOR, UNDERWRITER, APPRAISER AND CONSULTANT DOCUMENTS

1. Certificate of First Southwest Company, LLC, as Municipal Advisor, pursuant to Section 3(d)(15) of the Purchase Agreement.
2. Certificate of Underwriter.
3. Receipt for Bonds.
4. Specimen Bonds.
5. Certificate of Willdan Financial Services, as special tax administrator, pursuant to Section 3(d)(8) of the Purchase Agreement.

6. Certificate of Seevers Jordan Ziegenmeyer, as Appraiser, pursuant to Section 3(d)(14) of the Purchase Agreement.
7. Opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as Counsel to the Underwriter, pursuant to Section 3(d)(5) of the Purchase Agreement.

E. BOND COUNSEL AND DISCLOSURE COUNSEL DOCUMENTS

1. Final Approving Legal Opinion of Jones Hall, A Professional Law Corporation ("Bond Counsel").
2. Reliance Letter to the Underwriter and the Fiscal Agent Regarding Final Approving Legal Opinion of Bond Counsel.
3. Supplemental Opinion of Bond Counsel, pursuant to Section 3(d)(4) of the Purchase Agreement.
4. Defeasance Opinion of Bond Counsel.
5. Letter of Jones Hall, A Professional Law Corporation, as Disclosure Counsel to the City, pursuant to Section 3(d)(13) of the Purchase Agreement.

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

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\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE REGARDING RESOLUTIONS AND ORDINANCE

The undersigned hereby states and certifies that:

(i) I am the duly elected or appointed, qualified and acting City Clerk of the City of Roseville, a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same; and

(ii) I hereby certify that the following Resolutions and Ordinance are true and correct copies, and were duly adopted by the City Council regarding the formation of the Westpark Community Facilities District No. 1 (Public Facilities) of the City and the issuance and sale of the City's \$67,860,000 Special Tax Refunding Bonds, Series 2015, and each of the Resolutions and Ordinance listed below have not been amended, modified or rescinded, and remain in full force and effect:

- (a) City Resolution No. 04-331, entitled "A Resolution of Intention of the City Council of the City of Roseville to Form a Community Facilities District and Levy a Special Tax in Westpark Community Facilities District No. 1 (Public Facilities) to Finance the Acquisition and Construction of Certain Public Facilities In and For Such Community Facilities District," adopted August 4, 2004,
- (b) City Resolution No. 04-332, entitled "A Resolution of the City Council of the City of Roseville of Intention to Incur Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities In and For the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities)," adopted August 4, 2004,
- (c) City Resolution No. 04-439, entitled "Resolution of Formation of Community Facilities District and to Levy a Special Tax in Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004,
- (d) City Resolution No. 04-440, entitled "Resolution Deeming It Necessary to Incur Bonded Indebtedness in Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004,
- (e) City Resolution No. 04-441, entitled "Resolution Calling Special Election in Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004,

- (f) City Resolution No. 04-442, entitled "Resolution Declaring Election Results of Westpark Community Facilities District No. 1 (Public Facilities)," adopted September 15, 2004,
- (g) City Ordinance No. 4128, entitled "Ordinance of the City Council of the City of Roseville Levying a Special Tax Within Westpark Community Facilities District No. 1 (Public Facilities)," introduced on September 15, 2004, and adopted October 6, 2004, and
- (h) City Resolution No. 15-323, entitled "Resolution Authorizing the Issuance of Special Tax Refunding Bonds for and on Behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities), Approving and Directing the Execution of a Fiscal Agent Agreement, Approving the Form of Preliminary Official Statement, Approving Sale of Such Bonds, and Approving Other Related Documents and Actions," adopted July 15, 2015.

Dated: August 12, 2015

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: 

Sonia Orozco
City Clerk

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04-331

**A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE
TO FORM A COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) TO FINANCE
THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR
SUCH COMMUNITY FACILITIES DISTRICT**

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code, this Council is authorized to establish a community facilities district and to act as the legislative body for such community facilities district; and

WHEREAS, this Council, having received indications of interest on behalf of the owners of the areas of land proposed to be included in a proposed community facilities district, desires to proceed with the establishment of a community facilities district in order to finance costs of public infrastructure necessary or incidental to new development in the City;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE RESOLVES AS FOLLOWS:

1. It is proposed to establish a community facilities district within the City of Roseville under the terms of the Act to finance costs of public infrastructure necessary or incidental to new development in the City, which may include the payment of fees related thereto related to new development.
2. The name proposed for the community facilities district is the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD").
3. The proposed boundaries of the district are shown on the Map of Proposed Boundary of a proposed community facilities district to be known as Westpark Community Facilities District No. 1 (Public Facilities), City of Roseville, Placer County, California, on file with the City Clerk, which this Council approves as the map describing the extent of the territory included in the proposed community facilities district. This Council finds that the map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code. This Council directs the City Clerk to certify the adoption of this resolution on the face of the map, and to file a copy of the map in the office of the City Clerk in accordance with Section 3111 of the California Streets and Highways Code and within 15 days of the date of adoption of this resolution but in no event later than 15 days prior to the public hearing provided for herein, transmit the map to the County Recorder for recording in the Book of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of Placer.
4. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities, and/or the principal and interest as it becomes due on bonds issued by the City for the CFD to construct and/or acquire the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes, or in such other manner as this Council or its designee

shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit A attached hereto and hereby incorporated herein.

This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to *ad valorem* property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

5. The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as Facilities (the "Facilities") on Exhibit B hereto and hereby incorporated herein. The Council hereby finds and determines that the public interest will not be served by allowing the property owners in the CFD to enter into a contract in accordance with Section 53329.5(a) of the Act. Notwithstanding the foregoing, the Council, on behalf of the CFD, may enter into one or more contracts directly with any of the property owners with respect to the construction and/or acquisition of any portion of the Facilities.

6. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California and the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the required debt service payments and other annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax. It is anticipated that the Special Tax will be billed as a separate line item on the regular property tax bill. However, this Council reserves the right, under Section 53340, to utilize any method of collecting the special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing.

7. The levy of the Special Tax shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD. The Council hereby determines that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring within the CFD.

8. It is the intention of this Council, acting as the legislative body for the CFD, to cause bonds of the City to be issued for the CFD pursuant to the Act to finance in whole or in part the construction and/or acquisition of the Facilities. The bonds issued in these proceedings shall be callable in accordance with the provisions of the Act, and shall be issued in such series and bear interest payable semi-annually or in such other manner as this Council shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, shall mature not to exceed 40 years from the date of the issuance thereof and shall be as more specifically set forth in any resolution authorizing the issuance of such bonds.

9. The City Finance Director, as the officer having charge and control of the Facilities in and for the CFD, or the designee of such official, is hereby directed to cause and direct a study

Case 04-331
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of said proposed CFD and the Facilities and to cause to be prepared for filing at the public hearing the report required by Section 53321.5 of the Act (the "CFD Report") presenting at least the following:

(a) A description of the Facilities by type which will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Facilities including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and all other related costs as provided in Section 53345.3 of the Act.

The CFD Report shall be made a part of the record of the public hearing specified below.

10. This Council also intends to establish the annual appropriations limit of the CFD in the amount of \$8,000,000.

11. The Council hereby sets Wednesday, September 15, 2004, at 7:00 p.m., at the City of Roseville City Hall Council Chambers located at 311 Vernon Street, Roseville, California 95678, as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of the Special Tax. At the hearing, testimony concerning the CFD, the extent of the CFD or the furnishing of the particular types of public facilities will be heard and protests will be considered from registered voters residing within the CFD and persons owning real property within the CFD. Written protests by the owners of a majority of the land which would be subject to special taxation within the proposed the CFD will require the suspension of proceedings for at least one year. Written protests must be filed with the City Clerk at or before the time fixed for the hearing. If such protests are directed only against certain elements of the proposed improvements or proposed special tax, and if such protests constitute a majority protest, only those elements shall be deleted from the proceedings.

12. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least 7 days before the date of the public hearing referenced above. The notice shall be substantially in the form specified in Section 53322 of the Act and attached hereto, with the form summarizing the provisions hereof hereby specifically approved.

13. This Resolution shall take effect from and after its adoption.

* * * * *

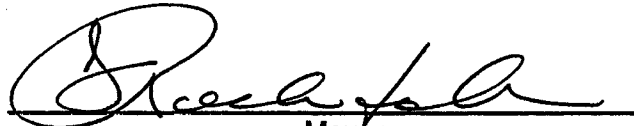
I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 4th day of August, 2004, by the following vote of the City Council:

Res 04-331
123

AYES:
NOES:
ABSENT:
ABSTAIN:

COUNCILMEMBERS
COUNCILMEMBERS
COUNCILMEMBERS
COUNCILMEMBERS

Allard, Roccucci, Gray, Garbolino, Rockholm
None
None
None



Mayor

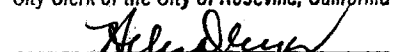
ATTEST:



City Clerk of the City of Roseville

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST: _____
City Clerk of the City of Roseville, California



DEPUTY CLERK

Rose 24-331
pg 4

EXHIBIT A

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Westpark Community Facilities District No. 1 (Public Facilities) [herein "CFD No. 1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Roseville, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Affordable Unit" means a Unit built on a Parcel of Single Family Detached Property or Single Family Attached Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on

the Parcel in favor of the City. The City's ECS Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots parcels remaining prior to May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Sections C and D below.

"Affordable Unit Adjustment" means a reduction in the Assigned Maximum Special Tax for a Large Lot due to the assignment of Affordable Units to the Large Lot. No Affordable Unit Adjustment shall occur on Multi-Family Property, as the Assigned Special Tax for such property has already been adjusted to account for affordable units.

"Annual Tax Escalation Factor" means, in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in an amount equal to two percent (2%) of the Maximum Special Tax in effect in the prior Fiscal Year.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Assigned Maximum Special Tax" means the Maximum Special Tax assigned to each Large Lot at CFD Formation based on the Expected Land Uses, as shown in Attachment 2 of this RMA.

"Base Year" means Fiscal Year 2004-05.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 1.

"Buildable Lot" means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

"CFD Maximum Special Tax Revenue" means the cumulative Maximum Special Tax revenue that can be collected from all property within CFD No. 1 after adjusting for the Expected Affordable Units. The CFD Maximum Special Tax Revenue is shown in Attachment 2 of this RMA and may be reduced due to prepayments in future Fiscal Years.

"City" means the City of Roseville.

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“City Council” means the City Council of the City of Roseville, acting as the legislative body of CFD No. 1.

“County” means the County of Placer.

“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 a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Multi-Family Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Non-Residential Property, all Parcels for which a building permit for new construction of a building was issued prior to May 1 of the preceding Fiscal Year.

“Development Plan” means a condominium plan, apartment plan, site plan or other development plan that identifies such information as the type of structure, acreage, square footage, and/or number of Units that are approved to be developed on Single Family Attached Property, Multi-Family Property and Non-Residential Property. This information may be obtained from the City’s Development Activity Updates, which are published periodically by the City’s Planning Department.

“ECS Director” means the City of Roseville’s Economic and Community Services Director, or his or her designee.

“Expected Affordable Units” means a total of 85 medium density residential Units within CFD No. 1 that are expected to be Affordable Units. Upon recordation of Final Maps within CFD No. 1, the ECS Director will determine which Large Lots will include Affordable Units, and, upon such determination, the Administrator shall reduce the Assigned Maximum Special Tax for the Large Lot pursuant to the steps set forth in Section C.3a, C.3b, or C.3d (as applicable) below. If, in any Fiscal Year, the ECS Director identifies a total number of Affordable Units within CFD No. 1 that exceeds 85 Units, no Affordable Unit adjustment will be applied for the Affordable Units identified after the 85th Affordable Unit has been designated.

“Expected Land Uses” means the total number of single family and multi-family units, and acres of Non-Residential Property expected within each Large Lot at the time of CFD Formation. The Expected Land Uses are identified in Attachment 2 of this Rate and Method.

“Final Map” means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable

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Lots. The term "Final Map" shall not include any Large-Lot Subdivision Map, Small Lot Tentative Map, Assessor's Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor's Parcels that are designated as remainder parcels.

"Finance Director" means the Finance Director for the City of Roseville or his or her designee.

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

"Land Use Class" means, individually, Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, and Undeveloped Property.

"Large Lot" means a specific geographic area within CFD No. 1 that (i) is created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) has an Assigned Maximum Special Tax that will ultimately be allocated to the Buildable Lots within the Large Lot as Final Maps are recorded. The Large Lots expected at CFD Formation are shown in Attachment 1 of this RMA, and the Assigned Maximum Special Tax for each Large Lot within CFD No. 1 is shown in Attachment 2.

"Large-Lot Subdivision Map" means a subdivision map recorded at the County Recorder's Office that subdivides the property in CFD No. 1 into Large Lots.

"Large-Lot Subdivision Map Property" means, in any Fiscal Year, all Parcels which are included within a Large-Lot Subdivision Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Small Lot Tentative Map Property.

"Market-Rate Unit" means a unit that is not an Affordable Unit.

"Maximum Special Tax" means the greatest amount of Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Sections C and D below.

"Multi-Family Property" means, in any Fiscal Year, all Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

"Non-Residential Property" means, in any Fiscal Year, all Parcels of Developed Property within CFD No. 1 which are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Taxable Public Property.

"Original Parcel" means an Assessor's Parcel in CFD No. 1 at the time of CFD Formation, as identified in Attachment 1. A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C.

"Public Property" means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, County, City, or other public agency.

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“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single Family Attached Property” means, in any Fiscal Year, all Buildable Lots in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale 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 Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a Unit that does not share a common wall with another Unit.

“Small Lot Tentative Map” means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Buildable Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Property” means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Developed Property.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement, as defined below.

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to pay Administrative Expenses, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Special Tax proceeds. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 1 from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

“Successor Parcel” means an Assessor’s Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section G below.

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“Taxable Public Property” means, in any Fiscal Year, all Parcels of Public Property within CFD No. 1 that, based on a tentative map or other Development Plan, were expected to be Taxable Property and, based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 1 that are not yet Developed Property, Small Lot Tentative Map Property, or Large-Lot Subdivison Map Property.

“Unit” means (i) for Single Family Detached Property, an individual single-family detached unit, and (ii) for Single Family Attached Property, an individual residential unit within a duplex, triplex, fourplex, townhome, or condominium structure.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Taxable Property within CFD No. 1. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, or Undeveloped Property, (ii) for Parcels of Single Family Attached Property, the number of Units on each Parcel, (iii) for Non-Residential Property, the Acreage of each Parcel, (iv) for Buildable Lots within the Large Lots designated as W-1 and W-2 in Attachment 1, the square footage of each Buildable Lot, and (v) the Special Tax Requirement. For Single Family Attached Property, the number of Units shall be determined by referencing the Development Plan for the property.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Land Use Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Land Use Class, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

If, in any Fiscal Year, it is determined that, based on building permits that have been issued, for-sale residential Units will be built within a structure constructed on a Parcel of Non-Residential Property, the Administrator shall determine whether (i) Units that have been or will be built on the Parcel will be offered for sale to individual home buyers, and (ii) a separate Assessor’s Parcel number will be assigned to the airspace parcel associated with each Unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax to the airspace Parcel for each residential unit. The Maximum Special Tax for the Base Year for such Units is \$500, which amount shall be increased each Fiscal Year thereafter by the Annual Tax Escalation Factor. The Administrator shall also tax commercial land uses on the Parcel using the Maximum Special Tax for the commercial uses within that Large Lot as shown in Attachment 2.

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The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the ECS Director is to determine the number of Affordable Units included within the Final Map. As set forth in Sections C.3a, C.3b and C.3d below, once the ECS Director has designated the number of Affordable Units on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the market-rate Units created by recordation of that Final Map. This reduction shall not be applied if the Administrator determines that the Expected Affordable Units have already been designated on other Parcels, and the designation of additional Affordable Units would reduce the CFD Maximum Special Tax Revenues. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the ECS Director to confirm which Parcels and Large Lots qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. CALCULATING THE MAXIMUM SPECIAL TAX

The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. Prior to Recordation of a Large-Lot Subdivision Map

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Original Parcels within the CFD shall be as follows:

Fiscal Year 2004-05 Assessor's Parcel Number	Fiscal Year 2004-05 Maximum Special Tax *
017-0150-037	\$2,898,900
017-0150-003	\$681,600
017-0100-043	\$1,021,250
017-0100-044	\$325,500
* Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

2. After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map

The Maximum Special Tax assigned to each Large Lot expected at CFD Formation is identified in Attachment 2 of this RMA. If, upon recordation of the Large-Lot Subdivision Map for property

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within the CFD, it is determined that the actual boundaries of the Large Lots are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Large Lot shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Large Lot has changed, the Assigned Maximum Special Tax for each Large Lot in Attachment 2 may, in the City's sole discretion, also be changed as long as the CFD Maximum Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large-Lot Subdivision Map, after which time the Assigned Maximum Special Tax for each Large Lot shall be fixed for all future Fiscal Years, except as otherwise provided in Section D below. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and Attachments 1 and 2. Prior to approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

Unless an adjustment is made pursuant to the prior paragraph, the Maximum Special Tax for property within a Large Lot shall be the Assigned Maximum Special Tax identified in Attachment 2 of this RMA. If there are multiple Assessor's Parcels within a Large Lot prior to recordation of a Final Map within the Large Lot, the Assigned Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property to determine the Maximum Special Tax for each Parcel. Upon recordation of the Large-Lot Subdivision Map, the actual boundary of each Large Lot may change slightly from that shown in Attachment 1; such change shall have no impact on the Assigned Maximum Special Tax for each Large Lot unless an adjustment is also made to the Assigned Maximum Special Tax as permitted in the paragraph above.

3. *After Recordation of a Final Map*

a. Final Map Creating Buildable Lots of Single Family Detached Property Throughout Entire Large Lot

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Detached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Buildable Lots created by the subdivision:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2a: For Large Lots W-1 and W-2 (as identified in Attachment 1)

Determine how many Buildable Lots are greater than 5,000 square feet and multiply the number of such lots by an equivalent dwelling unit (EDU) factor of 1.3 to calculate the total EDUs associated with the lots.

Determine how many Buildable Lots are less than or equal to 5,000

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square feet and add this total number of lots to the EDUs calculated above to determine the total EDUs for all Buildable Lots within the Final Map.

Divide the Assigned Maximum Special Tax by the total EDUs calculated above to determine the Maximum Special Tax per EDU, which will also be the Maximum Special Tax for all Buildable Lots that are less than or equal to 5,000 square feet. Multiply the Maximum Special Tax per EDU by 1.3 to calculate the Maximum Special Tax for each Buildable Lot greater than 5,000 square feet.

Step 2b: For Large Lots Other Than W-1 and W-2

Divide the Assigned Maximum Special Tax from Step 1 by the number of Buildable Lots created by the Final Map to determine the Maximum Special Tax for each Buildable Lot.

Step 3: Determine if Affordable Units have been designated within the Large Lot by the ECS Director. If *yes*, each Parcel on which an Affordable Unit has been designated by the ECS Director shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2a or 2b, and all other Buildable Lots will be assigned the amount from Step 2a or 2b as the Maximum Special Tax for the Fiscal Year. If *no*, all Buildable Lots in the Final Map shall be assigned the Maximum Special Tax determined in Step 2a or 2b.

b. Final Map Creating Buildable Lots of Single Family Attached Property Throughout Entire Large Lot

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Units that are expected to be built based on reference to the Development Plan for the Single Family Attached Property:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2: Divide the Assigned Maximum Special Tax from Step 1 by the number of Units expected to be built on the property within the Final Map to determine the Maximum Special Tax for each Unit.

Step 3: Determine if any of the Units have been designated as Affordable Units by the ECS Director. If *yes*, each Parcel on which an Affordable Unit has been designated shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Units will be assigned

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the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Units created within the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

c. **Final Map Creating No Buildable Lots of Single Family Detached Property or Single Family Attached Property**

If none of the Successor Parcels created by recordation of a Final Map are Buildable Lots of Single Family Detached Property or Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

- Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.
- Step 2: Determine the total Acreage of Taxable Property created by subdivision of the Large Lot.
- Step 3: Divide the Assigned Maximum Special Tax from Step 1 by the Acreage from Step 2 to calculate Maximum Special Tax per acre.
- Step 4: Multiply the per-acre Maximum Special Tax from Step 3 by the Acreage in each Successor Parcel to calculate the Maximum Special Tax for each Successor Parcel.

d. **Final Map Creating Buildable Lots in a Portion of the Large Lot**

If a Final Map records creating Buildable Lots within only a portion of a Large Lot, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

- Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.
- Step 2: Determine the number of Buildable Lots created within the Final Map area.
- Step 3: Multiply the Buildable Lots from Step 2 by the "Base Tax Rate per Unit" shown in Attachment 2 for the Large Lot that has been subdivided by the Final Map to determine the Maximum Special Tax associated with the Buildable Lots created by the Final Map. The Base Tax Rate per Unit shall be used as the Maximum Special Tax for all Buildable Lots included in the Final Map, except Affordable Units (as designated by the ECS Director) which shall be set at one-half of the rate of Market Units within the Final Map.

- Step 4:** Subtract the Maximum Special Tax associated with the Buildable Lots as determined in Step 3 from the Assigned Maximum Special Tax for the Large Lot that was identified in Step 1.
- Step 5:** Subtract the Acreage of Taxable Property included within the Final Map from the total Acreage of Taxable Property in all Successor Parcels within the Large Lot that resulted after recordation of the Final Map to determine the Acreage of Taxable Property that is not included within the Final Map.
- Step 6:** Divide the remainder determined in Step 4 by the remainder determined in Step 5 to calculate the per-acre Maximum Special Tax that will apply to Taxable Property not included within the Final Map.
- Step 7:** Multiply the per-acre Maximum Special Tax from Step 6 by the Acreage in each Successor Parcel not included within the Final Map to calculate the Maximum Special Tax for each such Successor Parcel.

If, after subdivision of a Large Lot, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.3c, or C.3d, as appropriate.

After each reallocation of the Maximum Special Tax upon subdivision or reconfiguration of a Large Lot, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Assigned Maximum Special Tax for that Large Lot as shown in Attachment 2. Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Large Lot.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. *Annual Escalation of Special Tax*

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Assigned Maximum Special Tax for each Large Lot shown in Attachment 2, and the Maximum Special Tax assigned to each Parcel of Taxable Property within the CFD, shall be adjusted by the Annual Special Tax Escalation Factor.

2. *Affordable Units that Become Market-Rate Units*

If, in any Fiscal Year, the ECS Director determines that a Unit that had previously been designated as an Affordable Unit no longer qualifies as such, the ECS Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an

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Affordable Unit. In subsequent Fiscal Years, this increased Maximum Special Tax shall continue to escalate two percent (2%) per year.

3. *Transfer of the Assigned Maximum Special Tax from One Large Lot to Another*

The Assigned Maximum Special Taxes in Attachment 2 were determined based on the Expected Land Uses for each Large Lot. If the number of planned residential units or non-residential acreage is transferred from one Large Lot to another prior to recordation of a Final Map within any portion of the Large Lot, the City may, in its sole discretion, allow for a transfer of the Assigned Special Tax from one Large Lot to the other. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (ii) there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to Attachment Nos. 1 or 2 of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the District records and prepare the required amendments to the Notice of Special Tax Lien and Attachment Nos. 1 and 2. Prior to the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

- Step 1:** Determine the Maximum Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or non-residential acreage by the "Base Tax Rate" identified for the units or acreage in Attachment 2 (escalated to the then-current Fiscal Year).
- Step 2:** Subtract the amount determined in Step 1 from the Assigned Maximum Special Tax for the Large Lot from which the units or acreage will be transferred to determine the new Assigned Maximum Special Tax for the Large Lot.
- Step 3:** Add the amount determined in Step 1 to the Assigned Maximum Special Tax for the Large Lot to which the units or acreage is being transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

4. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.

E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy the Special Tax on all Parcels of Taxable Property as follows:

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- Step 1:** The Special Tax shall be levied proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 2:** If additional revenue is needed after Step 1, the Special Tax shall be levied proportionately on each Assessor's Parcel of Small Lot Tentative Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied proportionately on each Assessor's Parcel of Large-Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 4:** If additional revenue is needed after Step 3, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 1 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 5:** If additional revenue is needed after Step 4, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 2 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 6:** If additional revenue is needed after Step 5, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 3 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 7:** If additional revenue is needed after Step 6, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 4 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 8:** If additional revenue is needed after Step 7, the Special Tax shall be levied proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

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F. COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring authorized facilities from Special Tax proceeds have been paid, and all administrative expenses have been reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2050-51. Under no circumstances may the Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Public Property, except Taxable Public Property, as defined herein. In addition, no Special Tax shall be levied on Parcels that are not Public Property but are (i) designated as permanent open space or common space on which no structure is permitted to be built, (ii) owned by a public utility for use as an unmanned facility, or (iii) subject to an easement that precludes any other use on the Parcel. Notwithstanding the foregoing, if a Maximum Special Tax was assigned to a Parcel, and the entire Parcel ends up subject to one of the exemptions set forth above, the Parcel shall remain subject to the Special Tax levy until a prepayment is received that releases such Parcel from the Special Tax obligation.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

“Public Facilities Requirements” means either \$60,000,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if

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any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City to be an appropriate estimate of the net construction proceeds that will be generated from all Bonds that have been or are expected to be issued on behalf of CFD No. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

“Remaining Facilities Costs” means the Public Facilities Requirements (as defined above), minus public facility costs funded by Previously Issued Bonds (as defined above), developer equity, and/or any other source of funding.

1. *Full Prepayment*

The Special Tax obligation applicable to an Assessor’s Parcel in the CFD may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount	
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Determine the Maximum Special Tax that could be collected from the Assessor’s Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.

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- Step 2.** Divide the Maximum Special Tax from Step 1 by the CFD Maximum Special Tax Revenues for the Fiscal Year in which prepayment would be received by the City.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.
- Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (*the "Defeasance Requirement"*).
- Step 10.** Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (*the "Administrative Fees and Expenses"*).
- Step 11.** If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (*the "Reserve Fund Credit"*).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (*the "Prepayment Amount"*).

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2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

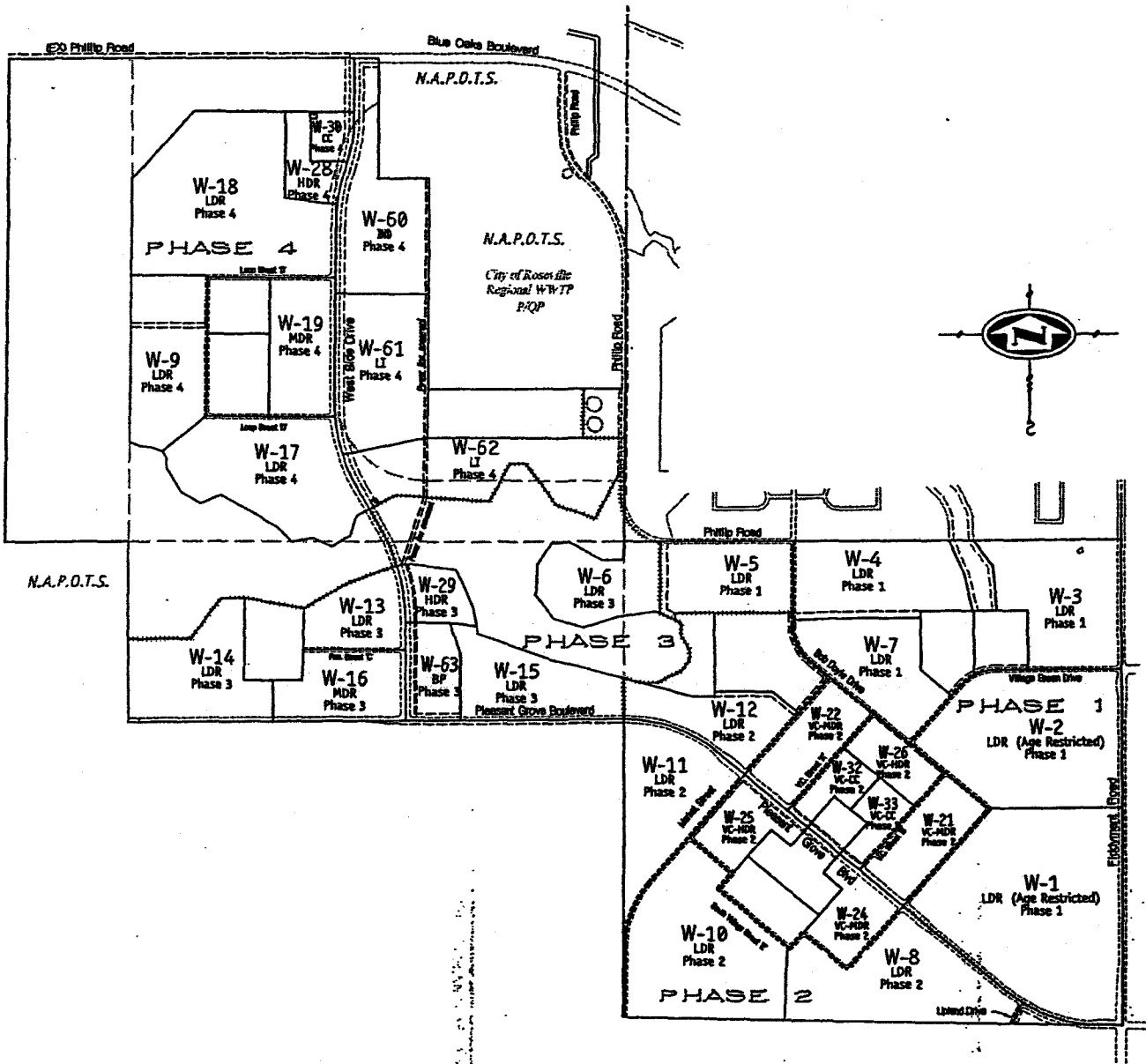
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ATTACHMENT 1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS



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ATTACHMENT 2

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot [1]	Land Use [2]	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE I					
W-1	LDR (Active Adult)	Lots > 5,000 sqft	220 units	\$1,200	\$264,000
W-2	LDR (Active Adult)	Lots <= 5,000 sqft	178 units	\$900	\$160,200
		Lots > 5,000 sqft	139 units	\$1,200	\$166,800
		Lots <= 5,000 sqft	166 units	\$900	\$149,400
W-3	LDR	38.1	199 units	\$1,300	\$258,700
W-4	LDR	31.4	147 units	\$1,300	\$191,100
W-5	LDR	23.0	86 units	\$1,300	\$111,800
W-7	LDR	27.9	113 units	\$1,300	\$146,900
PHASE II					
W-8	LDR	42.3	180 units	\$1,300	\$234,000
W-10	LDR	54.1	261 units	\$1,300	\$339,300
W-11	LDR	32.3	148 units	\$1,300	\$192,400
W-12	LDR	18.9	61 units	\$1,300	\$79,300
W-21	VC-MDR	16.8	144 units	\$1,000	\$144,000
W-22	VC-MDR	16.8	144 units	\$1,000	\$144,000
W-24	VC-MDR	12.5	95 units	\$1,000	\$95,000
W-25	VC-HDR	12.4	96 units	\$500	\$84,000
	VC-HDR (affordable)		144 units	\$250	(combined)
W-26	VC-HDR	10.0	132 units	\$500	\$66,000
W-32	VC-CC	7.2	N/A	\$5,000	\$36,000
W-33	VC-CC	7.2	N/A	\$5,000	\$36,000

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Large Lot [1]	Land Use [2]	Expected Acreage	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE III					
W-6	LDR	22.8	77 units	\$1,300	\$100,100
W-13	LDR	17.0	60 units	\$1,300	\$78,000
W-14	LDR	31.7	115 units	\$1,300	\$149,500
W-15	LDR	27.6	80 units	\$1,300	\$104,000
W-16	MDR	20.6	160 units	\$1,000	\$160,000
W-29	HDR	8.0	150 units	\$250	\$37,500
W-63	(affordable) BP	10.5	N/A	\$5,000	\$52,500
PHASE IV					
W-9	LDR	31.9	95 units	\$1,300	\$123,500
W-17	LDR	46.0	210 units	\$1,300	\$273,000
W-18	LDR	71.2	280 units	\$1,300	\$364,000
W-19	MDR	21.9	165 units	\$1,000	\$165,000
W-28	HDR	9.0	128 units	\$500	\$75,750
	(affordable) HDR		47 units	\$250	(combined)
W-30	CC	4.0	N/A	\$5,000	\$20,000
W-60	IND	34.3	N/A	\$3,000	\$102,900
W-61	LI	35.9	N/A	\$3,000	\$107,700
W-62	LI	38.3	N/A	\$3,000	\$114,900
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,927,250
Adjustment for Expected Affordable Units (85 Expected MDR Units)					<u>(\$42,500)</u>
CFD Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,884,750

- See Attachment 1 for the geographic area associated with each Large Lot.
- LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
VC-MDR = Village Center Medium Density Residential
VC-HDR = Village Center High Density Residential
VC-CC = Village Center Community Commercial
BP = Business Park
CC = Community Commercial
IND = Industrial
LI = Light Industrial
- Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

Source of Data: Morton & Pitalo, April 28, 2004

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EXHIBIT B

**Westpark
Community Facilities District (CFD) No. 1
City of Roseville, California**

LIST OF AUTHORIZED FACILITIES

The Mello-Roos Community Facilities Act of 1982 authorizes the creation of a Community Facilities District (CFD) to finance the construction of community infrastructure. The following backbone facilities and improvements, described in the WRSP Public Facilities Financing Plan (Financing Plan) and designed to serve the Westpark project area located in the West Roseville Specific Plan (Specific Plan), are eligible for funding through this CFD.

TRANSPORTATION IMPROVEMENTS

Authorized facilities include the following transportation-related improvements, as shown on Attachment 1:

- Fiddymment Road;
- Del Webb Boulevard;
- Pleasant Grove Boulevard;
- Village Green Drive;
- Bob Doyle Drive;
- Phillip Road;
- Upland Drive;
- West Side Drive;
- Market Street;
- Loop Street D;
- Residential Street C;
- Village Center Streets, as indicated in the Specific Plan;
- 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,

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gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control system; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation as shown in Figure 12-15 of the Specific Plan; bus shelters; 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 Specific Plan. These facilities include, but are not limited to, potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities.

Eligible improvements also include the Recycled Water Storage Tank Facility. Facility improvements include, but are not limited to, these: site clearing, grading and paving; curbs and gutters; recycled water storage tanks, booster pump stations and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

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 in 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; 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 development in 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; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

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Eligible improvements also include access improvements to the Pleasant Grove Wastewater Treatment Plant.

SOLID WASTE IMPROVEMENTS

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in 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 AND PASEO IMPROVEMENTS

Authorized facilities include any and all improvements to parks and paseos located in the Specific Plan.

OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all open space improvements designed to meet the needs of development in the Specific Plan, including, but not limited to: 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 Specific Plan. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

In addition to the above facilities, 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,

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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, cost associated with the creation of the CFD, issuance of bonds; determination of the amount of taxes, collection of taxes; payment of taxes; or costs otherwise incurred in order 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.

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EXHIBIT C

NOTICE OF PUBLIC HEARING ON PROPOSED
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
CITY OF ROSEVILLE, PLACER COUNTY CALIFORNIA

The City of Roseville is considering the formation of a community facilities district (the "CFD") under the authority of the Mello-Roos Community Facilities District Act of 1982, as amended, to fund certain public facilities related to new development within the City of Roseville.

This Notice contains a brief summary of the proposal, but you are referred to the City Council's Resolution of Intention (No. 04-331, adopted August 4, 2004) for details of the proposal.

The proposal is to subject the property within the CFD to a special tax which will be used to pay for facilities of benefit to land within the CFD and incidental costs thereto. A map showing the land proposed to be included in the CFD is on file with the City Clerk.

In order to confer the authority upon the Roseville City Council to levy the special tax, a public hearing must be held on the proposal, then the City Council will decide whether to form the CFD and the qualified electors within the CFD must approve the proposal to levy a special tax by a two-thirds vote. Where the CFD is uninhabited (as is the case here) the qualified electors are, pursuant to law, the owners of property within the CFD.

This is the notice of the public hearing. The public hearing will be held during the City Council meeting on Wednesday, September 15, 2004 at 7:00 p.m., in the Roseville City Hall Council Chambers located at 311 Vernon Street, Roseville, California 95678.

At the hearing, the testimony of all interested persons or potential special taxpayers for or against the formation of the proposed community facilities district and the authorization to levy the special tax will be heard. If written protests against the proposed CFD are delivered to the City Clerk at or before the time set for the hearing by the owners of property within the proposed CFD, they will be counted toward a possible majority protest. Such protests by a majority of the registered voters residing within the CFD or by the owners of a majority of the land area within CFD which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceedings for at least one year.

If the Council, after the public hearing, determines that a majority protest under Section 53324 of the Government Code was not made at the hearing, the Council may proceed to conduct an election by mailed ballot to levy a special tax.

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Questions should be directed to the undersigned, telephone (916) 774-5263.

Dated: August 4, 2004

/s/ Sonia Orozco

Sonia Orozco, City Clerk
City of Roseville

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CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04-332

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE OF INTENTION TO INCUR BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR THE CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

WHEREAS, The Council has this date adopted its Resolution of Intention to Form a Community Facilities District, stating its intention to form the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), for the purpose of financing certain public improvements (the "Facilities") and services, as further provided in that Resolution; and

WHEREAS, This Council estimates the amount required for the financing of the costs of the Facilities to be the sum of not to exceed \$80,000,000; and

WHEREAS, In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness in the amount of not to exceed \$80,000,000 on behalf of the CFD; and

NOW, THEREFORE, the City Council of the City of Roseville resolves:

1. The Council declares and finds that in order to finance the acquisition and construction of public facilities described in this Council's Resolution captioned " A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT" it is necessary to incur a bonded indebtedness.

2. The purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay for the cost of said Facilities.

3. The maximum amount of the proposed debt is \$80,000,000.

4. It is the intention of this Council that any such bonds issued shall be made callable in accordance with the terms of the Mello-Roos Community Facilities Act of 1982 and as more specifically to be set forth in any resolution authorizing issuance of the bonds, and shall be issued in such series and bear interest payable semi-annually or in such other manner as this Council shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, and shall mature not to exceed 40 years from the date of the issuance thereof.

5. The Council hereby sets Wednesday, September 15, 2004, at 7:00 p.m., at the City of Roseville City Hall Council Chambers located at 311 Vernon Street, Roseville, California 95678, as the time and place for a hearing by the Council on the proposed bond issue. At that time and place any persons interested, including any persons owning property in the CFD, will be heard.

6. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation circulated within the CFD. The publication of said notice shall be completed at least seven (7) days before the date herein set for said public hearing. Such notice shall be substantially in the form specified in Section 53346 of the Act (which may also incorporate the form specified in Section 53322 of the Act), with the form summarizing the provisions hereof hereby specifically approved.

7. This Resolution shall take effect from and after its adoption.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 4th day of August, 2004 by the following vote of the City Council:

AYES:	COUNCILMEMBERS	Allard, Roccucci, Gray, Garbolino, Rockholm
NOES:	COUNCILMEMBERS	None
ABSENT:	COUNCILMEMBERS	None
ABSTAIN:	COUNCILMEMBERS	None



Mayor

ATTEST:

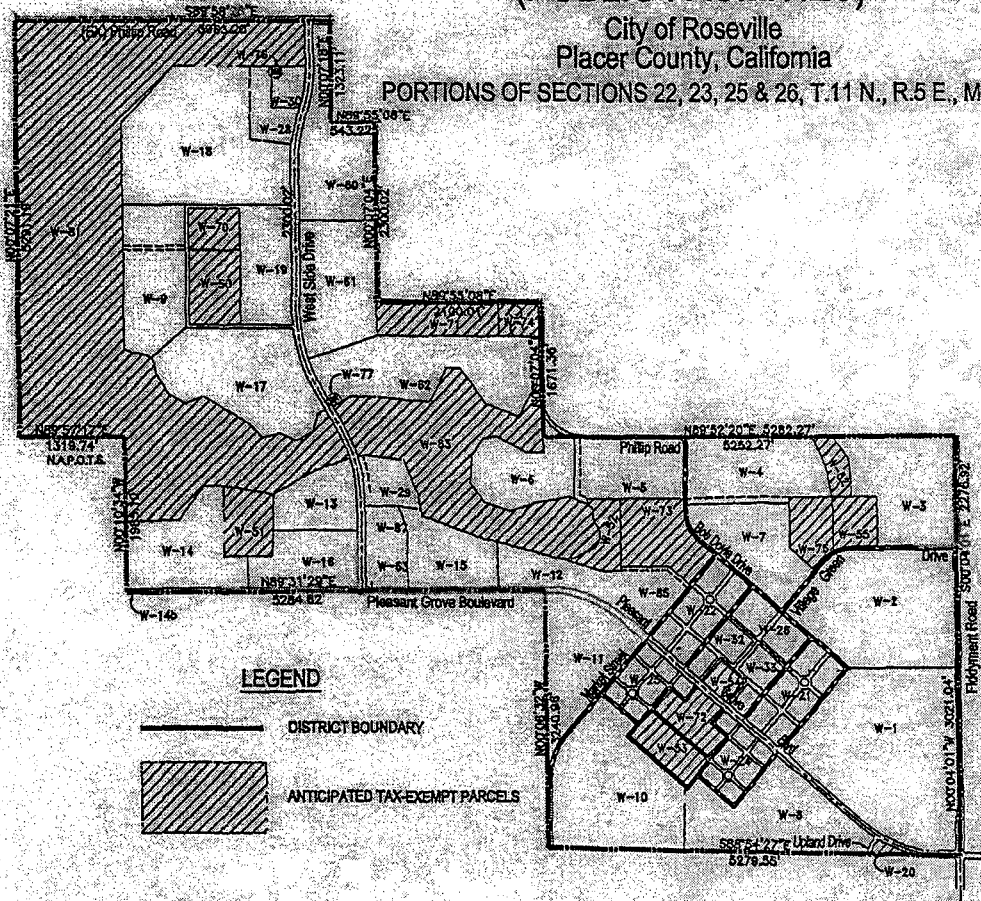


City Clerk of the City of Roseville

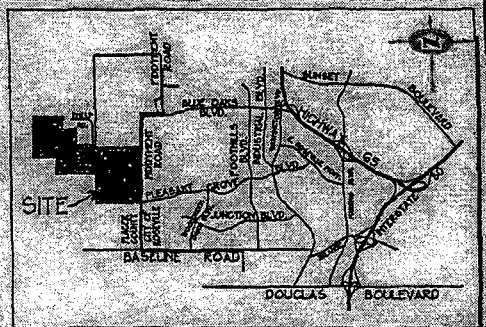
Res 04-332
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PROPOSED BOUNDARY MAP
 CITY OF ROSEVILLE
 WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
 (PUBLIC FACILITIES)

City of Roseville
 Placer County, California
 PORTIONS OF SECTIONS 22, 23, 25 & 26, T.11 N., R.5 E., M.D.M.



Scale: 1"=1000'



VICINITY MAP NO SCALE

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF ROSEVILLE, WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE AT A REGULAR MEETING THEREOF HELD ON THE 14 DAY OF August, 2004 BY ITS RESOLUTION NUMBER 04-281

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

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA ON THIS 14 DAY OF August, 2004

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

FILED THIS 13 DAY OF August, 2004 AT THE HOUR OF 3:00 O'CLOCK AM IN BOOK 23 OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 265, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA
 Fee \$20 Instrument # 2004-107605

Jan McCooley
 JAN MCCOOLEY
 COUNTY RECORDER
 COUNTY OF PLACER, CALIFORNIA
 by *Debra J. Deputy*

mp MORTON & PITALO, INC.
 CIVIL ENGINEERING • PLANNING • SURVEYING
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 email: emp@mortonpitalo.com • web: www.mortonpitalo.com

BOOK _____ OF COMMUNITY FACILITIES DISTRICTS, PAGE _____

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04-439

**RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND
TO LEVY A SPECIAL TAX IN
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on August 4, 2004, this Council adopted Resolution No 04-331 "RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT" (the "Resolution of Intention") with respect to Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the Resolution of Intention incorporates a map of the proposed boundaries of the CFD, states the facilities to be provided, the cost of providing such facilities and the rate and method of apportionment of the special tax to be levied within the CFD to pay principal of and interest on bonds proposed to be issued with respect to the CFD, and is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, the facilities to be provided as stated in the Resolution of Intention are set forth in Exhibit B attached hereto and hereby made a part hereof; and

WHEREAS, this Council noticed a public hearing to be held on September 15, 2004, all pursuant to the Act and the Resolution of Intention relating to the proposed formation of the CFD; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

WHEREAS, at the hearing evidence was presented to this Council on said matters before it, including a CFD Report (the "Report") as to the facilities to be provided in the CFD and the costs thereof and incidental expenses related thereto, a copy of which is on file with the City Clerk, and this Council at the conclusion of said hearing is fully advised in the premises; and

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of facilities and the rate and method of apportionment of the special taxes have not been filed with the City Clerk by fifty percent or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special tax; and

WHEREAS, the special tax proposed to be levied in the CFD to pay for the proposed facilities to be provided therein has not been eliminated by protest by fifty percent or more of the

registered voters residing within the territory of the CFD or the owners of one-half or more of the area of land within the CFD and not exempt from the special tax;

NOW THEREFORE, the City Council of the City of Roseville (the "City") resolves:

Section 1. Recitals Correct. The foregoing recitals are true and correct.

Section 2. No Majority Protest. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

Section 3. Name of CFD. The community facilities district designated "Westpark Community Facilities District No. 1 (Public Facilities)" of the City is hereby established pursuant to the Act.

Section 4. Boundaries of CFD. The boundaries of the CFD, are as set forth in the map of the CFD heretofore recorded in the Placer County Recorder's Office on August 18, 2004, in Book 3 at Page 38 of Maps of Assessment and Community Facilities Districts.

Section 5. Description of Facilities. The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities (the "Facilities") in Exhibit B hereto and by this reference incorporated herein.

Section 6. Special Tax.

a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this Council.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit A attached hereto and by this reference incorporated herein.

c. In the case of any Special Tax to pay for the Facilities and to be levied against any parcel used for private residential purposes: (i) the maximum special tax shall be specified as a dollar amount which shall be calculated and thereby established not later than the date on which the parcel is first subject to the tax because of its use for private residential purposes and which amount shall not be increased over time over two percent per year; (ii) the tax year after which no further Special Tax subject to this sentence shall be levied or collected shall be as set forth in Exhibit A hereto; and (iii) under no circumstances will the Special Tax levied against any parcel subject to this sentence be increased as a consequence of delinquency or default by the owner of any other parcel within the CFD by more than ten percent. For the purposes hereof, a parcel is used for "private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

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Section 7. Increased Demands. It is hereby found and determined that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD.

Section 8. Responsible Official. The office of the Director of Finance of the City of Roseville, 311 Vernon Street, Roseville, California 95678 (916-774-5319) is designated as the office responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number, estimating future special tax levies and for establishing procedures to promptly respond to inquiries regarding estimates of future special tax levies. The City may contract with private consultants to provide this service in lieu of the Director of Finance.

Section 9. Tax Lien. The Special Tax will be collected and enforced as a separate line item on the regular property tax bill. However, this City Council reserves the right, under Section 53340, to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing. In particular, the City may bill the 2004-05 Special Taxes directly, and not post those taxes to the regular, secured property tax roll. The procedure for collection in any case when the City chooses to collect the Special Tax through direct billing shall be as follows:

After levy by the City Council, whether pursuant to authorizing ordinance or annual resolution, the City Director of Finance shall prepare and send to the property owners by first class U.S. Mail, at their addresses as shown on the last equalized assessment roll, a tax bill, which shall specify the amount due, give instructions for payment to the City Director of Finance, state (as is hereby authorized and provided) that the first installment of the Special Tax (50% of the annual Special Tax shall be payable in each installment) shall be delinquent if not received by the City Director of Finance by the close of business on the next succeeding December 10, and the second installment shall be delinquent if not paid by the City Director of Finance by the close of business on the next succeeding April 10, shall specify (as is hereby authorized and provided) that all delinquencies shall incur an immediate 10% penalty, and an additional 1 1/2% penalty on the first day of each month beginning with the next succeeding September 1, and shall specify (as is hereby authorized and provided) that delinquencies are subject to judicial foreclosure under the procedure set forth in §53356.1 and following of the Government Code.

The City Council, as an alternative enforcement mechanism, may by resolution elect to place delinquent Special Taxes on the next secured property tax roll. In such event, attorneys' fees and costs to date in any foreclosure action, and penalties on the delinquency through the following December 1, may be included in the amount to be placed on the roll. Both remedies may be pursued simultaneously, but if the property owner pays the regular property tax bill for the subsequent year, including the delinquent Special Tax posted to that bill, the foreclosure action may thereafter be pursued solely for attorneys' fees and costs incurred subsequent to the posting of the delinquent Special Tax on the secured roll.

Section 10. Appropriations Limit. In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$80,000,000 and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by

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the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

Section 11. Election. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council. The qualified electors for the election to be held in these proceedings shall be the landowners owning land within the District. The City Council will conduct the election by mailed ballot and hereby designates the City Clerk as the official to conduct the mailed-ballot election.

Section 12. Advances of Funds. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within the District, may be reimbursed from bond proceeds or from special tax revenue or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.

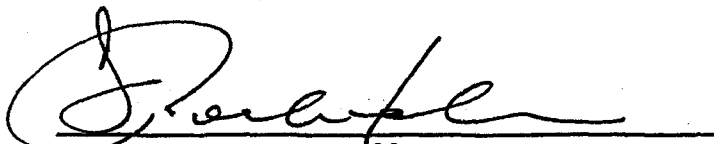
Section 13. Callable Bonds. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution providing for the form, execution and issuance of bonds.

Section 14. Prior Proceedings Valid. This City Council now finds and determines that all proceedings up to and including the adoption of this Resolution were and are valid and in conformity with the requirements of the Act. This determination and finding is final and conclusive in accordance with Government Code Section 53325.1.

* * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 15th day of September, 2004, by the following vote of the City Council:

AYES:	COUNCILMEMBERS	Allard, Roccucci, Gray, Garbolino, Rockholm
NOES:	COUNCILMEMBERS	None
ABSENT:	COUNCILMEMBERS	None
ABSTAIN:	COUNCILMEMBERS	None



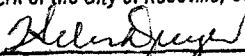
Mayor

ATTEST:



City Clerk of the City of Roseville

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST: _____
City Clerk of the City of Roseville, California


DEPUTY CLERK

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EXHIBIT A

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Westpark Community Facilities District No. 1 (Public Facilities) [herein "CFD No. 1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Roseville, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"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.

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"Affordable Unit" means a Unit built on a Parcel of Single Family Detached Property or Single Family Attached Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on the Parcel in favor of the City. The City's Affordable Housing Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots parcels remaining prior to May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Sections C and D below.

"Affordable Unit Adjustment" means a reduction in the Assigned Maximum Special Tax for a Large Lot due to the assignment of Affordable Units to the Large Lot. No Affordable Unit Adjustment shall occur on Multi-Family Property, as the Assigned Special Tax for such property has already been adjusted to account for affordable units.

"Annual Tax Escalation Factor" means, in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in an amount equal to two percent (2%) of the Maximum Special Tax in effect in the prior Fiscal Year.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Assigned Maximum Special Tax" means the Maximum Special Tax assigned to each Large Lot at CFD Formation based on the Expected Land Uses, as shown in Attachment 2 of this RMA.

"Base Year" means Fiscal Year 2004-05.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 1.

"Buildable Lot" means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

"CFD Formation" means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

"CFD Maximum Special Tax Revenue" means the cumulative Maximum Special Tax revenue that can be collected from all property within CFD No. 1 after adjusting for the Expected Affordable

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Units. The CFD Maximum Special Tax Revenue is shown in Attachment 2 of this RMA and may be reduced due to prepayments in future Fiscal Years.

“City” means the City of Roseville.

“City Council” means the City Council of the City of Roseville, acting as the legislative body of CFD No. 1.

“County” means the County of Placer.

“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 a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Multi-Family Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Non-Residential Property, all Parcels for which a building permit for new construction of a building was issued prior to May 1 of the preceding Fiscal Year.

“Development Plan” means a condominium plan, apartment plan, site plan or other development plan that identifies such information as the type of structure, acreage, square footage, and/or number of Units that are approved to be developed on Single Family Attached Property, Multi-Family Property and Non-Residential Property. This information may be obtained from the City’s Development Activity Updates, which are published periodically by the City’s Planning Department.

“Expected Affordable Units” means a total of 85 medium density residential Units within CFD No. 1 that are expected to be Affordable Units. Upon recordation of Final Maps within CFD No. 1, the Affordable Housing Director will determine which Large Lots will include Affordable Units, and, upon such determination, the Administrator shall reduce the Assigned Maximum Special Tax for the Large Lot pursuant to the steps set forth in Section C.3a, C.3b, or C.3d (as applicable) below. If, in any Fiscal Year, the Affordable Housing Director identifies a total number of Affordable Units within CFD No. 1 that exceeds 85 Units, no Affordable Unit adjustment will be applied for the Affordable Units identified after the 85th Affordable Unit has been designated.

“Expected Land Uses” means the total number of single family and multi-family units, and acres of Non-Residential Property expected within each Large Lot at the time of CFD Formation. The Expected Land Uses are identified in Attachment 2 of this Rate and Method.

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“Final Map” means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable Lots. The term “Final Map” shall not include any Large-Lot Subdivision Map, Small Lot Tentative Map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Finance Director” means the Finance Director for the City of Roseville or his or her designee.

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

“Land Use Class” means, individually, Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, and Undeveloped Property.

“Large Lot” means a specific geographic area within CFD No. 1 that (i) is created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) has an Assigned Maximum Special Tax that will ultimately be allocated to the Buildable Lots within the Large Lot as Final Maps are recorded. The Large Lots expected at CFD Formation are shown in Attachment 1 of this RMA, and the Assigned Maximum Special Tax for each Large Lot within CFD No. 1 is shown in Attachment 2.

“Large-Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides the property in CFD No. 1 into Large Lots.

“Large-Lot Subdivision Map Property” means, in any Fiscal Year, all Parcels which are included within a Large-Lot Subdivision Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Small Lot Tentative Map Property.

“Market-Rate Unit” means a unit that is not an Affordable Unit.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C and D below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

“Non-Residential Property” means, in any Fiscal Year, all Parcels of Developed Property within CFD No. 1 which are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Taxable Public Property.

“Original Parcel” means an Assessor’s Parcel in CFD No. 1 at the time of CFD Formation, as identified in Attachment 1. A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C.

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“Public Property” means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, County, City, or other public agency.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single Family Attached Property” means, in any Fiscal Year, all Buildable Lots in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale 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 Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a Unit that does not share a common wall with another Unit.

“Small Lot Tentative Map” means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Buildable Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Property” means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Developed Property.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement, as defined below.

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to pay Administrative Expenses, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Special Tax proceeds. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 1 from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

“Successor Parcel” means an Assessor’s Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel.

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“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means, in any Fiscal Year, all Parcels of Public Property within CFD No. 1 that, based on a tentative map or other Development Plan, were expected to be Taxable Property and, based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 1 that are not yet Developed Property, Small Lot Tentative Map Property, or Large-Lot Subdivision Map Property.

“Unit” means (i) for Single Family Detached Property, an individual single-family detached unit, and (ii) for Single Family Attached Property, an individual residential unit within a duplex, triplex, fourplex, townhome, or condominium structure.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Taxable Property within CFD No. 1. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, or Undeveloped Property, (ii) for Parcels of Single Family Attached Property, the number of Units on each Parcel, (iii) for Non-Residential Property, the Acreage of each Parcel, (iv) for Buildable Lots within the Large Lots designated as W-1 and W-2 in Attachment 1, the square footage of each Buildable Lot, and (v) the Special Tax Requirement. For Single Family Attached Property, the number of Units shall be determined by referencing the Development Plan for the property.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Land Use Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Land Use Class, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

If, in any Fiscal Year, it is determined that, based on building permits that have been issued, for-sale residential Units will be built within a structure constructed on a Parcel of Non-Residential Property, the Administrator shall determine whether (i) Units that have been or will be built on the Parcel will be offered for sale to individual home buyers, and (ii) a separate Assessor’s Parcel number will be assigned to the airspace parcel associated with each Unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax

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to the airspace Parcel for each residential unit. The Maximum Special Tax for the Base Year for such Units is \$500, which amount shall be increased each Fiscal Year thereafter by the Annual Tax Escalation Factor. The Administrator shall also tax commercial land uses on the Parcel using the Maximum Special Tax for the commercial uses within that Large Lot as shown in Attachment 2. The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the Affordable Housing Director is to determine the number of Affordable Units included within the Final Map. As set forth in Sections C.3a, C.3b and C.3d below, once the Affordable Housing Director has designated the number of Affordable Units on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the market-rate Units created by recordation of that Final Map. This reduction shall not be applied if the Administrator determines that the Expected Affordable Units have already been designated on other Parcels, and the designation of additional Affordable Units would reduce the CFD Maximum Special Tax Revenues. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the Affordable Housing Director to confirm which Parcels and Large Lots qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. CALCULATING THE MAXIMUM SPECIAL TAX

The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. Prior to Recordation of a Large-Lot Subdivision Map

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Original Parcels within the CFD shall be as follows:

Fiscal Year 2004-05 Assessor's Parcel Number	Fiscal Year 2004-05 Maximum Special Tax *
017-0150-037	\$2,899,194
017-0150-003	\$681,669
017-0100-043	\$1,021,354
017-0100-044	\$325,533
* <i>Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.</i>	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

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2. *After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map*

The Maximum Special Tax assigned to each Large Lot expected at CFD Formation is identified in Attachment 2 of this RMA. If, upon recordation of the Large-Lot Subdivision Map for property within the CFD, it is determined that the actual boundaries of the Large Lots are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Large Lot shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Large Lot has changed, the Assigned Maximum Special Tax for each Large Lot in Attachment 2 may, in the City's sole discretion, also be changed as long as the CFD Maximum Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large-Lot Subdivision Map, after which time the Assigned Maximum Special Tax for each Large Lot shall be fixed for all future Fiscal Years, except as otherwise provided in Section D below. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and Attachments 1 and 2. Prior to approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

Unless an adjustment is made pursuant to the prior paragraph, the Maximum Special Tax for property within a Large Lot shall be the Assigned Maximum Special Tax identified in Attachment 2 of this RMA. If there are multiple Assessor's Parcels within a Large Lot prior to recordation of a Final Map within the Large Lot, the Assigned Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property to determine the Maximum Special Tax for each Parcel. Upon recordation of the Large-Lot Subdivision Map, the actual boundary of each Large Lot may change slightly from that shown in Attachment 1; such change shall have no impact on the Assigned Maximum Special Tax for each Large Lot unless an adjustment is also made to the Assigned Maximum Special Tax as permitted in the paragraph above.

3. *After Recordation of a Final Map*

a. **Final Map Creating Buildable Lots of Single Family Detached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Detached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Buildable Lots created by the subdivision:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

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Step 2a: For Large Lots W-1 and W-2 (as identified in Attachment 1)

Determine how many Buildable Lots are greater than 5,000 square feet and multiply the number of such lots by an equivalent dwelling unit (EDU) factor of 1.3 to calculate the total EDUs associated with the lots. Determine how many Buildable Lots are less than or equal to 5,000 square feet and add this total number of lots to the EDUs calculated above to determine the total EDUs for all Buildable Lots within the Final Map.

Divide the Assigned Maximum Special Tax by the total EDUs calculated above to determine the Maximum Special Tax per EDU, which will also be the Maximum Special Tax for all Buildable Lots that are less than or equal to 5,000 square feet. Multiply the Maximum Special Tax per EDU by 1.3 to calculate the Maximum Special Tax for each Buildable Lot greater than 5,000 square feet.

Step 2b: For Large Lots Other Than W-1 and W-2

Divide the Assigned Maximum Special Tax from Step 1 by the number of Buildable Lots created by the Final Map to determine the Maximum Special Tax for each Buildable Lot.

Step 3: Determine if Affordable Units have been designated within the Large Lot by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated by the Affordable Housing Director shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2a or 2b, and all other Buildable Lots will be assigned the amount from Step 2a or 2b as the Maximum Special Tax for the Fiscal Year. If *no*, all Buildable Lots in the Final Map shall be assigned the Maximum Special Tax determined in Step 2a or 2b.

b. Final Map Creating Buildable Lots of Single Family Attached Property Throughout Entire Large Lot

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Units that are expected to be built based on reference to the Development Plan for the Single Family Attached Property:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

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Step 2: Divide the Assigned Maximum Special Tax from Step 1 by the number of Units expected to be built on the property within the Final Map to determine the Maximum Special Tax for each Unit.

Step 3: Determine if any of the Units have been designated as Affordable Units by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Units will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Units created within the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

c. Final Map Creating No Buildable Lots of Single Family Detached Property or Single Family Attached Property

If none of the Successor Parcels created by recordation of a Final Map are Buildable Lots of Single Family Detached Property or Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the total Acreage of Taxable Property created by subdivision of the Large Lot.

Step 3: Divide the Assigned Maximum Special Tax from Step 1 by the Acreage from Step 2 to calculate Maximum Special Tax per acre.

Step 4: Multiply the per-acre Maximum Special Tax from Step 3 by the Acreage in each Successor Parcel to calculate the Maximum Special Tax for each Successor Parcel.

d. Final Map Creating Buildable Lots in a Portion of the Large Lot

If a Final Map records creating Buildable Lots within only a portion of a Large Lot, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the number of Buildable Lots created within the Final Map area.

Step 3: Multiply the Buildable Lots from Step 2 by the "Base Tax Rate per Unit" shown in Attachment 2 for the Large Lot that has been subdivided

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by the Final Map to determine the Maximum Special Tax associated with the Buildable Lots created by the Final Map. The Base Tax Rate per Unit shall be used as the Maximum Special Tax for all Buildable Lots included in the Final Map, except Affordable Units (as designated by the Affordable Housing Director) which shall be set at one-half of the rate of Market Units within the Final Map.

- Step 4:** Subtract the Maximum Special Tax associated with the Buildable Lots as determined in Step 3 from the Assigned Maximum Special Tax for the Large Lot that was identified in Step 1.
- Step 5:** Subtract the Acreage of Taxable Property included within the Final Map from the total Acreage of Taxable Property in all Successor Parcels within the Large Lot that resulted after recordation of the Final Map to determine the Acreage of Taxable Property that is not included within the Final Map.
- Step 6:** Divide the remainder determined in Step 4 by the remainder determined in Step 5 to calculate the per-acre Maximum Special Tax that will apply to Taxable Property not included within the Final Map.
- Step 7:** Multiply the per-acre Maximum Special Tax from Step 6 by the Acreage in each Successor Parcel not included within the Final Map to calculate the Maximum Special Tax for each such Successor Parcel.

If, after subdivision of a Large Lot, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.3c, or C.3d, as appropriate.

After each reallocation of the Maximum Special Tax upon subdivision or reconfiguration of a Large Lot, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Assigned Maximum Special Tax for that Large Lot as shown in Attachment 2. Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Large Lot.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. *Annual Escalation of Special Tax*

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Assigned Maximum Special Tax for each Large Lot shown in Attachment 2, and the Maximum Special Tax assigned to each Parcel of Taxable Property within the CFD, shall be adjusted by the Annual Special Tax Escalation Factor.

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2. *Affordable Units that Become Market-Rate Units*

If, in any Fiscal Year, the Affordable Housing Director determines that a Unit that had previously been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Special Tax shall continue to escalate two percent (2%) per year.

3. *Transfer of the Assigned Maximum Special Tax from One Large Lot to Another*

The Assigned Maximum Special Taxes in Attachment 2 were determined based on the Expected Land Uses for each Large Lot. If the number of planned residential units or non-residential acreage is transferred from one Large Lot to another prior to recordation of a Final Map within any portion of the Large Lot, the City may, in its sole discretion, allow for a transfer of the Assigned Special Tax from one Large Lot to the other. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (ii) there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to Attachment Nos. 1 or 2 of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the District records and prepare the required amendments to the Notice of Special Tax Lien and Attachment Nos. 1 and 2. Prior to the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

- Step 1: Determine the Maximum Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or non-residential acreage by the "Base Tax Rate" identified for the units or acreage in Attachment 2 (escalated to the then-current Fiscal Year).
- Step 2: Subtract the amount determined in Step 1 from the Assigned Maximum Special Tax for the Large Lot from which the units or acreage will be transferred to determine the new Assigned Maximum Special Tax for the Large Lot.
- Step 3: Add the amount determined in Step 1 to the Assigned Maximum Special Tax for the Large Lot to which the units or acreage is being transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

4. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.

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E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy the Special Tax on all Parcels of Taxable Property as follows:

- Step 1:** The Special Tax shall be levied proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 2:** If additional revenue is needed after Step 1, the Special Tax shall be levied proportionately on each Assessor's Parcel of Small Lot Tentative Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 3:** If additional revenue is needed after Step 2, the Special Tax shall be levied proportionately on each Assessor's Parcel of Large-Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 4:** If additional revenue is needed after Step 3, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 1 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 5:** If additional revenue is needed after Step 4, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 2 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 6:** If additional revenue is needed after Step 5, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 3 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 7:** If additional revenue is needed after Step 6, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 4 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

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Step 8: If additional revenue is needed after Step 7, the Special Tax shall be levied proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

F. COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring authorized facilities from Special Tax proceeds have been paid, and all administrative expenses have been reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2050-51. Under no circumstances may the Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Public Property, except Taxable Public Property, as defined herein. In addition, no Special Tax shall be levied on Parcels that are not Public Property but are (i) designated as permanent open space or common space on which no structure is permitted to be built, (ii) owned by a public utility for use as an unmanned facility, or (iii) subject to an easement that precludes any other use on the Parcel. Notwithstanding the foregoing, if a Maximum Special Tax was assigned to a Parcel, and the entire Parcel ends up subject to one of the exemptions set forth above, the Parcel shall remain subject to the Special Tax levy until a prepayment is received that releases such Parcel from the Special Tax obligation.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Outstanding Bonds" means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

“Public Facilities Requirements” means either \$60,000,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City to be an appropriate estimate of the net construction proceeds that will be generated from all Bonds that have been or are expected to be issued on behalf of CFD No. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

“Remaining Facilities Costs” means the Public Facilities Requirements (as defined above), minus public facility costs funded by Previously Issued Bonds (as defined above), developer equity, and/or any other source of funding.

1. *Full Prepayment*

The Special Tax obligation applicable to an Assessor’s Parcel in the CFD may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

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- Step 1. Determine the Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2. Divide the Maximum Special Tax from Step 1 by the CFD Maximum Special Tax Revenues for the Fiscal Year in which prepayment would be received by the City.
- Step 3. Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4. Compute the current Remaining Facilities Costs (if any).
- Step 5. Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).
- Step 6. Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.
- Step 8. Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9. Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (*the "Defeasance Requirement"*).
- Step 10. Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (*the "Administrative Fees and Expenses"*).
- Step 11. If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding

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Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*").

Step 12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the "*Prepayment Amount*").

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

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ATTACHMENT 1

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

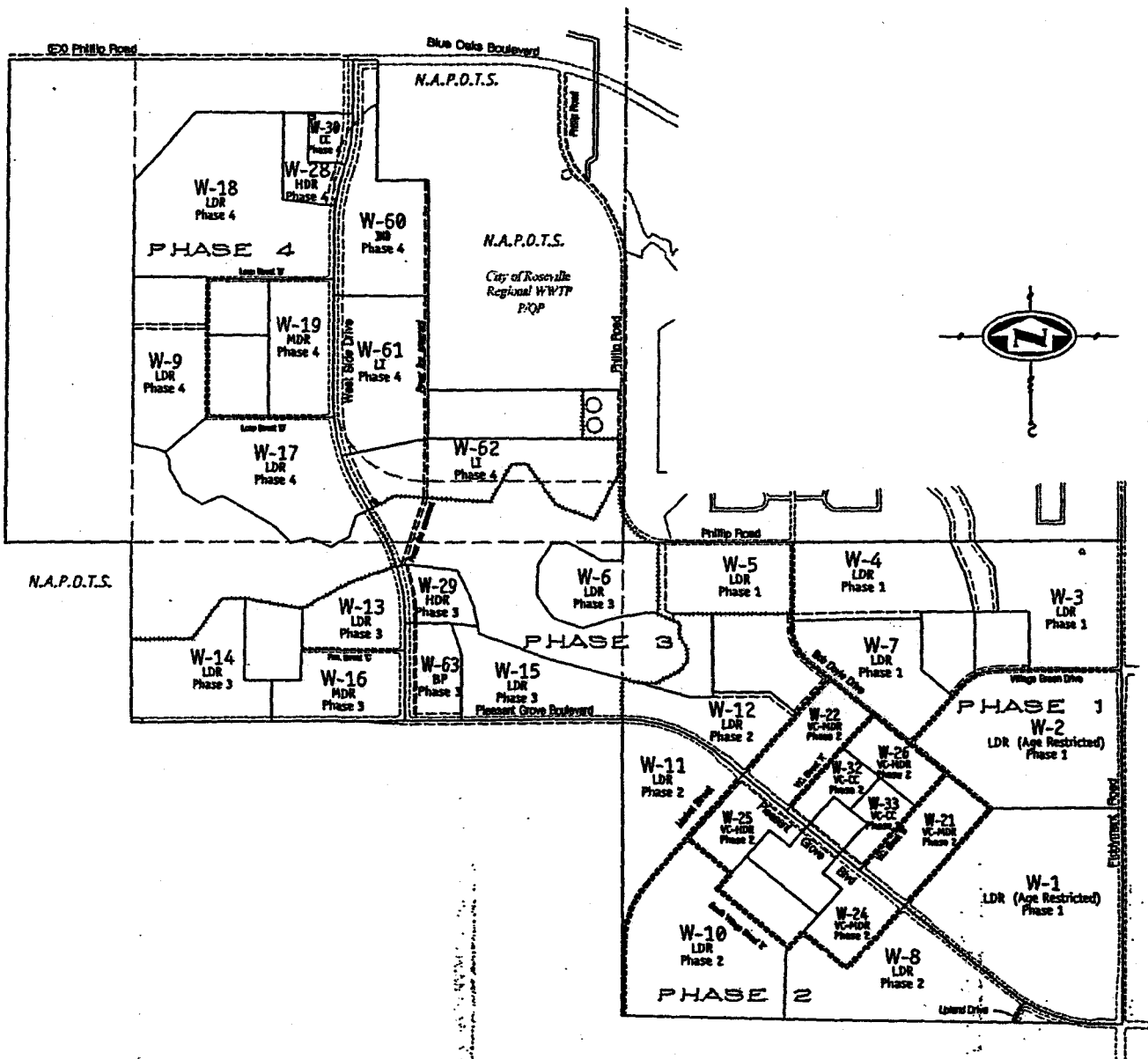
IDENTIFICATION OF LARGE LOTS

*Per 04-43
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ATTACHMENT 1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS



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ATTACHMENT 2

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot [1]	Land Use [2]	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE I					
W-1	LDR (Active Adult)	Lots > 5,000 sqft	225 units	\$1,200	\$270,000
W-2	LDR (Active Adult)	Lots <= 5,000 sqft	173 units	\$900	\$155,700
		Lots > 5,000 sqft	137 units	\$1,200	\$164,400
W-3	LDR	Lots <= 5,000 sqft 38.1	169 units 198 units	\$900 \$1,300	\$152,100 \$257,400
W-4	LDR	31.4	147 units	\$1,300	\$191,100
W-5	LDR	23.0	88 units	\$1,300	\$114,400
W-7	LDR	27.9	111 units	\$1,300	\$144,300
PHASE II					
W-8	LDR	42.3	180 units	\$1,300	\$234,000
W-10	LDR	54.1	261 units	\$1,300	\$339,300
W-11	LDR	32.3	148 units	\$1,300	\$192,400
W-12	LDR	18.9	61 units	\$1,300	\$79,300
W-21	VC-MDR	16.8	144 units	\$1,000	\$144,000
W-22	VC-MDR	16.8	144 units	\$1,000	\$144,000
W-24	VC-MDR	12.5	95 units	\$1,000	\$95,000
W-25	VC-HDR	12.4	96 units	\$500	\$84,000
	VC-HDR (affordable)		144 units	\$250	(combined)
W-26	VC-HDR	10.0	132 units	\$500	\$66,000
W-32	VC-CC	7.2	N/A	\$5,000	\$36,000
W-33	VC-CC	7.2	N/A	\$5,000	\$36,000

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Large Lot [1]	Land Use [2]	Expected Acreage	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE III					
W-6	LDR	22.8	77 units	\$1,300	\$100,100
W-13	LDR	17.0	60 units	\$1,300	\$78,000
W-14	LDR	31.7	115 units	\$1,300	\$149,500
W-15	LDR	27.6	80 units	\$1,300	\$104,000
W-16	MDR	20.6	160 units	\$1,000	\$160,000
W-29	HDR	8.0	150 units	\$250	\$37,500
W-63	(affordable) BP	10.5	N/A	\$5,000	\$52,500
PHASE IV					
W-9	LDR	31.9	95 units	\$1,300	\$123,500
W-17	LDR	46.0	210 units	\$1,300	\$273,000
W-18	LDR	71.2	280 units	\$1,300	\$364,000
W-19	MDR	21.9	165 units	\$1,000	\$165,000
W-28	HDR	9.0	128 units	\$500	\$75,750
	HDR (affordable)		47 units	\$250	(combined)
W-30	CC	4.0	N/A	\$5,000	\$20,000
W-60	IND	34.3	N/A	\$3,000	\$102,900
W-61	LI	35.9	N/A	\$3,000	\$107,700
W-62	LI	38.3	N/A	\$3,000	\$114,900
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,927,750
Adjustment for Expected Affordable Units (85 Expected MDR Units)					<u>(\$42,500)</u>
CFD Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,885,250

- See Attachment 1 for the geographic area associated with each Large Lot.
- LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
VC-MDR = Village Center Medium Density Residential
VC-HDR = Village Center High Density Residential
VC-CC = Village Center Community Commercial
BP = Business Park
CC = Community Commercial
IND = Industrial
LI = Light Industrial
- Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

Source of Data: Morton & Pitalo, July 14, 2004

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EXHIBIT B

Westpark
Community Facilities District (CFD) No. 1
City of Roseville, California

LIST OF AUTHORIZED FACILITIES

The Mello-Roos Community Facilities Act of 1982 authorizes the creation of a Community Facilities District (CFD) to finance the construction of community infrastructure. The following backbone facilities and improvements, described in the WRSP Public Facilities Financing Plan (Financing Plan) and designed to serve the Westpark project area located in the West Roseville Specific Plan (Specific Plan), are eligible for funding through this CFD.

TRANSPORTATION IMPROVEMENTS

Authorized facilities include the following transportation-related improvements, as shown on Attachment 1:

- Fiddymment Road;
- Del Webb Boulevard;
- Pleasant Grove Boulevard;
- Village Green Drive;
- Bob Doyle Drive;
- Phillip Road;
- Upland Drive;
- West Side Drive;
- Market Street;
- Loop Street D;
- Residential Street C;
- Village Center Streets, as indicated in the Specific Plan;
- 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,

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gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control system; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation as shown in Figure 12-15 of the Specific Plan; bus shelters; 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 Specific Plan. These facilities include, but are not limited to, potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities.

Eligible improvements also include the Recycled Water Storage Tank Facility. Facility improvements include, but are not limited to, these: site clearing, grading and paving; curbs and gutters; recycled water storage tanks, booster pump stations and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

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 in 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; 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 development in 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; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

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Eligible improvements also include access improvements to the Pleasant Grove Wastewater Treatment Plant.

SOLID WASTE IMPROVEMENTS

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in 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 AND PASEO IMPROVEMENTS

Authorized facilities include any and all improvements to parks and paseos located in the Specific Plan.

OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all open space improvements designed to meet the needs of development in the Specific Plan, including, but not limited to: 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 Specific Plan. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

In addition to the above facilities, 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,

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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, cost associated with the creation of the CFD, issuance of bonds; determination of the amount of taxes, collection of taxes; payment of taxes; or costs otherwise incurred in order 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.

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CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04-440

**RESOLUTION DEEMING IT
NECESSARY TO INCUR BONDED INDEBTEDNESS IN
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC
FACILITIES)**

WHEREAS, on August 4, 2004, this Council adopted Resolution No 04-331 "RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF ROSEVILLE TO FORM COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT" (the "Resolution of Intention") with respect to Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this Council has also adopted Resolution No. 04-440 "RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention; and

WHEREAS, this Council has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD, the provision of certain defined facilities (the "Facilities") by the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on the proposed bonded indebtedness in the CFD and the administrative costs of the City relative to the CFD; and

WHEREAS, subsequent to the public hearing, this Council adopted on September 15, 2004 Resolution No. 04-439 "RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)", (the "Resolution of Formation"); and

WHEREAS, this Council has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

WHEREAS, No written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the City Clerk;

The City Council of the City of Roseville (the "City") resolves:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Necessity. This Council deems it necessary to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 within the boundaries of the CFD for the purpose of financing the costs of the Facilities, as provided in the Resolution of Intention and the Resolution of Formation including, but not limited to, the costs of issuing and selling bonds to finance the Facilities and the costs of the City in establishing and administering the CFD.

Section 3. Entire CFD Liable. The whole of the CFD shall pay for the bonded indebtedness through the levy of the special tax. The tax is to be apportioned in accordance with the formula set forth in Exhibit "A" to the Resolution of Formation.

Section 4. Bonds. Bonds in the maximum amount of \$80,000,000 are hereby authorized subject to voter approval. The bonds may be issued in such series and may mature and bear interest at such rate or rates, payable semiannually or in such other manner, all as this Council or its designee shall determine, at the time or times of sale of such bonds; provided, however, that the interest rate or rates shall not exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds and the bonds or any series thereof shall have a maximum term of not to exceed 35 years. It is the intention of this City Council that any bonds issued may be made callable on terms to be specified in any resolution providing for the form, execution and issuance of bonds, in accordance with the terms of the Act. The maximum rate of interest shall be determined by competitive sale or by negotiation at the time of bond sale, but in any case shall not exceed the legal rate as specified, from time to time, by Government Code Section 53531 or any similar controlling provision of law.

Section 5. Election. The proposition of incurring the bonded indebtedness herein authorized shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of this Council. The City Clerk is hereby designated as the official to conduct the special, mailed-ballot election pursuant to the Act. The special CFD election shall be conducted by mailed ballot. In order to be counted, ballots must be returned to, and be physically received by, the City Clerk before the end of the public hearing on formation of the CFD. If all authorized ballots are received by the City Clerk prior to that time, the City Clerk shall, pursuant to Government Code section 53326(d), immediately close the election and declare the results.

* * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 15th day of September, 2004, by the following vote of the City Council:

AYES:	COUNCILMEMBERS	Allard, Roccucci, Gray, Garbolino, Rockholm
NOES:	COUNCILMEMBERS	None
ABSENT:	COUNCILMEMBERS	None
ABSTAIN:	COUNCILMEMBERS	None

Res 04-440



Mayor

ATTEST:



City Clerk of the City of Roseville

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST: _____
City Clerk of the City of Roseville, California



DEPUTY CLERK

REC 04-44C

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04- 441

**RESOLUTION CALLING SPECIAL ELECTION IN
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on September 15, 2004 this Council adopted Resolution No. 04- 439 "RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)", ordering the formation of the City's Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this Council has also adopted Resolution No. 04- 440 "RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of the CFD as required by the provisions of the Act;

NOW, THEREFORE, the City Council of the City of Roseville (the "City") resolves:

Section 1. Issues Submitted. Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below.

Section 2. Qualified Electors. This Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public hearings heretofore conducted and concluded by this Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that, for these proceedings, the qualified electors are the landowners within the CFD and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearings.

Section 3. Conduct of Election. This Council hereby calls a special election to consider the measures described in Section 1 above, which election shall be held on September 15, 2004, and the results thereof canvassed at the meeting of this Council on September 15, 2004. The City Clerk is hereby designated as the official to conduct the election and to receive

all ballots until 7:00 p.m. on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a certified map of the boundaries of the CFD, and a sufficient description to allow the City Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code. This Council hereby finds that paragraphs (a), (b), (c) (1) and (c)(3) of Section 4000 are applicable to this special election.

Section 4. Ballot. As authorized by Section 53353.5 of the Act, the three propositions described in section 1 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit "A" and by this reference incorporated herein and the form of ballot is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit "A," to be delivered to each of the qualified electors of the CFD. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains. Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot shall be enclosed with the ballot, have the return postage prepaid, and contain the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board of the election.

Section 5. Waivers. This Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of the CFD. There is on file with the City Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, this Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. This Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act

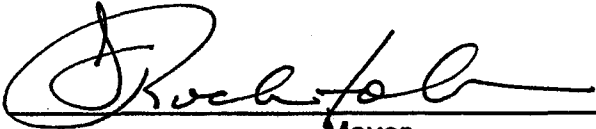
Section 6. Accountability. Under Sections 50075.1 and 53410 of the Government Code, the following accountability measures shall apply to the special taxes and/or any bonds: (a) the construction and/or acquisition of the Facilities and the incidental costs thereof including any bonds, all as defined in the Resolution of Formation shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual report as required by Section 50075.3 or 53411 of the Government Code.

* * * * *

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 15th day of September, 2004, by the following vote of the City Council:

Page 04-441

AYES: COUNCILMEMBERS Allard, Roccucci, Gray, Garbolino, Rockholm
NOES: COUNCILMEMBERS None
ABSENT: COUNCILMEMBERS None
ABSTAIN: COUNCILMEMBERS None



Mayor

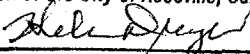
ATTEST:



City Clerk of the City of Roseville

EXHIBIT A - Form of Ballot

*The foregoing instrument is a correct copy
of the original on file in this office.*

ATTEST: _____
City Clerk of the City of Roseville, California


DEPUTY CLERK

Res 14.441

EXHIBIT A

WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA

SPECIAL ELECTION BALLOT
(Mailed-Ballot Election)

Number of Votes: _____

Property Owner: _____

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and the resolutions of the City Council of the City of Roseville, the above-named landowner is entitled to cast the number votes specified above on this ballot. In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before the end of the public hearing on September 15, 2004, to:

Sonia Orozco, City Clerk
City of Roseville
311 Vernon Street
Roseville, CA 95678

Mailing by that date will not be sufficient. The ballot must be physically received by the City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City Council of the City of Roseville be authorized to issue up to \$80,000,000 in bonds, levy a special tax, and finance public facilities by and through its Westpark Community Facilities District No. 1 (Public Facilities), all as specified in its Resolution Nos. 04-____ and 04-____, and shall the appropriations limit for the District for fiscal year 2004-2005 be established at \$80,000,000?

Number of votes
YES

Number of votes
NO

Certification

The undersigned is the authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

signature

print name

print title

*Rev 04-441
pg 4*

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 04-442

**RESOLUTION DECLARING ELECTION RESULTS OF
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)**

WHEREAS, on September 15, 2004 this Council adopted Resolution No. 04-439 "RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT AND TO LEVY A SPECIAL TAX IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution of Formation"), ordering the formation of the City's Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, this Council has also adopted Resolution No. 04-440 "RESOLUTION DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$80,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and stating its intention to incur bonded indebtedness within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention; and

WHEREAS, under the provisions of the Resolution of Formation and the Resolution Determining Necessity, and pursuant to a resolution entitled "Resolution Calling Special Election in Westpark Community Facilities District No. 1 (Public Facilities)" (the "Election Resolution") heretofore adopted by this Council, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness were submitted to the qualified electors of the CFD as required by the provisions of the Act; and

WHEREAS, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has on file a Canvass and Statement of Results of Election (the "Canvass"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Council has reviewed the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD;

NOW, THEREFORE, the City Council of the City of Roseville (the "City") resolves:

Section 1. Recitals. The foregoing recitals are all true and correct.

Section 2. Issues Presented. The issues presented at the special election were the levy of a special tax within the CFD, the incurring of a bonded indebtedness in the maximum aggregate principal amount of \$80,000,000, and the approval of an annual appropriations limit

of not to exceed \$80,000,000 all pursuant to the Resolution of Formation and the Resolution Determining Necessity.

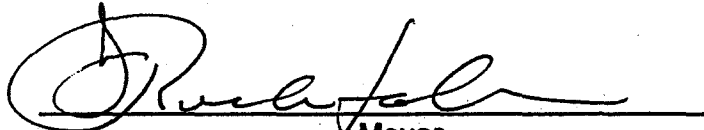
Section 3. Canvass and Issues Approved. The Council hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds of the votes cast at the special election.

Section 4. Proceedings Approved. Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes, to incur the approved bonded indebtedness and to have the established appropriations limit, all as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this Council with respect to the CFD were valid and in conformity with the Act.

Section 5. Notice of Tax Lien. The City Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of Placer a notice of special tax lien in the form required by the Act, such recording to occur no later than 15 days following adoption by the Council of this resolution.

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the 15th day of September, 2004, by the following vote of the City Council:

AYES:	COUNCILMEMBERS	Allard, Roccucci, Gray, Garbolino, Rockholm
NOES:	COUNCILMEMBERS	None
ABSENT:	COUNCILMEMBERS	None
ABSTAIN:	COUNCILMEMBERS	None




Mayor

ATTEST:



City Clerk of the City of Roseville

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST: _____
City Clerk of the City of Roseville, California


DEPUTY CLERK

RAW 04-442
pg 2

EXHIBIT A

CERTIFICATE OF CITY CLERK
CANVASS AND STATEMENT OF RESULTS OF ELECTION

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
PLACER COUNTY, CALIFORNIA

I, Sonia Orozco, City Clerk of the City of Roseville (the "City") hereby certify:

I have personally received and assembled all ballots eligible to be cast in the special mailed-ballot, landowner election called by the City Council in its "RESOLUTION CALLING SPECIAL ELECTION IN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)" adopted September 15, 2004, and in accordance with my instructions contained in that Resolution, I hereby declare the election closed.

I personally, in the presence of the City Council, and members of the public and City staff, counted the ballots and certify the result of that count to be as follows:

TOTAL VOTES THAT COULD BE CAST 1487

TOTAL VOTES CAST "YES" 1487

TOTAL VOTES CAST "NO" 0

TOTAL VOTES CAST 1487

THE VOTES CAST "YES" EQUAL 100 % OF THE TOTAL VOTES CAST.

I make this Certification on September 15, 2004.



Sonia Orozco

City Clerk of the City of Roseville

2004-442
pg 3

CITY COUNCIL OF THE CITY OF ROSEVILLE

ORDINANCE NO. 4128

**ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ROSEVILLE LEVYING A SPECIAL TAX
WITHIN WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

WHEREAS, on August 4, 2004, this Council adopted Resolution No 04-331 "Resolution of Intention of the City Council of the City of Roseville to Form Community Facilities District and Levy a Special Tax in Westpark Community Facilities District No. 1 (Public Facilities) to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District " (the "Resolution of Intention") with respect to Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD") of the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), to finance the acquisition of certain facilities (the "Facilities"); and

WHEREAS, notice was published as required by the Act relative to the intention of the Council to form the CFD and to provide for the Facilities; and

WHEREAS, the Council has held a noticed public hearing as required by the Act relative to the determination to proceed with the formation of the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to finance the costs of the Facilities; and

WHEREAS, at said hearing all persons desiring to be heard on all matters pertaining to the formation of the CFD and the levy of said special taxes were heard, substantial evidence was presented and considered by this Council and a full and fair hearing was held; and

WHEREAS, subsequent to the hearing, this City Council adopted resolutions entitled "Resolution of Formation of Community Facilities District and to Levy a Special Tax in Westpark Community Facilities District No. 1 (Public Facilities)" (the "Resolution of Formation"), "Resolution Deeming it Necessary to Incur Bonded Indebtedness in Westpark Community Facilities District No. 1 (Public Facilities)" (the "Resolution Determining Necessity") and "Resolution Calling Special Election in Westpark Community Facilities District No. 1 (Public Facilities)" which resolutions established the CFD, authorized the levy of a special tax with the CFD, determined the necessity to incur bonded indebtedness in the CFD and called an election within the CFD on the propositions of incurring indebtedness, levying a special tax, and establishing an appropriations limit within the CFD, respectively; and

WHEREAS, on September 15, 2004, a special election was held within the CFD at which the eligible landowner-electors approved such propositions by the two-thirds vote required by the Act;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ROSEVILLE DOES
HEREBY ORDAIN as follows:**

Section 1. By the passage of this Ordinance the Council hereby authorizes and levies special taxes within the CFD pursuant to the Act, at the rate and in accordance with the formula set forth in the Resolution of Formation, which Resolution is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2004-2005 and in each fiscal year thereafter until payment in full of any bonds issued by the City for the CFD (the "Bonds"), all as contemplated by the Resolution of Formation and the Resolution Determining Necessity.

Section 2. The Director of Finance of the City is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within the CFD, in the manner and as provided in the Resolution of Formation.

Section 3. Properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes. In no event shall the special taxes be levied on any parcel within the CFD in excess of the maximum tax specified in the Resolution of Formation.

Section 4. All of the collections of the special tax shall be used as provided for in the Act and in the Resolution of Formation including, but not limited to, the payment of principal and interest on the Bonds, the replenishment of the reserve fund for the Bonds, the payment of the costs of the City in administering the CFD, and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected either by direct billing of the property owner or in the same manner as ordinary *ad valorem* taxes are collected and, in either case, shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes; provided, however, that the Council may provide for other appropriate methods of collection by resolutions of the Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.

Section 6. If for any reason any portion of this ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the CFD, by a court of competent jurisdiction, the balance of this ordinance and the application of the special tax to the remaining parcels within the CFD shall not be affected.

Section 7. Upon final adoption by the City Council, this ordinance shall be published in accordance with applicable provisions of the City Charter, by either:

publishing the entire ordinance once in the *Roseville Press Tribune*, a newspaper of general circulation, published in the City of Roseville, within fourteen (14) days after its passage and adoption, either separately or as part of any published proceedings of the City Council or

posting the entire ordinance in at least three (3) public places in the City.

Section 8. This ordinance shall go into effect third (30) days after the date of its passage and adoption.

Jan 4/28
pg 2

* * * * *


THE FOREGOING ORDINANCE was first read at a regular meeting of the City Council of the City of Roseville on the 15th day of September, 2004 and was passed and adopted at a regular meeting of the City Council of the City of Roseville on the 6th day of October, 2004.

AYES: Councilmembers Allard, Roccucci, Garbolino

NOES: Councilmembers None

ABSTAIN: Councilmembers None

ABSENT: Councilmembers Gray, Rockholm



Mayor

Attest:



City Clerk

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST:

City Clerk of the City of Roseville, California



DEPUTY CLERK

Ord. 438
1/23

**RECORDING REQUESTED BY AND
WHEN RECORDED PLEASE RETURN TO:**

City Clerk Department
City of Roseville
311 Vernon Street, Suite 208
Roseville, CA 95678
Telephone: (916) 774-5263

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF SPECIAL TAX LIEN

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
COUNTY OF PLACER, STATE OF CALIFORNIA

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code and Section 53324 of the Government Code, the undersigned, City Clerk of the City of Roseville, hereby gives notice that a lien to secure payment of a special tax which the City Council of the City of Roseville, County of Placer, State of California is authorized to levy is hereby imposed. The special tax secured by this lien is authorized to be levied for the purpose of: paying for the facilities or services described in **Exhibit A** attached hereto including paying principal and interest on bonds, the proceeds of which are being used to finance those facilities, and the incidental expenses related thereto.

The special tax is authorized to be levied within Westpark Community Facilities District No. 1 (Public Facilities), City of Roseville, County of Placer, State of California, which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law, or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is shown on **Exhibit B** attached hereto. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as set forth in **Exhibit B** attached hereto.

Notice is further given that upon the recording of this notice in the office of the county recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within Westpark Community Facilities District No. 1 (Public Facilities), City of Roseville, in accordance with Section 3115.5 of the Streets and Highways Code.

The name of the owner of the real property included within this community facilities district as it appears on the latest secured assessment roll as of the date of recording of this notice and the assessor's parcel number of such owner's property is set forth on **Exhibit C** hereto.

Reference is made to the Boundary Map of the community facilities district recorded on August 18, 2004 in the Office of the County Recorder of the County of Placer as Document No. 2004- 331 and in Book 3, at Page 38 of the Maps of Assessment and Community Facilities District, which map is now the final boundary map of the community facilities district, and a notice of correction subsequently recorded which corrected the name of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Director of Finance, City of Roseville, 311 Vernon Street, Roseville, CA 95678.

Dated: September 15, 2004

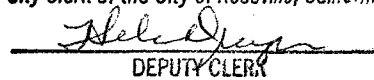


Sonia Orozco,
City Clerk of the City of Roseville

- EXHIBIT A - Rate and Method of Apportionment
- EXHIBIT B - CFD Improvements
- EXHIBIT C - Property Owners and Parcel Numbers

*The foregoing instrument is a correct copy
of the original on file in this office.*

ATTEST: _____
City Clerk of the City of Roseville, California



DEPUTY CLERK

EXHIBIT A

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Westpark Community Facilities District No. 1 (Public Facilities) [herein "CFD No. 1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Roseville, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"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 Unit built on a Parcel of Single Family Detached Property or Single Family Attached Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on the Parcel in favor of the City. The City’s Affordable Housing Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots parcels remaining prior to May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Sections C and D below.

“Affordable Unit Adjustment” means a reduction in the Assigned Maximum Special Tax for a Large Lot due to the assignment of Affordable Units to the Large Lot. No Affordable Unit Adjustment shall occur on Multi-Family Property, as the Assigned Special Tax for such property has already been adjusted to account for affordable units.

“Annual Tax Escalation Factor” means, in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in an amount equal to two percent (2%) of the Maximum Special Tax in effect in the prior Fiscal Year.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel number.

“Assigned Maximum Special Tax” means the Maximum Special Tax assigned to each Large Lot at CFD Formation based on the Expected Land Uses, as shown in Attachment 2 of this RMA.

“Base Year” means Fiscal Year 2004-05.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 1.

“Buildable Lot” means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

“CFD Maximum Special Tax Revenue” means the cumulative Maximum Special Tax revenue that can be collected from all property within CFD No. 1 after adjusting for the Expected Affordable

Units. The CFD Maximum Special Tax Revenue is shown in Attachment 2 of this RMA and may be reduced due to prepayments in future Fiscal Years.

“City” means the City of Roseville.

“City Council” means the City Council of the City of Roseville, acting as the legislative body of CFD No. 1.

“County” means the County of Placer.

“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 a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Multi-Family Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Non-Residential Property, all Parcels for which a building permit for new construction of a building was issued prior to May 1 of the preceding Fiscal Year.

“Development Plan” means a condominium plan, apartment plan, site plan or other development plan that identifies such information as the type of structure, acreage, square footage, and/or number of Units that are approved to be developed on Single Family Attached Property, Multi-Family Property and Non-Residential Property. This information may be obtained from the City’s Development Activity Updates, which are published periodically by the City’s Planning Department.

“Expected Affordable Units” means a total of 85 medium density residential Units within CFD No. 1 that are expected to be Affordable Units. Upon recordation of Final Maps within CFD No. 1, the Affordable Housing Director will determine which Large Lots will include Affordable Units, and, upon such determination, the Administrator shall reduce the Assigned Maximum Special Tax for the Large Lot pursuant to the steps set forth in Section C.3a, C.3b, or C.3d (as applicable) below. If, in any Fiscal Year, the Affordable Housing Director identifies a total number of Affordable Units within CFD No. 1 that exceeds 85 Units, no Affordable Unit adjustment will be applied for the Affordable Units identified after the 85th Affordable Unit has been designated.

“Expected Land Uses” means the total number of single family and multi-family units, and acres of Non-Residential Property expected within each Large Lot at the time of CFD Formation. The Expected Land Uses are identified in Attachment 2 of this Rate and Method.

“Final Map” means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable Lots. The term “Final Map” shall not include any Large-Lot Subdivision Map, Small Lot Tentative Map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Finance Director” means the Finance Director for the City of Roseville or his or her designee.

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

“Land Use Class” means, individually, Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, and Undeveloped Property.

“Large Lot” means a specific geographic area within CFD No. 1 that (i) is created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) has an Assigned Maximum Special Tax that will ultimately be allocated to the Buildable Lots within the Large Lot as Final Maps are recorded. The Large Lots expected at CFD Formation are shown in Attachment 1 of this RMA, and the Assigned Maximum Special Tax for each Large Lot within CFD No. 1 is shown in Attachment 2.

“Large-Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides the property in CFD No. 1 into Large Lots.

“Large-Lot Subdivision Map Property” means, in any Fiscal Year, all Parcels which are included within a Large-Lot Subdivision Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Small Lot Tentative Map Property.

“Market-Rate Unit” means a unit that is not an Affordable Unit.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C and D below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

“Non-Residential Property” means, in any Fiscal Year, all Parcels of Developed Property within CFD No. 1 which are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Taxable Public Property.

“Original Parcel” means an Assessor’s Parcel in CFD No. 1 at the time of CFD Formation, as identified in Attachment 1. A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C.

“Public Property” means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, County, City, or other public agency.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single Family Attached Property” means, in any Fiscal Year, all Buildable Lots in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale 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 Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a Unit that does not share a common wall with another Unit.

“Small Lot Tentative Map” means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Buildable Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Property” means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Developed Property.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement, as defined below.

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to pay Administrative Expenses, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Special Tax proceeds. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 1 from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

“Successor Parcel” means an Assessor’s Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means, in any Fiscal Year, all Parcels of Public Property within CFD No. 1 that, based on a tentative map or other Development Plan, were expected to be Taxable Property and, based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 1 that are not yet Developed Property, Small Lot Tentative Map Property, or Large-Lot Subdivision Map Property.

“Unit” means (i) for Single Family Detached Property, an individual single-family detached unit, and (ii) for Single Family Attached Property, an individual residential unit within a duplex, triplex, fourplex, townhome, or condominium structure.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Taxable Property within CFD No. 1. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, or Undeveloped Property, (ii) for Parcels of Single Family Attached Property, the number of Units on each Parcel, (iii) for Non-Residential Property, the Acreage of each Parcel, (iv) for Buildable Lots within the Large Lots designated as W-1 and W-2 in Attachment 1, the square footage of each Buildable Lot, and (v) the Special Tax Requirement. For Single Family Attached Property, the number of Units shall be determined by referencing the Development Plan for the property.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Land Use Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Land Use Class, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

If, in any Fiscal Year, it is determined that, based on building permits that have been issued, for-sale residential Units will be built within a structure constructed on a Parcel of Non-Residential Property, the Administrator shall determine whether (i) Units that have been or will be built on the Parcel will be offered for sale to individual home buyers, and (ii) a separate Assessor’s Parcel number will be assigned to the airspace parcel associated with each Unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax

to the airspace Parcel for each residential unit. The Maximum Special Tax for the Base Year for such Units is \$500, which amount shall be increased each Fiscal Year thereafter by the Annual Tax Escalation Factor. The Administrator shall also tax commercial land uses on the Parcel using the Maximum Special Tax for the commercial uses within that Large Lot as shown in Attachment 2. The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the Affordable Housing Director is to determine the number of Affordable Units included within the Final Map. As set forth in Sections C.3a, C.3b and C.3d below, once the Affordable Housing Director has designated the number of Affordable Units on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the market-rate Units created by recordation of that Final Map. This reduction shall not be applied if the Administrator determines that the Expected Affordable Units have already been designated on other Parcels, and the designation of additional Affordable Units would reduce the CFD Maximum Special Tax Revenues. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the Affordable Housing Director to confirm which Parcels and Large Lots qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. CALCULATING THE MAXIMUM SPECIAL TAX

The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. Prior to Recordation of a Large-Lot Subdivision Map

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Original Parcels within the CFD shall be as follows:

Fiscal Year 2004-05 Assessor's Parcel Number	Fiscal Year 2004-05 Maximum Special Tax *
017-0150-037	\$2,899,194
017-0150-003	\$681,669
017-0100-043	\$1,021,354
017-0100-044	\$325,533
* <i>Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.</i>	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

2. *After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map*

The Maximum Special Tax assigned to each Large Lot expected at CFD Formation is identified in Attachment 2 of this RMA. If, upon recordation of the Large-Lot Subdivision Map for property within the CFD, it is determined that the actual boundaries of the Large Lots are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Large Lot shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Large Lot has changed, the Assigned Maximum Special Tax for each Large Lot in Attachment 2 may, in the City's sole discretion, also be changed as long as the CFD Maximum Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large-Lot Subdivision Map, after which time the Assigned Maximum Special Tax for each Large Lot shall be fixed for all future Fiscal Years, except as otherwise provided in Section D below. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and Attachments 1 and 2. Prior to approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

Unless an adjustment is made pursuant to the prior paragraph, the Maximum Special Tax for property within a Large Lot shall be the Assigned Maximum Special Tax identified in Attachment 2 of this RMA. If there are multiple Assessor's Parcels within a Large Lot prior to recordation of a Final Map within the Large Lot, the Assigned Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property to determine the Maximum Special Tax for each Parcel. Upon recordation of the Large-Lot Subdivision Map, the actual boundary of each Large Lot may change slightly from that shown in Attachment 1; such change shall have no impact on the Assigned Maximum Special Tax for each Large Lot unless an adjustment is also made to the Assigned Maximum Special Tax as permitted in the paragraph above.

3. *After Recordation of a Final Map*

a. **Final Map Creating Buildable Lots of Single Family Detached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Detached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Buildable Lots created by the subdivision:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2a: For Large Lots W-1 and W-2 (as identified in Attachment 1)

Determine how many Buildable Lots are greater than 5,000 square feet and multiply the number of such lots by an equivalent dwelling unit (EDU) factor of 1.3 to calculate the total EDUs associated with the lots.

Determine how many Buildable Lots are less than or equal to 5,000 square feet and add this total number of lots to the EDUs calculated above to determine the total EDUs for all Buildable Lots within the Final Map.

Divide the Assigned Maximum Special Tax by the total EDUs calculated above to determine the Maximum Special Tax per EDU, which will also be the Maximum Special Tax for all Buildable Lots that are less than or equal to 5,000 square feet. Multiply the Maximum Special Tax per EDU by 1.3 to calculate the Maximum Special Tax for each Buildable Lot greater than 5,000 square feet.

Step 2b: For Large Lots Other Than W-1 and W-2

Divide the Assigned Maximum Special Tax from Step 1 by the number of Buildable Lots created by the Final Map to determine the Maximum Special Tax for each Buildable Lot.

Step 3: Determine if Affordable Units have been designated within the Large Lot by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated by the Affordable Housing Director shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2a or 2b, and all other Buildable Lots will be assigned the amount from Step 2a or 2b as the Maximum Special Tax for the Fiscal Year. If *no*, all Buildable Lots in the Final Map shall be assigned the Maximum Special Tax determined in Step 2a or 2b.

b. Final Map Creating Buildable Lots of Single Family Attached Property Throughout Entire Large Lot

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Units that are expected to be built based on reference to the Development Plan for the Single Family Attached Property:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2: Divide the Assigned Maximum Special Tax from Step 1 by the number of Units expected to be built on the property within the Final Map to determine the Maximum Special Tax for each Unit.

Step 3: Determine if any of the Units have been designated as Affordable Units by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Units will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Units created within the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

c. **Final Map Creating No Buildable Lots of Single Family Detached Property or Single Family Attached Property**

If none of the Successor Parcels created by recordation of a Final Map are Buildable Lots of Single Family Detached Property or Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the total Acreage of Taxable Property created by subdivision of the Large Lot.

Step 3: Divide the Assigned Maximum Special Tax from Step 1 by the Acreage from Step 2 to calculate Maximum Special Tax per acre.

Step 4: Multiply the per-acre Maximum Special Tax from Step 3 by the Acreage in each Successor Parcel to calculate the Maximum Special Tax for each Successor Parcel.

d. **Final Map Creating Buildable Lots in a Portion of the Large Lot**

If a Final Map records creating Buildable Lots within only a portion of a Large Lot, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the number of Buildable Lots created within the Final Map area.

Step 3: Multiply the Buildable Lots from Step 2 by the "Base Tax Rate per Unit" shown in Attachment 2 for the Large Lot that has been subdivided

by the Final Map to determine the Maximum Special Tax associated with the Buildable Lots created by the Final Map. The Base Tax Rate per Unit shall be used as the Maximum Special Tax for all Buildable Lots included in the Final Map, except Affordable Units (as designated by the Affordable Housing Director) which shall be set at one-half of the rate of Market Units within the Final Map.

- Step 4:** Subtract the Maximum Special Tax associated with the Buildable Lots as determined in Step 3 from the Assigned Maximum Special Tax for the Large Lot that was identified in Step 1.
- Step 5:** Subtract the Acreage of Taxable Property included within the Final Map from the total Acreage of Taxable Property in all Successor Parcels within the Large Lot that resulted after recordation of the Final Map to determine the Acreage of Taxable Property that is not included within the Final Map.
- Step 6:** Divide the remainder determined in Step 4 by the remainder determined in Step 5 to calculate the per-acre Maximum Special Tax that will apply to Taxable Property not included within the Final Map.
- Step 7:** Multiply the per-acre Maximum Special Tax from Step 6 by the Acreage in each Successor Parcel not included within the Final Map to calculate the Maximum Special Tax for each such Successor Parcel.

If, after subdivision of a Large Lot, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.3c, or C.3d, as appropriate.

After each reallocation of the Maximum Special Tax upon subdivision or reconfiguration of a Large Lot, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Assigned Maximum Special Tax for that Large Lot as shown in Attachment 2. Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Large Lot.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. Annual Escalation of Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Assigned Maximum Special Tax for each Large Lot shown in Attachment 2, and the Maximum Special Tax assigned to each Parcel of Taxable Property within the CFD, shall be adjusted by the Annual Special Tax Escalation Factor.

2. *Affordable Units that Become Market-Rate Units*

If, in any Fiscal Year, the Affordable Housing Director determines that a Unit that had previously been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Special Tax shall continue to escalate two percent (2%) per year.

3. *Transfer of the Assigned Maximum Special Tax from One Large Lot to Another*

The Assigned Maximum Special Taxes in Attachment 2 were determined based on the Expected Land Uses for each Large Lot. If the number of planned residential units or non-residential acreage is transferred from one Large Lot to another prior to recordation of a Final Map within any portion of the Large Lot, the City may, in its sole discretion, allow for a transfer of the Assigned Special Tax from one Large Lot to the other. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (ii) there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to Attachment Nos. 1 or 2 of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the District records and prepare the required amendments to the Notice of Special Tax Lien and Attachment Nos. 1 and 2. Prior to the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

- Step 1:** Determine the Maximum Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or non-residential acreage by the "Base Tax Rate" identified for the units or acreage in Attachment 2 (escalated to the then-current Fiscal Year).
- Step 2:** Subtract the amount determined in Step 1 from the Assigned Maximum Special Tax for the Large Lot from which the units or acreage will be transferred to determine the new Assigned Maximum Special Tax for the Large Lot.
- Step 3:** Add the amount determined in Step 1 to the Assigned Maximum Special Tax for the Large Lot to which the units or acreage is being transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

4. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.

E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy the Special Tax on all Parcels of Taxable Property as follows:

- Step 1:* The Special Tax shall be levied proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
 - Step 2:* If additional revenue is needed after Step 1, the Special Tax shall be levied proportionately on each Assessor's Parcel of Small Lot Tentative Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
 - Step 3:* If additional revenue is needed after Step 2, the Special Tax shall be levied proportionately on each Assessor's Parcel of Large-Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
 - Step 4:* If additional revenue is needed after Step 3, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 1 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
 - Step 5:* If additional revenue is needed after Step 4, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 2 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
 - Step 6:* If additional revenue is needed after Step 5, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 3 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
 - Step 7:* If additional revenue is needed after Step 6, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 4 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
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Step 8: If additional revenue is needed after Step 7, the Special Tax shall be levied proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

F. COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring authorized facilities from Special Tax proceeds have been paid, and all administrative expenses have been reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2050-51. Under no circumstances may the Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Public Property, except Taxable Public Property, as defined herein. In addition, no Special Tax shall be levied on Parcels that are not Public Property but are (i) designated as permanent open space or common space on which no structure is permitted to be built, (ii) owned by a public utility for use as an unmanned facility, or (iii) subject to an easement that precludes any other use on the Parcel. Notwithstanding the foregoing, if a Maximum Special Tax was assigned to a Parcel, and the entire Parcel ends up subject to one of the exemptions set forth above, the Parcel shall remain subject to the Special Tax levy until a prepayment is received that releases such Parcel from the Special Tax obligation.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

“Public Facilities Requirements” means either \$60,000,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City to be an appropriate estimate of the net construction proceeds that will be generated from all Bonds that have been or are expected to be issued on behalf of CFD No. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

“Remaining Facilities Costs” means the Public Facilities Requirements (as defined above), minus public facility costs funded by Previously Issued Bonds (as defined above), developer equity, and/or any other source of funding.

1. Full Prepayment

The Special Tax obligation applicable to an Assessor’s Parcel in the CFD may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Determine the Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
 - Step 2.** Divide the Maximum Special Tax from Step 1 by the CFD Maximum Special Tax Revenues for the Fiscal Year in which prepayment would be received by the City.
 - Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
 - Step 4.** Compute the current Remaining Facilities Costs (if any).
 - Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).
 - Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
 - Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.
 - Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
 - Step 9:** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (*the "Defeasance Requirement"*).
 - Step 10.** Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (*the "Administrative Fees and Expenses"*).
 - Step 11.** If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding
-

Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*").

Step 12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the "*Prepayment Amount*").

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

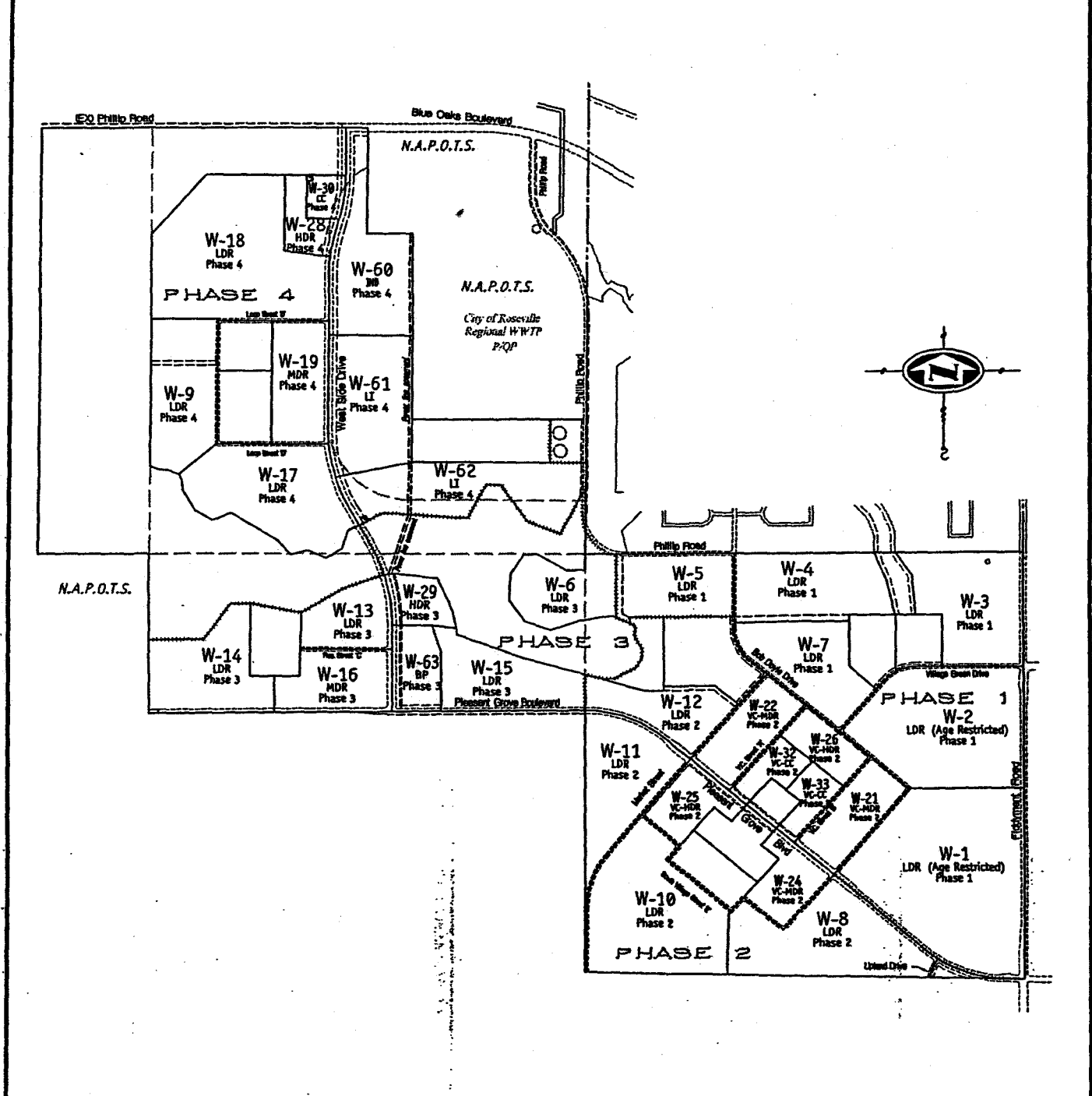
ATTACHMENT 1

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

IDENTIFICATION OF LARGE LOTS

ATTACHMENT 1
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS



ATTACHMENT 2

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot [1]	Land Use [2]	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE I					
W-1	LDR (Active Adult)	Lots > 5,000 sqft	225 units	\$1,200	\$270,000
W-2	LDR (Active Adult)	Lots <= 5,000 sqft	173 units	\$900	\$155,700
		Lots > 5,000 sqft	137 units	\$1,200	\$164,400
		Lots <= 5,000 sqft	169 units	\$900	\$152,100
W-3	LDR	38.1	198 units	\$1,300	\$257,400
W-4	LDR	31.4	147 units	\$1,300	\$191,100
W-5	LDR	23.0	88 units	\$1,300	\$114,400
W-7	LDR	27.9	111 units	\$1,300	\$144,300
PHASE II					
W-8	LDR	42.3	180 units	\$1,300	\$234,000
W-10	LDR	54.1	261 units	\$1,300	\$339,300
W-11	LDR	32.3	148 units	\$1,300	\$192,400
W-12	LDR	18.9	61 units	\$1,300	\$79,300
W-21	VC-MDR	16.8	144 units	\$1,000	\$144,000
W-22	VC-MDR	16.8	144 units	\$1,000	\$144,000
W-24	VC-MDR	12.5	95 units	\$1,000	\$95,000
W-25	VC-HDR	12.4	96 units	\$500	\$84,000
	VC-HDR (affordable)		144 units	\$250	(combined)
W-26	VC-HDR	10.0	132 units	\$500	\$66,000
W-32	VC-CC	7.2	N/A	\$5,000	\$36,000
W-33	VC-CC	7.2	N/A	\$5,000	\$36,000

Large Lot [1]	Land Use [2]	Expected Acreage	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non- Residential) [3]	Assigned Maximum Special Tax [3]
PHASE III					
W-6	LDR	22.8	77 units	\$1,300	\$100,100
W-13	LDR	17.0	60 units	\$1,300	\$78,000
W-14	LDR	31.7	115 units	\$1,300	\$149,500
W-15	LDR	27.6	80 units	\$1,300	\$104,000
W-16	MDR	20.6	160 units	\$1,000	\$160,000
W-29	HDR	8.0	150 units	\$250	\$37,500
W-63	(affordable) BP	10.5	N/A	\$5,000	\$52,500
PHASE IV					
W-9	LDR	31.9	95 units	\$1,300	\$123,500
W-17	LDR	46.0	210 units	\$1,300	\$273,000
W-18	LDR	71.2	280 units	\$1,300	\$364,000
W-19	MDR	21.9	165 units	\$1,000	\$165,000
W-28	HDR	9.0	128 units	\$500	\$75,750
	HDR (affordable)		47 units	\$250	(combined)
W-30	CC	4.0	N/A	\$5,000	\$20,000
W-60	IND	34.3	N/A	\$3,000	\$102,900
W-61	LI	35.9	N/A	\$3,000	\$107,700
W-62	LI	38.3	N/A	\$3,000	\$114,900
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,927,750
Adjustment for Expected Affordable Units (85 Expected MDR Units)					(\$42,500)
CFD Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,885,250

- See Attachment 1 for the geographic area associated with each Large Lot.
- LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
VC-MDR = Village Center Medium Density Residential
VC-HDR = Village Center High Density Residential
VC-CC = Village Center Community Commercial
BP = Business Park
CC = Community Commercial
IND = Industrial
LI = Light Industrial
- Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

Source of Data: Morton & Pitalo, July 14, 2004

EXHIBIT B

Westpark
Community Facilities District (CFD) No. 1
City of Roseville, California

LIST OF AUTHORIZED FACILITIES

The Mello-Roos Community Facilities Act of 1982 authorizes the creation of a Community Facilities District (CFD) to finance the construction of community infrastructure. The following backbone facilities and improvements, described in the WRSP Public Facilities Financing Plan (Financing Plan) and designed to serve the Westpark project area located in the West Roseville Specific Plan (Specific Plan), are eligible for funding through this CFD.

TRANSPORTATION IMPROVEMENTS

Authorized facilities include the following transportation-related improvements, as shown on **Attachment 1**:

- Fiddymment Road;
- Del Webb Boulevard;
- Pleasant Grove Boulevard;
- Village Green Drive;
- Bob Doyle Drive;
- Phillip Road;
- Upland Drive;
- West Side Drive;
- Market Street;
- Loop Street D;
- Residential Street C;
- Village Center Streets, as indicated in the Specific Plan;
- 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; street lights, signalization, and traffic signal control system; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation as shown in Figure 12-15 of the Specific Plan; bus shelters; 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 Specific Plan. These facilities include, but are not limited to, potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities.

Eligible improvements also include the Recycled Water Storage Tank Facility. Facility improvements include, but are not limited to, these: site clearing, grading and paving; curbs and gutters; recycled water storage tanks, booster pump stations and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

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 in 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; 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 development in 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; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements.

Eligible improvements also include access improvements to the Pleasant Grove Wastewater Treatment Plant.

SOLID WASTE IMPROVEMENTS

Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in 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 AND PASEO IMPROVEMENTS

Authorized facilities include any and all improvements to parks and paseos located in the Specific Plan.

OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all open space improvements designed to meet the needs of development in the Specific Plan, including, but not limited to: 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 Specific Plan. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

In addition to the above facilities, 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, cost associated with the creation of the CFD, issuance of bonds; determination of the amount of taxes, collection of taxes; payment of taxes; or costs otherwise incurred in order 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.

ATTACHMENT 1
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS

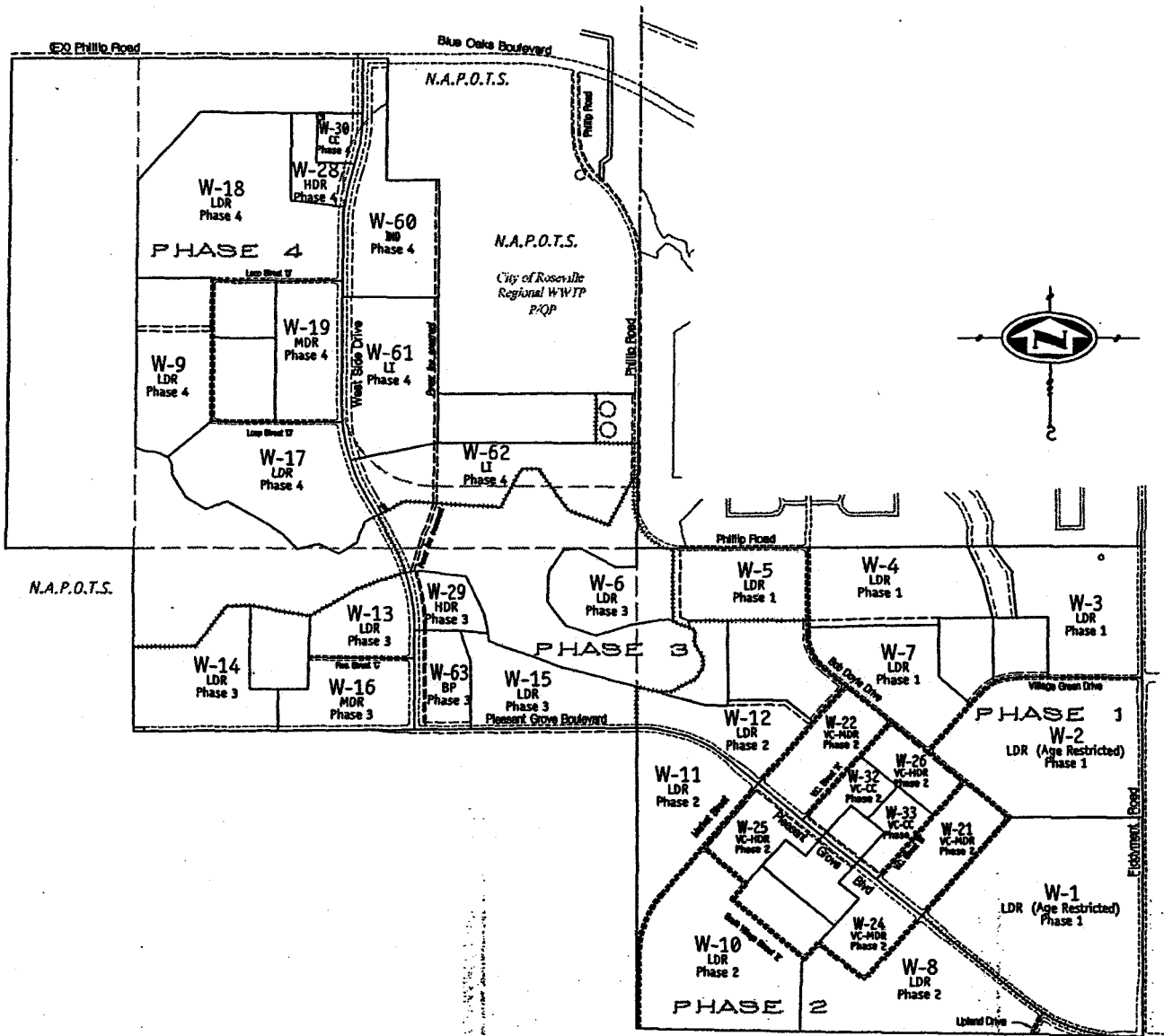


EXHIBIT C
Property Owners and Assessor Parcel Numbers

Owner Name	Assessor's Parcel Numbers
1600 Placer Investors, L.P.	017-0150-037
1600 Placer Investors, L.P.	017-0150-003
1600 Placer Investors, L.P.	017-0100-043
1600 Placer Investors, L.P.	017-0100-044
1600 Placer Investors, L.P.	017-0100-021



PLACER, County Recorder
JIM MCCAULEY

DOC- 2013-0079698-00

8750

FRIDAY, AUG 9, 2013 15:25:30
MIC \$3.00 | AUT \$10.00 | SBS \$9.00
ERD \$1.00 | RED \$1.00 | REC \$18.00
ADD \$0.00

Tt1 Pd \$42.00 Rcpt # 02300740
clk46mlfj1/SM/1-10

RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:

City Clerk
City of Roseville
311 Vernon Street
Roseville, CA 95678

AMENDED NOTICE OF SPECIAL TAX LIEN

**City of Roseville
Westpark Community Facilities District No. 1
(Public Facilities)**

AMENDMENT #1

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, *et. seq.*, of the California Government Code (the "Act"), the undersigned City Clerk of the City of Roseville (the "City"), City of Placer, State of California, hereby gives notice that a lien to secure payment of a special tax which the City is authorized to levy, is hereby imposed on the property described herein. The special tax secured by this lien is authorized to be levied for the purpose of paying the costs of public facilities in and according to the rate and method of apportionment set forth in that certain Notice of Special Tax Lien heretofore recorded in the Office of the County Recorder of the County of Placer, State of California on October 22, 2004, as Document No. 2004-0140667, to which recorded Notice of Special Tax Lien reference is hereby made and the provisions of which are hereby incorporated by this reference.

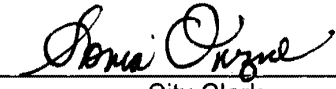
This Amended Notice of Special Tax Lien amends the Notice of Special Tax Lien to amend the special tax formula applicable to certain of the Placer County original Assessor's Parcels within Community Facilities District No. 1 of the City Roseville (the "District"), as provided in the "First Amended Rate and Method of Apportionment of Special Tax," attached hereto as EXHIBIT A and incorporated herein by reference, which has been approved and accepted by the City of Roseville on August 5, 2013 in accordance with the requirements of Section D3 of the original Rate and Method of Apportionment of Special Tax for the District. This is the Amended Notice of Special Tax Lien referenced in said Section D3.

The assessor's tax parcel(s) numbers of all parcels or any portion thereof which are affected by the amended Rate and Method of Apportionment of Special Tax, together with the name(s) of the owner(s) thereof, as they appear on the latest secured assessment roll as of the date of recording hereof or as are otherwise known to the City are as set forth in Exhibit B hereto and hereby made a part hereof.

5/1/13

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Finance Department of the City of Roseville, 311 Vernon Street, Roseville, CA 95678, telephone number (916) 774-5189.

Dated: As of 8/8, 2013.

By: 

City Clerk
City of Roseville

EXHIBIT A

**City of Roseville
Westpark Community Facilities District No. 1
(Public Facilities)**

AMENDMENT #1

**[insert First Amended Rate and Method of Apportionment of Special Tax and
attachments thereto]**

EXHIBIT A

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

FIRST AMENDED – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

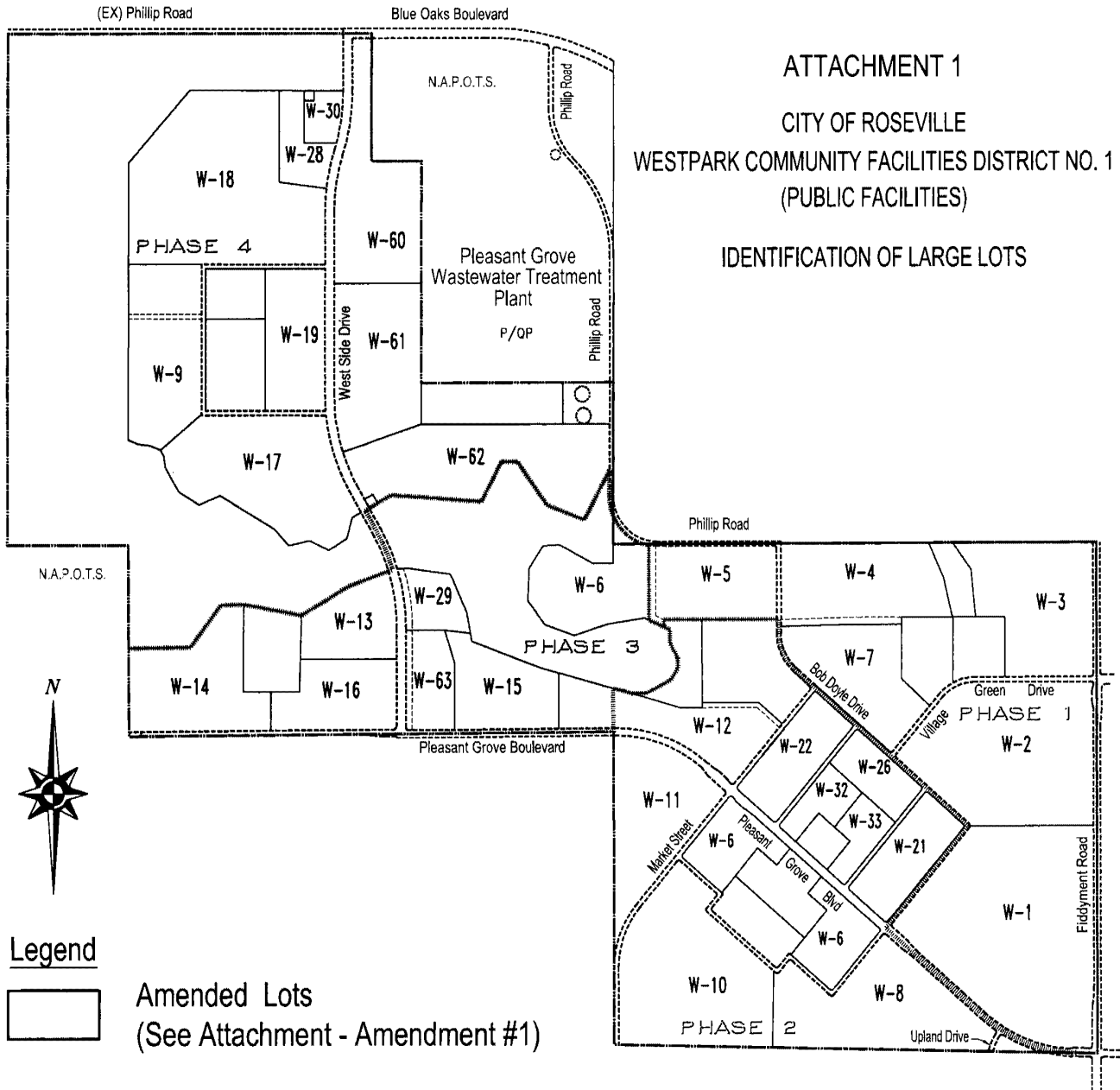
The Rate and Method of Apportionment of Special Tax for Westpark Community Facilities District No. 1, at Section D(3) allows amendment of the Rate and Method of Apportionment to transfer Maximum Special Taxes among large lots described therein, subject to certain conditions. The Special Tax Administrator has prepared an amended "Attachment 1" and "Attachment 2" to the Rate and Method of Apportionment pursuant to Section D(3) to reflect the reconfiguration of Large Lot parcels within Phase 3 and 4 of the project, which amended attachments are attached hereto as "Attachment 1 (Amendment #1)" and "Attachment 2 (Amendment #1)."

The Rate and Method of Apportionment of Special Tax for Westpark Community Facilities District No. 1 is hereby amended to substitute "Attachment 1 (Amendment #1)" attached hereto for the original Attachment 1 to the Rate and Method of Apportionment and by substituting "Attachment 2 (Amendment #1)" attached hereto for the original Attachment 2 to the Rate and Method of Apportionment.

These changes reflect the updated calculation of the Maximum Special Tax and the related transfer(s) of Assigned Maximum Special Tax between Large Lot Parcels, and were completed pursuant to Section C.2 and Section D.3 of the Westpark Community Facilities District No. 1 Rate and Method of Apportionment of Special Tax.

The request for these changes was made in writing to, and was agreed to by, the City of Roseville. The amended attachments reflect the requested changes, are now on file with the City Clerk, and are included with the Amended Notice of Special Tax recorded with the County of Placer. These attachments now supersede the previous attachments to the Rate and Method of Apportionment.

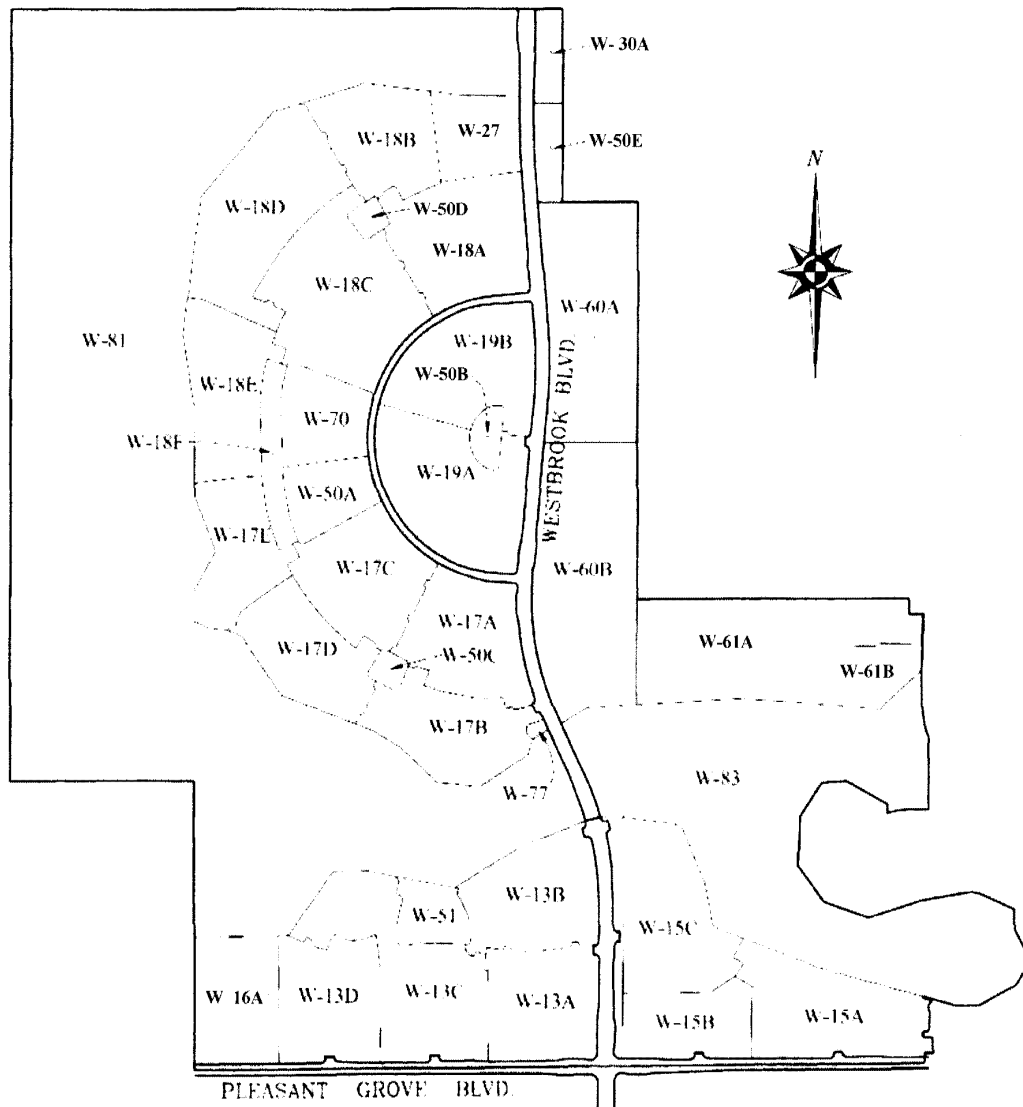
ATTACHMENT 1
 CITY OF ROSEVILLE
 WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
 (PUBLIC FACILITIES)
 IDENTIFICATION OF LARGE LOTS



ATTACHMENT 1 – AMENDMENT #1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS (AMENDED PHASE 3 AND PHASE 4 LOTS)



ATTACHMENT 2 (AMENDMENT #1)

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
PHASE I						
W-1	LDR (Active Adult)	Lots > 5,000 sqft	225	\$1,200	\$270,000	\$270,000
		Lots <= 5,000 sqft	173	\$900	\$155,700	\$155,700
W-2	LDR (Active Adult)	Lots > 5,000 sqft	137	\$1,200	\$164,400	\$164,400
		Lots <= 5,000 sqft	169	\$900	\$152,100	\$152,100
W-3	LDR	38.1	198	\$1,300	\$257,400	\$257,400
W-4	LDR	31.4	147	\$1,300	\$191,100	\$191,100
W-5	LDR	23	88	\$1,300	\$114,400	\$114,400
W-7	LDR	27.9	111	\$1,300	\$144,300	\$144,300
PHASE II						
W-8	LDR	42.3	180	\$1,300	\$234,000	\$234,000
W-10	LDR	54.1	261	\$1,300	\$339,300	\$339,300
W-11	LDR	32.3	148	\$1,300	\$192,400	\$192,400
W-12	LDR	18.9	61	\$1,300	\$79,300	\$79,300
W-21	VC-MDR	16.8	144	\$1,000	\$144,000	\$144,000
W-22	VC-MDR	16.8	144	\$1,000	\$129,836	\$129,836 ⁽⁴⁾
W-24	VC-MDR	12.5	95	\$1,000	\$95,000	\$95,000
W-25	VC-HDR (Affordable)	12.4	144	\$250	\$98,164	\$98,164 ⁽⁴⁾
	VC-HDR (Market)		96	\$500		
W-26	VC-HDR	10	132	\$500	\$66,000	\$66,000
W-32	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
W-33	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
PHASE III						
W-6	LDR	22.8	77	\$1,300	\$100,100	\$100,100
W-13	LDR	17	60	\$1,300	\$78,000	
W-13A	LDR	14	74	\$1,300		\$96,200
W-13B	LDR	15.3	60	\$1,300		\$78,000
W-13C	LDR	21.1	87	\$1,300		\$113,100
W-13D	LDR	14.1	88	\$1,300		\$114,400
W-14	LDR	31.7	115	\$1,300	\$149,500	
W-15	LDR	27.6	80	\$1,300	\$104,000	
W-15A	LDR	17.8	83	\$1,300		\$107,900
W-15B	LDR	10.7	72	\$1,300		\$93,600
W-15C	LDR	19.4	69	\$1,300		\$89,700
W-16	MDR	20.6	160	\$1,000	\$160,000	
W-16A	HDR (Affordable)	12.2	162	\$90.55		\$14,668
	HDR (Market)		88	\$500		\$44,000
W-29	HDR (Affordable)	8	150	\$250	\$37,500	
W-63	BP	10.5	N/A	\$5,000	\$52,500	
PHASE IV						
W-9	LDR	31.9	95	\$1,300	\$123,500	
W-17	LDR	46	210	\$1,300	\$273,000	
W-17A	LDR	14.9	66	\$1,300		\$85,800
W-17B	LDR	14.1	56	\$1,300		\$72,800
W-17C	LDR	14.9	69	\$1,300		\$89,700

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) (FY 2004-05) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
W-17D	LDR	13.1	53	\$1,300		\$68,900
W-17E	LDR	11.4	41	\$1,300		\$53,300
W-18	LDR	71.2	280	\$1,300	\$364,000	
W-18A	LDR	17.6	86	\$1,300		\$111,800
W-18B	LDR	12.6	57	\$1,300		\$74,100
W-18C	LDR	23	102	\$1,300		\$132,600
W-18D	LDR	21.5	92	\$1,300		\$119,600
W-18E	LDR	14.4	52	\$1,300		\$67,600
W-18F	LDR	4.4	19	\$1,300		\$24,700
W-19	MDR	21.9	165	\$1,000	\$165,000	
W-19A	LDR	20.4	109	\$1,300		\$141,700
W-19B	LDR	16.7	85	\$1,300		\$110,500
W-27	HDR (Affordable)	7.92	150	\$90.55		\$13,582
	HDR (Market)		20	\$500		\$10,000
W-28	HDR (Affordable)	9	47	\$250	\$11,750	
	HDR (Market)		128	\$500	\$64,000	
W-30	CC	4	N/A	\$5,000	\$20,000	
W-30A	CC	3	N/A	\$0		\$0
W-60	IND	34.3	N/A	\$3,000	\$102,900	
W-60A	LI	25.2	N/A	\$0		\$0
W-60B	LI	30	N/A	\$0		\$0
W-61	L1	35.9	N/A	\$3,000	\$107,700	
W-61A	IND	26.9	N/A	\$0		\$0
W-61B	IND	6	N/A	\$0		\$0
W-62	L1	38.3	N/A	\$3,000	\$114,900	
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,927,750	\$4,927,750

⁽¹⁾ See Attachment 1 for geographic area associated with each Large Lot.

⁽²⁾ LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
VC-MDR = Village Center Medium Density Residential
VC-HDR = Village Center High Density Residential
VC-CC = Village Center Community Commercial
BP = Business Park
CC = Community Commercial
IND = Industrial
LI = Light Industrial

⁽³⁾ Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

⁽⁴⁾ Max Tax Transfer 1 (\$14,164 from W-22 to W-25)

EXHIBIT B

**City of Roseville
Westpark Community Facilities District No. 1
(Public Facilities)**

AMENDMENT #1

[insert list of affected parcels]

EXHIBIT B

CITY OF ROSEVILLE
Westpark Community Facilities District No. 1
(Public Facilities)

Assessor's Parcel Number

Assessor's Parcel Number (APN)	Landowner
496-010-001-000	WEST ROSEVILLE LLC
496-010-002-000	WEST ROSEVILLE LLC
496-010-003-000	WEST ROSEVILLE LLC
496-010-004-000	WEST ROSEVILLE LLC
496-010-005-000	WEST ROSEVILLE LLC
496-010-006-000	WEST ROSEVILLE LLC
496-010-007-000	WEST ROSEVILLE LLC
496-010-008-000	WEST ROSEVILLE LLC
496-010-009-000	WEST ROSEVILLE LLC
496-020-001-000	WEST ROSEVILLE LLC
496-020-002-000	WEST ROSEVILLE LLC
496-020-003-000	WEST ROSEVILLE LLC
496-020-004-000	WEST ROSEVILLE LLC
496-020-005-000	WEST ROSEVILLE LLC
496-020-006-000	WEST ROSEVILLE LLC
496-020-007-000	WEST ROSEVILLE LLC
496-020-008-000	WEST ROSEVILLE LLC
496-020-009-000	WEST ROSEVILLE LLC
496-020-010-000	WEST ROSEVILLE LLC
496-020-011-000	WEST ROSEVILLE LLC
496-020-012-000	WEST ROSEVILLE LLC
496-020-013-000	WEST ROSEVILLE LLC
496-030-001-000	WEST ROSEVILLE LLC
496-030-002-000	WEST ROSEVILLE LLC
496-030-003-000	WEST ROSEVILLE LLC
496-030-004-000	WEST ROSEVILLE LLC
496-030-005-000	WEST ROSEVILLE LLC

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**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT No. 1
(PUBLIC FACILITIES)**

CERTIFICATE OF CITY

(Amendment #1)

1. The undersigned is the City Manager of the City of Roseville and is familiar with the facts herein certified.

2. The City has received a request from _____, the owner of all the land designated as Large Lot _____ in the Rate and Method of Apportionment of the Special Tax (the "Special Tax Formula") for the City of Roseville the Westpark CFD No. 1 (Public Facilities).

3. The Special Tax Formula, at Section D(3) allows amendment of the Special Tax Formula to transfer Maximum Special Taxes among large lots described therein, subject to certain conditions including that any adjustments are agreed to in writing by the affected property owners and the Finance Director of the City.

4. At the request of the City and the affected property owner(s), the Special Tax Administrator has prepared an amended "Attachment 1" and "Attachment 2" to the Special Tax Formula pursuant to Section D(3), which amended attachments are attached hereto as "Attachment 1 (Amendment #1)" and "Attachment 2 (Amendment #1)" (the "Amendment #1 Attachments").

5. The City certifies that (i) the adjustments to the Special Tax Formula described in the Amendment #1 Attachments have been agreed to in writing by the affected property owners and the Finance Director of the City as required by Section D(3) of the Special Tax Formula, and (ii) that the Special Tax Administrator has certified that as result of amending the Special Tax Formula as provided by the Amendment #1 Attachments there will be no reduction in the CFD Maximum Special Tax Revenues from the amount available under the Special Tax Formula prior to such amendment.

Dated: August 6, 2013

CITY OF ROSEVILLE

By: 

City Manager

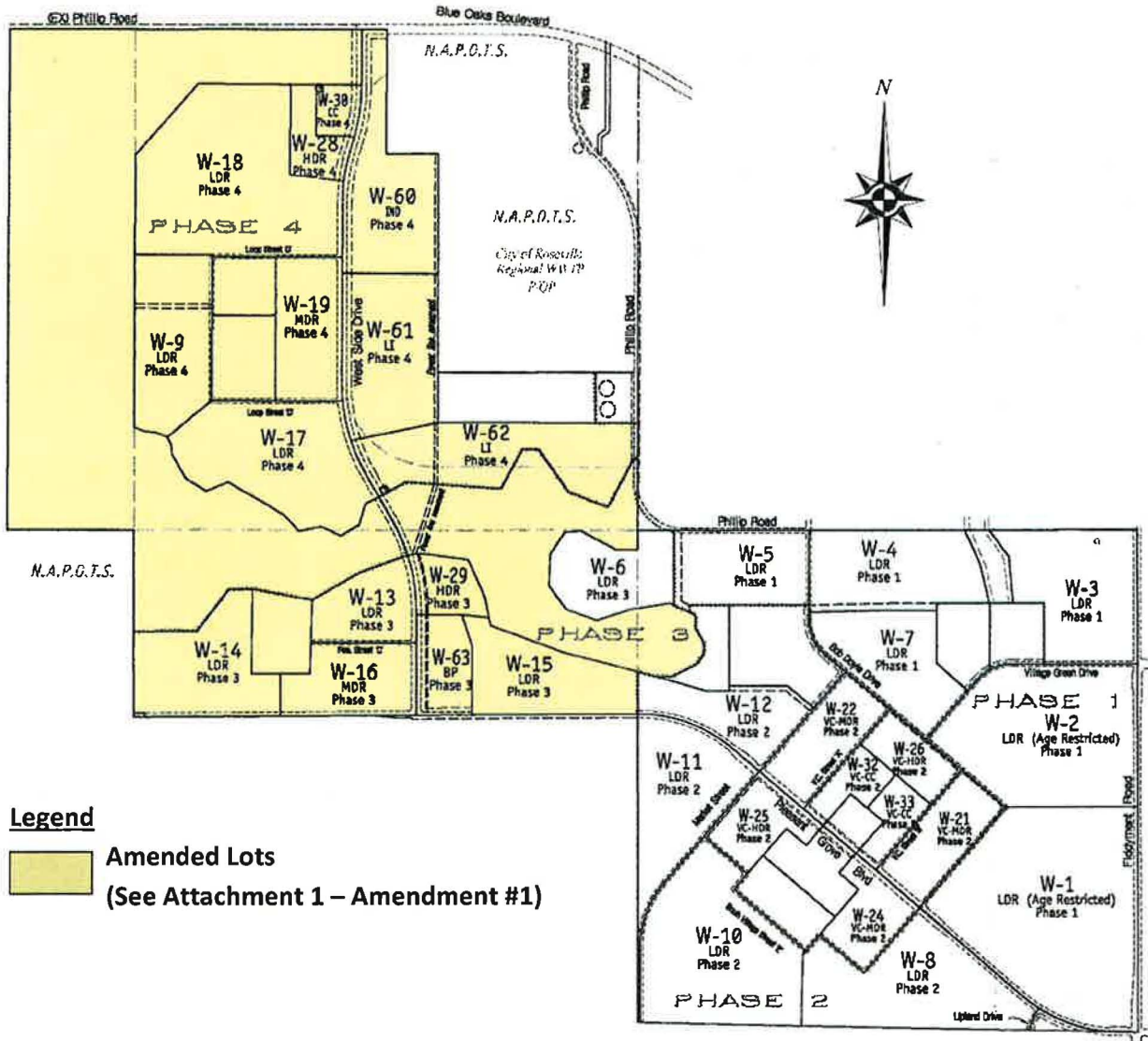
ATTACH HERE:

“Attachment 1 (Amendment #1)”
and
“Attachment 2 (Amendment #1)”

ATTACHMENT 1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

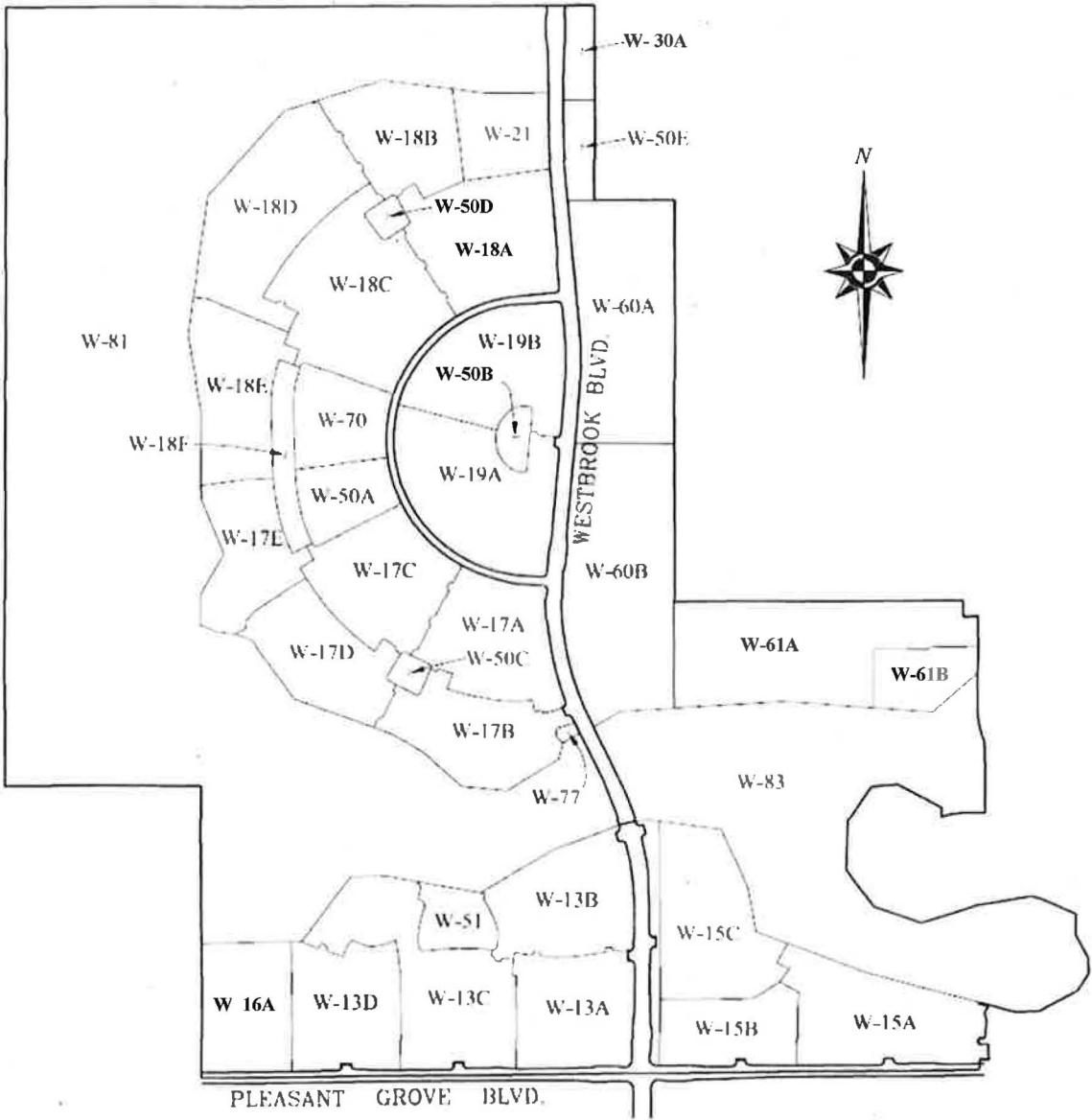
IDENTIFICATION OF LARGE LOTS



ATTACHMENT 1 – AMENDMENT #1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS (AMENDED PHASE 3 AND PHASE 4 LOTS)



ATTACHMENT 2 (AMENDMENT #1)

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) (FY 2004-05) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
PHASE I						
W-1	LDR (Active Adult)	Lots > 5,000 sqft	225	\$1,200	\$270,000	\$270,000
		Lots <= 5,000 sqft	173	\$900	\$155,700	\$155,700
W-2	LDR (Active Adult)	Lots > 5,000 sqft	137	\$1,200	\$164,400	\$164,400
		Lots <= 5,000 sqft	169	\$900	\$152,100	\$152,100
W-3	LDR	38.1	198	\$1,300	\$257,400	\$257,400
W-4	LDR	31.4	147	\$1,300	\$191,100	\$191,100
W-5	LDR	23	88	\$1,300	\$114,400	\$114,400
W-7	LDR	27.9	111	\$1,300	\$144,300	\$144,300
PHASE II						
W-8	LDR	42.3	180	\$1,300	\$234,000	\$234,000
W-10	LDR	54.1	261	\$1,300	\$339,300	\$339,300
W-11	LDR	32.3	148	\$1,300	\$192,400	\$192,400
W-12	LDR	18.9	61	\$1,300	\$79,300	\$79,300
W-21	VC-MDR	16.8	144	\$1,000	\$144,000	\$144,000
W-22	VC-MDR	16.8	144	\$1,000	\$129,836	\$129,836 ⁽⁴⁾
W-24	VC-MDR	12.5	95	\$1,000	\$95,000	\$95,000
W-25	VC-HDR (Affordable)	12.4	144	\$250	\$98,164	\$98,164 ⁽⁴⁾
	VC-HDR (Market)		96	\$500		
W-26	VC-HDR	10	132	\$500	\$66,000	\$66,000
W-32	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
W-33	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
PHASE III						
W-6	LDR	22.8	77	\$1,300	\$100,100	\$100,100
W-13	LDR	17	60	\$1,300	\$78,000	
W-13A	LDR	14	74	\$1,300		\$96,200
W-13B	LDR	15.3	60	\$1,300		\$78,000
W-13C	LDR	21.1	87	\$1,300		\$113,100
W-13D	LDR	14.1	88	\$1,300		\$114,400
W-14	LDR	31.7	115	\$1,300	\$149,500	
W-15	LDR	27.6	80	\$1,300	\$104,000	
W-15A	LDR	17.8	83	\$1,300		\$107,900
W-15B	LDR	10.7	72	\$1,300		\$93,600
W-15C	LDR	19.4	69	\$1,300		\$89,700
W-16	MDR	20.6	160	\$1,000	\$160,000	
W-16A	HDR (Affordable)	12.2	162	\$250		\$40,500
	HDR (Market)		88	\$500		\$44,000
W-29	HDR (Affordable)	8	150	\$250	\$37,500	
W-63	BP	10.5	N/A	\$5,000	\$52,500	
PHASE IV						
W-9	LDR	31.9	95	\$1,300	\$123,500	
W-17	LDR	46	210	\$1,300	\$273,000	
W-17A	LDR	14.9	66	\$1,300		\$85,800
W-17B	LDR	14.1	56	\$1,300		\$72,800
W-17C	LDR	14.9	69	\$1,300		\$89,700

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) (FY 2004-05) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
W-17D	LDR	13.1	53	\$1,300		\$68,900
W-17E	LDR	11.4	41	\$1,300		\$53,300
W-18	LDR	71.2	280	\$1,300	\$364,000	
W-18A	LDR	17.6	86	\$1,300		\$111,800
W-18B	LDR	12.6	57	\$1,300		\$74,100
W-18C	LDR	23	102	\$1,300		\$132,600
W-18D	LDR	21.5	92	\$1,300		\$119,600
W-18E	LDR	14.4	52	\$1,300		\$67,600
W-18F	LDR	4.4	19	\$1,300		\$24,700
W-19	MDR	21.9	165	\$1,000	\$165,000	
W-19A	LDR	20.4	109	\$1,300		\$141,700
W-19B	LDR	16.7	85	\$1,300		\$110,500
W-21	HDR (Affordable)	7.92	150	\$250		\$37,500
	HDR (Market)		20	\$500		\$10,000
W-28	HDR (Affordable)	9	47	\$250	\$11,750	
	HDR (Market)		128	\$500	\$64,000	
W-30	CC	4	N/A	\$5,000	\$20,000	
W-30A	CC	3	N/A	\$0		\$0
W-60	IND	34.3	N/A	\$3,000	\$102,900	
W-60A	LI	25.2	N/A	\$0		\$0
W-60B	LI	30	N/A	\$0		\$0
W-61	L1	35.9	N/A	\$3,000	\$107,700	
W-61A	IND	26.9	N/A	\$0		\$0
W-61B	IND	6	N/A	\$0		\$0
W-62	L1	38.3	N/A	\$3,000	\$114,900	
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,927,750	\$4,977,500

⁽¹⁾ See Attachment 1 for geographic area associated with each Large Lot.

⁽²⁾ LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
VC-MDR = Village Center Medium Density Residential
VC-HDR = Village Center High Density Residential
VC-CC = Village Center Community Commercial
BP = Business Park
CC = Community Commercial
IND = Industrial
LI = Light Industrial

⁽³⁾ Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

⁽⁴⁾ Max Tax Transfer 1 (\$14,164 from W-22 to W-25)

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT No. 1
(PUBLIC FACILITIES)**

(Amendment #1)

CERTIFICATE OF SPECIAL TAX ADMINISTRATOR

1. That the undersigned is an authorized officer of Willdan Financial Services (the "Administrator") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Administrator is the current Special Tax Administrator of the Rate and Method of Apportionment of the Special Tax (the "Special Tax Formula") for the City of Roseville the Westpark CFD No. 1 (Public Facilities) and is familiar with the Special Tax Formula.

3. The Special Tax Formula, at Section D(3) allows amendment of the Special Tax Formula to transfer Maximum Special Taxes among large lots described therein, subject to certain conditions including that there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. In such instance the Administrator shall apply certain steps set forth in the Special Tax Formula to determine the amended Maximum Special Taxes.

4. The Administrator has prepared an amended "Attachment 1" and "Attachment 2" to the Special Tax Formula pursuant to Section D(3), which amended attachments are attached hereto as "Attachment 1 (Amendment #1)" and "Attachment 2 (Amendment #1)" (the "Amendment #1 Attachments").

5. The Administrator certifies that (i) the Amendment #1 Attachments have been prepared in accordance with Section D(3) of the Special Tax Formula and (ii) that as result of amending the Special Tax Formula as provided by the Amendment #1 Attachments there will be no reduction in the CFD Maximum Special Tax Revenues from the amount available under the Special Tax Formula prior to such amendment.

Dated: 8-5, 2013

WILLDAN FINANCIAL SERVICES

By: 
Authorized Representative

ATTACH HERE:

“Attachment 1 (Amendment #1)”
and
“Attachment 2 (Amendment #1)”

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

CONSENT OF CITY AND PROPERTY OWNER

(Amendment #1)

1. The undersigned representative of the City of Roseville is the City Manager of the City of Roseville and is familiar with the Rate and Method of Apportionment of the Special Tax (the "Special Tax Formula") for the City of Roseville the Westpark CFD No. 1 (Public Facilities) (the "Special Tax Formula").

2. The undersigned "Owner" is the owner of all the land designated as Large Lot(s) _____ in the Special Tax Formula, which are the only parcel(s) affected by the amendment described herein.

3. The Special Tax Formula, at Section D(3) allows amendment of the Special Tax Formula to transfer Maximum Special Taxes among large lots described therein, subject to certain conditions including that any adjustments are agreed to in writing by the affected property owners and the Finance Director of the City.

4. At the request of the Owner, the City has caused to be prepared an amended "Attachment 1" and "Attachment 2" to the Special Tax Formula pursuant to Section D(3), which amended attachments are attached hereto as "Attachment 1 (Amendment #1)" and "Attachment 2 (Amendment #1)" (the "Amendment #1 Attachments").

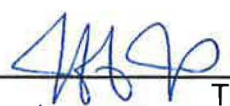
5. By signing below, the City and the Owner acknowledge and agree that the adjustments to the Special Tax Formula described in the Amendment #1 Attachments have been agreed to in writing by the affected property owners and the Finance Director of the City as required by Section D(3) of the Special Tax Formula.

Dated: August 6, 2013

CITY OF ROSEVILLE

By: 
City Manager

OWNER: WEST ROSEVILLE, LLC

By: 
Title
JEFF JONES

CITY COUNCIL OF THE CITY OF ROSEVILLE

RESOLUTION NO. 15-323

RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX REFUNDING BONDS FOR AND ON BEHALF OF THE CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES), APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT, APPROVING THE FORM OF PRELIMINARY OFFICIAL STATEMENT, APPROVING SALE OF SUCH BONDS, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS

RESOLVED, by the City Council (the "City Council") of the City of Roseville, California (the "City"), as follows:

WHEREAS, the City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to form the Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by said special taxes for the purpose of providing moneys for the construction and acquisition of improvements within the District; and

WHEREAS, following a vote of landowners in the District authorizing the levy of a special tax, the City Council, as legislative body of the District, authorized the issuance of special tax bonds of the City for the District in the maximum principal amount of not to exceed \$80,000,000 (the "Authorization") and caused bonds to be issued for the District (i) on August 24, 2005 bonds in the original principal amount of \$57,905,000 designated City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2005 (the "2005 Bonds") and (ii) on August 3, 2006 bonds in the original principal amount of \$22,095,000 designated City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2006 (the "2006 Bonds" and together with the 2005 Bonds, the "Prior Bonds"); and

WHEREAS, the City desires to refund the Prior Bonds by issuing refunding bonds for the District, and, after due investigation and deliberation the City has determined that it is in the interests of the City and the District at this time for the City Council, as legislative body of the District, to authorize a series of special tax bonds as refunding bonds for the District designated City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 (the "2015 Bonds"); and

WHEREAS, there has been submitted to the City Council a form of Fiscal Agent Agreement (the "Fiscal Agent Agreement") between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"), and to provide for the issuance the 2015 Bonds of the City for the District, and the City Council, with the aid of City staff, has reviewed the Fiscal Agent Agreement and found it to be in proper order, and now desires to approve the Fiscal Agent Agreement and the issuance of the 2015 Bonds; and

WHEREAS, the City proposes to sell the 2015 Bonds to Stifel Nicolaus & Company and Piper Jaffray & Co. (together, the "Underwriter") pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the City and the Underwriter,

and the Underwriter proposes to offer the 2015 Bonds to the investing public by means of a Preliminary Official Statement (the "Preliminary Official Statement"); and

WHEREAS, it appears that each of said documents and instruments which are now before this meeting is in appropriate form and is an appropriate document or instrument to be executed and delivered for the purpose intended; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2015 Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

Section 1. Pursuant to the Act, this Resolution, the Fiscal Agent Agreement, special tax bonds of the City for the District designated as "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015" in an aggregate principal amount not to exceed \$77,000,000 are hereby authorized to be issued for the purpose of optionally redeeming the Prior Bonds on September 1, 2015. The 2015 Bonds shall be executed in the form set forth in and otherwise as provided in the Fiscal Agent Agreement. This Council finds and determines that the 2015 Bonds should be issued to save interest costs and because sound public policy requires the Facilities for reasons of public health and safety and provides for the orderly development of land within the CFD.

In furtherance of the issuance of the 2015 Bonds, the City Council hereby makes the following findings and determinations: (i) it is prudent in the management and development of the City and the District to issue the 2015 Bonds for the purpose of providing moneys for the refunding of the Prior Bonds to achieve interest cost savings, (ii) the 2015 Bonds and the District meet the City's guidelines for issuance of Mello-Roos bonds as applicable to the specific nature of the financing, and (iii) the value of the real property within the District subject to the special tax to pay debt service on the proposed 2015 Bonds, based upon the current assessed valuation of property in the District, is at least three times the principal amount of the proposed 2015 Bonds to be secured by a special tax levied pursuant to the Act on property within the District.

The City hereby finds that the 2015 Bonds constitute "refunding bonds" within the meaning of the Act because the proceeds thereof will be used to refund the Prior Bonds. For the purposes of these proceedings for the issuance of the Bonds, the City hereby determines, based on preliminary calculations, that the total net interest cost to maturity on the Bonds, plus the principal amount of the Bonds is less than the total net interest cost to maturity of the Prior Bonds plus the principal amount of the Bonds to be refunded. The City further finds and determines that it would be prudent in the management of its fiscal affairs to issue the Bonds to refund the Prior Bonds and that pursuant to the Act the 2015 Bonds are not a part of the Authorization.

Section 2. The City Council hereby approves the Fiscal Agent Agreement in the form presented to the City Council at this meeting. The City Manager, Treasurer/Chief Financial Executive, Finance Director or such other person or persons as either of them may designate (collectively, the "Authorized Officers") are each hereby authorized and directed to execute the

Fiscal Agent Agreement, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel. The terms of the 2015 Bonds shall be substantially as described in the Fiscal Agent Agreement with such changes as authorized herein and the proceeds of the 2015 Bonds shall be applied by the City for the purposes and in the amounts as set forth in the Fiscal Agent Agreement. The City Council hereby authorizes the execution, delivery and performance by the City of the Fiscal Agent Agreement as an Authorized Officer deems appropriate.

Section 3. The City Council hereby approves the Bond Purchase Agreement between the City and the Underwriter in the form presented to the City Council at this meeting. The Authorized Officers are each hereby authorized and directed to accept the offer of the Underwriter to purchase the 2015 Bonds contained in the Bond Purchase Agreement and to execute the Bond Purchase Agreement, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel, provided that no additions or changes shall result in an underwriter's discount in excess of 1.1%. The 2015 Bonds shall not be issued if the total interest cost to maturity on the 2015 Bonds plus the principal amount of the 2015 Bonds exceeds the total interest cost to maturity on the Prior Bonds plus the principal amount of the Prior Bonds. Subject to these limitations, the principal amount of the 2015 Bonds may be more than, less than, or the same as the principal amount of the Prior Bonds and savings achieved through the issuance of the 2015 Bonds shall be used for facilities authorized for the District. The City Council hereby authorizes the delivery and performance by the City of the Bond Purchase Agreement.

The City Council hereby finds and determines that the sale of the 2015 Bonds at negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost.

Section 4. The City Council hereby approves the Preliminary Official Statement in the form presented to the City Council at this meeting. The Authorized Officers are each hereby authorized and directed to execute a final Official Statement (the "Official Statement"), for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with the City's Bond Counsel. The City Council hereby authorizes and directs the Underwriter to distribute copies of said Preliminary Official Statement to persons who may be interested in the purchase of the 2015 Bonds and to deliver copies of the Official Statement to all actual purchasers of the 2015 Bonds. The City Council hereby authorizes the delivery by the City of the Official Statement.

The Authorized Officers are each hereby authorized and directed to execute a certificate or certificates to the effect that the Official Statement and the Preliminary Official Statement were deemed "final" as of their respective dates for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, and the Authorized Officers are each hereby authorized to so deem such statements final.

Section 5. The City Council hereby approves the Continuing Disclosure Agreement (the "Disclosure Agreement"), between the City and the Dissemination Agent named therein, in the form presented to the City Council at this meeting (as an exhibit to the Preliminary Official Statement). The Authorized Officers are each hereby authorized and directed to execute the

Disclosure Agreement, for and in the name and on behalf of the City and the District, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Bond Counsel. The City Council hereby authorizes the delivery and performance by the City of the Disclosure Agreement.

Section 6. The City hereby covenants, for the benefit of the Bondowners, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of interest or principal of the 2015 Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Fiscal Agent Agreement.

Section 7. The 2015 Bonds, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the 2015 Bonds by executing the Fiscal Agent's certificate of authentication and registration appearing thereon, and to deliver the 2015 Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the City by the Mayor and/or one or more of the Authorized Officers, which instructions such officers are each hereby authorized, for and in the name and on behalf of the City, to execute and deliver to the Fiscal Agent. Such instructions shall provide for the delivery of the 2015 Bonds to the Underwriter or its designee in accordance with the Bond Purchase Agreement, upon payment of the purchase price therefor.

Section 8. All actions heretofore taken by the officers and agents of the City with respect to the establishment of the District and the sale and issuance of the 2015 Bonds are hereby approved, confirmed and ratified, and the proper officers of the City are each hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2015 Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. Any document herein approved and executed and delivered by any one of the Authorized Officers shall be a valid and binding agreement of the City.

Section 9. This Resolution shall take effect from and after its adoption.

* * * * *

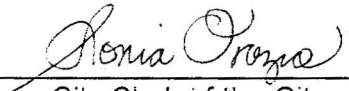
I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Roseville, California, at a regularly scheduled meeting thereof, held on the _____ day of _____, 2015, by the following vote of the City Council:

AYES: COUNCILMEMEBERS
NOES: COUNCILMEMEBERS
ABSENT: COUNCILMEMEBERS
ABSTAIN: COUNCILMEMEBERS



Mayor

ATTEST:



City Clerk of the City of Roseville

PRELIMINARY OFFICIAL STATEMENT DATED JULY 17, 2015

NEW ISSUE--FULL BOOK-ENTRY

NOT RATED

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS – Tax Exemption."

\$68,675,000*
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The City of Roseville (the "City") is issuing the above-captioned bonds (the "Bonds") for its Westpark Community Facilities District No. 1 (Public Facilities) (the "District") under the Mello-Roos Community Facilities Act of 1982 (the "Act"), the Resolution of Formation and Resolution of Issuance (each as defined herein), and a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). See "THE BONDS – Authority for Issuance."

The Bonds are being issued to (i) refund the District's outstanding City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005, (ii) refund the District's outstanding City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006, (iii) establish a debt service reserve fund for the Bonds, and (iv) pay the costs of issuing the Bonds. See "FINANCING PLAN."

The Bonds are payable from a pledge of proceeds of Special Tax Revenues (as defined in this Official Statement) levied on property within the District according to the first amended rate and method of apportionment of special tax. The Bonds are secured by a first pledge of the revenues derived from the Special Tax Revenues and the moneys on deposit in certain funds held by the Fiscal Agent under the Fiscal Agent Agreement. No additional bonds, other than possible refunding bonds, will be issued for the District. See "SECURITY FOR THE BONDS."

Interest on the Bonds is payable on March 1, 2016, and semiannually thereafter on each September 1 and March 1. The Bonds will be issued in denominations of \$5,000 or integral multiples of \$5,000. The Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. See "THE BONDS – Description of the Bonds" and "APPENDIX G – DTC and the Book-Entry Only System."

The Bonds are subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption from prepaid Special Taxes. See "THE BONDS – Redemption."

The Bonds, the interest thereon, and any premiums payable on the redemption of any Bonds, are not an indebtedness of the City (except to the limited extent described in this Official Statement), the State of California (the "State") or any of their respective political subdivisions. None of the City (except to the limited extent described in this Official Statement), the State or any of its political subdivisions is liable for the Bonds. Neither the faith and credit nor the taxing power of the City (except to the limited extent described in this Official Statement) or the State or any of their respective political subdivisions is pledged to the payment of the Bonds. Other than the Special Tax Revenues, no taxes are pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City, but are limited obligations of the City payable solely from the Special Tax Revenues as more fully described in this Official Statement.

MATURITY SCHEDULE
(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of essential information about the Bonds. Potential investors should read this entire Official Statement to obtain information essential for making an informed investment decision. Investment in the Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, has also served as disclosure counsel to the City. Certain matters will be passed upon for the City by the City Attorney, and for the Underwriters by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about August 12, 2015.



The date of this Official Statement is: _____, 2015.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

\$ _____ Serial Bonds
(Base CUSIP†: 777873)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
---------------------------	---------------------	------------------	-------	-------	--------

\$ ____ % Term Bond due September 1, 20____, Yield: __%, Price: __%
CUSIP† No. 777873__

\$ ____ % Term Bond due September 1, 20____, Yield: __%, Price: __%
CUSIP† No. 777873__

† Copyright 2015, CUSIP Global Services, and a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Underwriters assume any responsibility for the accuracy of the CUSIP data.

CITY OF ROSEVILLE, CALIFORNIA

City Council

Carol Garcia, *Mayor*
Susan Rohan, *Vice Mayor*
Bonnie Gore, *Councilmember*
Tim Herman, *Councilmember*
Pauline Roccucci, *Councilmember*

City Staff

Ray Kerridge, *City Manager*
Jay Panzica, *Treasurer/Chief Financial Executive*
Monty Hanks, *Finance Director*
Robert R. Schmitt, *City Attorney*
Sonia Orozco, *City Clerk*

SPECIAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

First Southwest Company, LLC
Santa Monica, California

Appraiser

Seevers Jordan Ziegenmeyer
Rocklin, California

Special Tax Administrator

Willdan Financial Services
Temecula, California

Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District or the City, in any press release and in any oral statement made with the approval of an authorized officer of the District or the City, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions may identify "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriters. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof. All summaries of the Fiscal Agent Agreement or other documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The City maintains an Internet website, but the information on that website is not incorporated in this Official Statement.

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OFFICIAL STATEMENT

\$68,675,000*
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the "**Bonds**") to be issued by the City of Roseville (the "**City**") on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "**District**").

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Definitions of certain terms used herein and not defined herein have the meaning set forth in the Fiscal Agent Agreement. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT."

INTRODUCTION

This introduction is not a summary of the entire Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained throughout the Official Statement, including the cover page, inside cover and attached appendices, and documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Authority for Issuance of the Bonds. The Bonds are issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, *et seq.*, of the Government Code of the State of California) (the "**Act**") and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015 (the "**Fiscal Agent Agreement**") between the City and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as fiscal agent (the "**Fiscal Agent**"), the Resolution of Formation and Resolution No. 15-323 (the "**Resolution of Issuance**") adopted on July 15, 2015 by the City Council of the City (the "**City Council**"). The authorized amount of bonds for the District was set at a maximum of \$80,000,000; no additional bonds (excluding possible refunding bonds) are allowed to be issued in the future under the Fiscal Agent Agreement. See "THE BONDS – Authority for Issuance."

The City. The City is located in central Placer County (the "**County**") within the greater Sacramento region. It lies on the Highway 80 corridor between the City of Sacramento and the City of Auburn. For economic and demographic information regarding the area in and around the City, see APPENDIX A.

* Preliminary; subject to change.

Description of the Bonds. The Bonds will be issued in denominations of \$5,000 or any integral multiple of \$5,000. Interest is payable semiannually on each March 1 and September 1, commencing March 1, 2016. See "THE BONDS."

The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Trustee's books.

Purpose of the Bonds. Proceeds of the Bonds will be used primarily to refund all of the District's outstanding "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005" (the "**2005 Bonds**") and outstanding "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006" (the "**2006 Bonds**") and together with the 2005 Bonds, the "**Prior Bonds**"). Proceeds of the Prior Bonds were used to finance infrastructure improvements in the District, all of which have been completed. Proceeds of the Bonds will also be used to establish a debt service reserve fund for the Bonds, and pay costs of issuance. See "FINANCING PLAN."

Security and Sources of Payment for the Bonds. The City Council annually levies special taxes on the property in the District (the "**Special Taxes**") in accordance with the First Amended Rate and Method of Apportionment for City of Roseville Westpark Community Facilities District No. 1 (Public Facilities), as amended in August 2013 (the "**Special Tax Formula**"), which is attached as APPENDIX B to this Official Statement. The Bonds are secured by and payable from a first pledge of the net proceeds of the Special Taxes (as more particularly defined in the Fiscal Agent Agreement, the "**Special Tax Revenues**"), subject to the conditions contained in the Fiscal Agent Agreement. The Bonds will also be secured by certain funds and accounts established and held under the Fiscal Agent Agreement. In particular, a debt service reserve fund (the "**Reserve Fund**") will be established in connection with the issuance of the Bonds in an amount equal to the Reserve Requirement (as defined in this Official Statement). See "FINANCING PLAN – Estimated Sources and Uses of Funds" and "SECURITY FOR THE BONDS."

Pursuant to the Act, the Resolution of Formation (as defined herein), and the Fiscal Agent Agreement, so long as any Bonds are outstanding, the City will annually levy the Special Tax against all land within the District taxable under the Act in accordance with the proceedings for the authorization and issuance of the Bonds and to make provision for the collection of the Special Tax in amounts which will be sufficient to pay interest on, principal of and redemption premium (if any) on the Bonds as such becomes due and payable and to replenish the Reserve Fund (as defined herein) as necessary. See "SECURITY FOR THE BONDS – Special Taxes" herein.

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of any of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the real property on which the Special Tax is delinquent. The unpaid Special Taxes are not required to be paid upon sale of property within the District.

Covenant to Foreclose. The City has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure

covenant see "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

Formation of the District and Bond Issuances. On September 15, 2004, the City Council adopted Resolution No. 04-439 (the "**Resolution of Formation**"), which formed the District. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$80,000,000 at a special election in the District held on the same day. Bonds were issued for the District in 2005 and 2006 in the aggregate amount of \$80,000,000.

The District. The District is partially developed in the northwestern portion of the City within the City's West Roseville Specific Plan ("**WRSP**"). The land in the District is also known locally as the "Westpark" neighborhood. Initial homebuilding activity began in late 2005 and as of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014). Homebuilding is ongoing.

The District comprises approximately 928 net acres and currently constitutes 2,597 parcels. The District is approved for 3,819 single family residential homes (of which 704 lots are to be age-restricted units and 777 multifamily residential units (including 462 designated for affordable housing)) under the zoning designations of the WRSP, as well as 16.8 acres of commercial uses (13.8 acres of which are subject to the Special Tax and 3.0 acres of which are not) and 88.1 acres of industrial uses (none of which are subject to the Special Tax). See "THE DISTRICT."

Most of the undeveloped land in the District subject to the Special Tax is currently owned by one of four merchant homebuilder entities, affiliates of Lennar Corporation, PulteGroup Inc., Meritage Homes Corporation and KB Home, respectively, each having purchased (directly or following a sale to a third party) the property from West Roseville, LLC (the "**Master Developer**"), whose sole remaining holding subject to the Special Tax is an approximate 12-acre parcel designated for high density residential use. Land in the District also includes land planned for open space and public parks and not subject to the Special Tax. The original master planner of development in the District was 1600 Placer Investors, L.P., whose ownership interests were succeeded by PL Roseville, LLC, an entity comprised of entities controlled by the homebuilders Pulte Home Corporation, Centex Homes and Lennar Homes, which entity acquired the property in 2005. The three member entities of PL Roseville, LLC, as homebuilders, intended to independently develop homes in the District.

Value Estimate of Property in the District. In connection with valuing property in the District, the City reports that the 2014-15 County assessed valuation (the "**Assessed Valuation**") of the property in the District is \$884,290,969, \$801,095,421 of which represents developed property (having an assessed vertical improvement value) and the remainder of which represents undeveloped property.

In order to provide an alternate valuation of certain undeveloped parcels in the District, the City ordered an appraisal of such land (the "**Appraisal**"), dated July 15, 2015, prepared by Seevers Jordan Ziegenmeyer, Rocklin, California (the "**Appraiser**"), as described herein under the caption "SPECIAL TAX REVENUE AND VALUE ESTIMATE OF PROPERTY WITHIN THE DISTRICT – Appraisal of Certain Undeveloped Land." The Appraisal estimates the value of the undeveloped properties subject to the Appraisal, all of which are subject to the Special Tax, to

be \$156,580,000. For properties subject to the Special Tax and not included in the Appraisal, the 2014-15 County assessed valuation is \$801,095,421. The aggregate value of the property in the District includes both the appraised value of the subject properties of the Appraisal and the assessed value of the remainder. Based upon the \$957,675,421 total valuation of property in the District subject to the Special Tax and an aggregate outstanding principal amount of Bonds of \$68,675,000*, the value-to-lien ratio for property in the District is approximately 14* to 1 (this does not include Overlapping Debt).

Redemption of Bonds Before Maturity. The Bonds are subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption from prepaid Special Taxes. See "THE BONDS – Redemption."

Risk Factors Associated with Purchasing the Bonds. Investment in the Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the Bonds.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of 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 City or any of its income or receipts, except the money in the Special Tax Fund (described herein) established under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the City. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restrictions and neither the City Council, the City nor any officer or employee thereof is liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds other than from the proceeds of the Special Taxes (described herein) and the money in the Special Tax Fund, as provided in the Fiscal Agent Agreement.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT." The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

* Preliminary; subject to change.

FINANCING PLAN

Refunding Plan

The City issued the Prior Bonds for the purpose of financing a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for the development of property in the District (the "**Improvements**"), primarily for roadway, sewer, water, drainage and parks. See "THE DISTRICT – Formation of the District."

The Prior Bonds consist of the outstanding 2005 Bonds and 2006 Bonds. The 2005 Bonds are currently outstanding in the aggregate principal amount of \$57,505,000, which will be redeemed in full, on a current basis, on September 1, 2015 (the "**Redemption Date**"), at a redemption price equal to 100% of the principal amount thereof, together with interest coming due and payable on the Redemption Date. The 2006 Bonds are currently outstanding in a total aggregate principal amount of \$21,470,000. The Term 2006 Bond due September 1, 2016 is subject to mandatory sinking fund redemption, and \$845,000 in aggregate principal amount will be redeemed on the Redemption Date at a redemption price equal to 100% of the principal amount thereof, together with interest coming due and payable on the Redemption Date. The remainder of the outstanding 2006 Bonds will be redeemed in full, on a current basis, on the Redemption Date, at a redemption price equal to 101% of the principal amount thereof, together with interest coming due and payable on the Redemption Date.

In order to accomplish the refinancing plan, proceeds of the Bonds, together with certain other funds on hand with respect to the Prior Bonds in a total amount sufficient to redeem the Prior Bonds, will be transferred to The Bank of New York Mellon Trust Company, N.A., as fiscal agent for the Prior Bonds (the "**Prior Bonds Fiscal Agent**"), for deposit in a Prior Bonds redemption account to be established pursuant to Irrevocable Refunding Instructions by and between the City and the Prior Bonds Fiscal Agent. These funds, together with any remaining amounts held in cash by the Prior Bonds Fiscal Agent, will be sufficient to pay and redeem the Prior Bonds in full on the Redemption Date.

Estimated Sources and Uses of Funds

The estimated proceeds from the sale of the Bonds will be deposited into the following funds established under the Fiscal Agent Agreement:

<u>Sources</u>	
Principal Amount of Bonds	\$
<i>[Plus] [Less]:</i> Original Issue [Premium][Discount]	
<i>Plus:</i> Funds Related to Prior Bonds	
<i>Total Sources</i>	\$
 <u>Uses</u>	
Deposit into Redemption Account ⁽¹⁾	\$
Deposit into Reserve Fund ⁽²⁾	
Deposit into Costs of Issuance Account ⁽³⁾	
Underwriters' Discount	
<i>Total Uses</i>	\$

(1) Will be used to defease and refund the Prior Bonds and reimburse the City for moneys advanced to finance authorized improvements for the District. See "-Refunding Plan" above.

(2) Equal to the Reserve Requirement with respect to the Bonds as of their date of delivery.

(3) Includes, among other things, the fees and expenses of Bond Counsel and Disclosure Counsel, the Fiscal Agent, the Municipal Advisor, the Appraiser, and the Special Tax Administrator, as well as the cost of printing the preliminary and final Official Statements.

THE BONDS

This section generally describes certain of the terms of the Bonds contained in the Fiscal Agent Agreement. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT."

Authority for Issuance

The Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution of Formation, the Resolution of Issuance, and the Act.

On September 15, 2004, the City Council adopted the Resolution of Formation, which formed the District. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$80,000,000 at a special election in the District held on the same day. The 2005 Bonds and 2006 Bonds were issued under and up to the full amount of the authorization; no additional bonds are permitted to be issued under the Resolution of Formation after the Bonds (excepting possible future refunding bonds). Under the provisions of the Act, since there were fewer than 12 registered voters residing within the District at a point during the 90-day period preceding the adoption of the Resolution of Formation, the qualified electors entitled to vote in the special election consisted of 1600 Placer Investors, L.P. and a then-pending seller of land to such entity (who were then the only eligible landowners/voters in the District), who cast one vote for each gross acre or portion of an acre of land owned within the District. The landowners voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within the District, for the purpose of paying for the Improvements, including repaying any indebtedness of the District, replenishing the Reserve Fund and paying the administrative expenses of the District. See "THE DISTRICT" herein.

Description of the Bonds

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the Bonds.

Payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's participants and indirect participants, as more fully described in "APPENDIX G – DTC and the Book-Entry Only System."

The Bonds will be dated as of, and bear interest from, the date of their delivery at the rates contained, and mature in the amounts and years shown on the inside cover page of this Official Statement.

The principal of, and any redemption premium due with respect to, the Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal

Agent, upon presentation and surrender of the Bonds. Interest on the Bonds, computed on the basis of a 360-day year consisting of twelve 30-day months, will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing March 1, 2016.

Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the 15th day of the calendar month preceding the Interest Payment Date (the "**Record Date**"), or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds will be made by wire transfer, or such other method acceptable by the Fiscal Agent, to DTC. See "APPENDIX G – DTC and the Book-Entry Only System."

Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the dated date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's direct participants and indirect participants, as more fully described herein. See "APPENDIX G – DTC and the Book-Entry Only System."

Redemption

Optional Redemption. The Bonds will be subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among series and maturities as will be specified by the City and by lot within a maturity, on any Interest Payment Date on or after September 1, _____, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
September 1, _____ through September 1, _____	
September 1, _____ and thereafter	

Special Mandatory Redemption From Prepaid Special Taxes. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among series and maturities as will be specified by the City and by lot within a

maturity, on September 1, 2016 and on any Interest Payment Date thereafter, at a redemption price equal to the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
September 1, ____ through September 1, ____	
September 1, ____ and thereafter	

Mandatory Sinking Fund Redemption. The Bonds maturing September 1, _____ and September 1, _____ (the "Term Bonds") are subject to mandatory sinking payment redemption in part on September 1, _____ and September 1, _____, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of their principal amount to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term Bonds of _____	
Mandatory Redemption Date (September 1)	Sinking Fund Payment

Term Bonds of _____	
Mandatory Redemption Date (September 1)	Sinking Fund Payment

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or special mandatory redemption of the Term Bonds.

In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of their principal amount, plus interest accrued to the date of purchase.

Redemption Procedure by Fiscal Agent. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the MSRB, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing will not be a

condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Bonds.

The notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or will state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, will state as to any Bond called in part the principal amount thereof to be redeemed, and will require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such Bonds will not accrue from and after the redemption date. Any notice of redemption may indicate that such redemption will be conditional upon the Fiscal Agent having sufficient moneys available on the date specified to cause the redemption to occur as provided in the notice.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds of any maturity, the Fiscal Agent will select the Bonds to be redeemed, from all Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion will deem appropriate. Upon surrender of Bonds redeemed in part only, the City will execute and the Fiscal Agent will authenticate and deliver to the registered Owner a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

The City shall have the right to rescind any notice of prepayment delivered by the Fiscal Agent prior to the date fixed for prepayment.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption will have been deposited in the Bond Fund, the Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue on the called Bonds on or after the redemption date specified in the notice.

Transfer or Exchange of Bonds

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of Bonds will be made in accordance with DTC procedures. See APPENDIX G. Any Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any Bond(s) will be surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new Bond(s), for a like aggregate principal amount of Bond(s) of authorized denominations and of the same maturity. The City will pay the cost for any services rendered or any expenses

incurred by the Fiscal Agent in connection with any such transfer or exchange. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of Bonds will be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after that Bond has been selected for redemption.

SECURITY FOR THE BONDS

The Bonds are secured by and payable from a first pledge of the proceeds of the Special Tax Revenues. The Special Tax Revenues and all moneys deposited into the Bond Fund and the Reserve Fund are pledged to the payment of the principal of, and interest and any premium on, the Bonds, as provided in the Fiscal Agent Agreement and in the Act, until all the Bonds have been paid and retired, or until moneys or Federal Securities have been set aside irrevocably for that purpose.

The Improvements are not in any way pledged to pay the debt service on the Bonds. Any proceeds of condemnation, destruction or other disposition of any Improvements are not pledged to pay the debt service on the Bonds and are free and clear of any lien or obligation imposed under the Fiscal Agent Agreement.

Special Taxes

A Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the City Council through the application of the Special Tax Formula prepared by Goodwin Consulting Group, Inc., Sacramento California, and amended by Willdan Financial Services, Temecula, California (the "**Special Tax Administrator**") set forth in APPENDIX B hereto, for all taxable properties in the District. Interest and principal on the Bonds is payable from the annual Special Taxes to be levied and collected on taxable property within the District, from amounts held in the funds and accounts established under the Fiscal Agent Agreement (other than the Rebate Fund) and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof as a "special tax" authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City pursuant to the Act in an amount determined according to the Special Tax Formula approved by the City. See "Special Tax Methodology" below and "APPENDIX B — Rate and Method of Apportionment of Special Tax."

The amount of Special Taxes that the District may levy in any year, and from which principal and interest on the Bonds is to be paid, is strictly limited by the maximum rates approved by the qualified electors within the District which are set forth as the annual "**Maximum Annual Special Tax**" in the Special Tax Formula. Under the Special Tax Formula, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount, not in excess of the annual Maximum Annual Special Tax. The Special Taxes and any interest earned on the Special Taxes constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon will not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and will be held in trust for the benefit of the owners thereof and will be applied pursuant to the Fiscal Agent Agreement. The Special Tax Formula apportions the Special Tax Requirement (as defined in the Special Tax Formula and described below) among the taxable parcels of real property within the District according to the rate and methodology set forth in the Special Tax Formula. See "Special Tax Methodology" below. See also "APPENDIX B — Rate and Method of Apportionment of Special Tax."

The City may levy the Special Tax at the Maximum Annual Special Tax rate, which has been authorized by the qualified electors within the District, as set forth in the Special Tax Formula, if conditions so require. The City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Special Tax Requirement (as defined below). Because each Special Tax levy is limited to the annual Maximum Annual Special Tax rates authorized as set forth in the Special Tax Formula, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Special Tax Requirement will in fact be collected in any given year. See "BOND OWNERS' RISKS — Property Tax Delinquencies" herein. The Special Taxes are collected for the City by the County in the same manner and at the same time as *ad valorem* property taxes.

Special Tax Methodology

The Special Tax authorized under the Act applicable to land within the District will be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate as described in the Special Tax Formula set forth in "APPENDIX B – Rate and Method of Apportionment of Special Tax" and in accordance with the Act. See "BOND OWNERS' RISKS – Levy and Collection of Special Tax." Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Special Tax Formula.

Determination of Special Tax Requirement. Each year, the City will determine the Special Tax Requirement of the District for the upcoming fiscal year. The "**Special Tax Requirement**" include the following items:

- (i) debt service on bonds issued for the District;
- (ii) administrative expenses and County fees;
- (iii) any amounts needed to replenish bond reserve funds and to pay for delinquencies in Special Taxes for the previous fiscal year or anticipated for the current year; and
- (iv) pay-as-you-go expenditures for authorized improvements and development-related fees.

The Special Tax Requirement is the basis for the amount of Special Tax to be levied within the District. In no event may the City levy a Special Tax in any year above the Maximum Annual Special Tax identified for each parcel in the Special Tax Formula.

Parcels Subject to the Special Tax. The City will prepare a list of the parcels subject to the Special Tax using the records of the City and the County Assessor. The City will tax all parcels within the District except property which is exempt from the Special Tax pursuant to the Special Tax Formula. Taxable Property that is acquired by a public agency after the District is formed will remain subject to the Special Tax unless a "trade" resulting in no loss of Special Tax revenue can be made, as described in the Special Tax Formula.

Annual Special Tax Levy. The Special Tax will be levied each year by calculating the Special Tax Requirement which needs to be generated by all Taxable Property in the District; the Special Tax (up to maximum allowable amount) will be levied against each Taxable Property until the Special Tax revenue equals the Special Tax Requirement, however the Special Tax

Formula establishes a priority for which properties will be levied a Special Tax, with Developed Property receiving a Special Tax levy prior to Undeveloped Property. For single family detached property, Developed Property is property which is shown on a Final Map recorded prior to May 1st of each fiscal year. See the Special Tax Formula in APPENDIX B. The Special Tax Formula provides that the annual Maximum Special Tax will be increased annually by the “Annual Tax Escalation Factor” which for each fiscal year is equal to 2% of the Maximum Special Tax in effect in the prior fiscal year. Pursuant to an agreement between the Master Developer and the City, the Special Tax will be levied at the Maximum Annual Special Tax rate for several years after issuance of the Bonds to generate pay-as-you-go moneys to be used to reimburse the Master Developer for the cost of authorized Improvements.

Termination of the Special Tax. The Special Tax will be levied and collected (up to the maximum allowable amount) for as long as needed to pay the principal and interest on the Bonds and other costs incurred in order to construct and acquire the authorized District-funded Improvements and to pay the Special Tax Requirement. The Special Tax Formula provides that the Special Tax may not be levied on any parcel in the District after fiscal Year 2050-51. When all Special Tax Requirement incurred by the District have been paid, the Special Tax will cease to be levied.

Prepayment of the Special Tax. The Special Tax Formula provides that landowners may permanently satisfy all or a portion of the Special Tax by a cash settlement with the City. The amount of the prepayment required is to be calculated according to a formula set forth in the Special Tax Formula, which is generally based on the parcel’s share of the outstanding Bonds, remaining facilities costs which have not been bonded, redemption premiums, defeasance requirements and administrative fees and expenses.

Levy of Annual Special Tax; Maximum Annual Special Tax

The annual Special Tax will be calculated by the City and levied to provide money for debt service on the Bonds, replenishment of the Reserve Fund, anticipated Special Tax delinquencies, administration of the District, and for payment of pay-as-you-go expenditures (to the extent permitted by the City) of the Improvements or authorized District-funded facilities not funded from Bond proceeds. In no event may the City levy a Special Tax in any year above the Maximum Annual Special Tax identified for each parcel in the Special Tax Formula. The Maximum Annual Special Tax rates for fiscal year 2014-15 were \$950.88 to \$1,818.09 per detached single family residence; there were no affordable detached units for fiscal year 2014-15. For Large Lot Parcels and Undeveloped Parcels, the Special Tax is based upon the gross acres or number of units planned for such parcels and the rate is subject to adjustment based upon the actual number of units built. The Annual Maximum Special Tax is allowed to escalate by an amount not in excess of 2% per year, which is currently being applied and expected to be applied in the future. See “APPENDIX B – Rate and Method of Apportionment of Special Tax,” and for a table showing the expected land uses and assigned Maximum Special Taxes at the time of formation of the District, see “Attachment 2” in such Appendix.

The Special Tax will be levied in an amount equal to the Special Tax Requirement as described in the Special Tax Formula and may be levied in an amount up to the maximum rates, and will include a pay-as-you-go component for several years as a mechanism whereby the City will utilize the pay-as-you-go component to reimburse the Master Developer for costs of Improvements not funded by proceeds of the bonds issued for the District. Pursuant to an agreement between the Master Developer and the City entered into in 2011, the Special Tax will be levied at the Maximum Annual Special Tax rate for several years after issuance of the Bonds

to generate such pay-as-you-go moneys. In each year in which the pay-as-you-go component is utilized, proceeds of the annual Special Tax levy will first be used to pay the Special Tax Requirement other than pay-as-you-go expenditures and second, for reimbursement of costs not funded from Bond proceeds. As of the date of issuance of the Bonds, the City anticipates it will utilize the pay-as-you-go component of the Special Tax Requirement for approximately the next 12 to 13 fiscal years to finance authorized Improvements.

Special Tax Fund

When received, the Special Taxes are required under the Fiscal Agent Agreement to be deposited into a Special Tax Fund to be held by the City in trust for the benefit of the City and the Owners of the Bonds. Moneys in the Special Tax Fund will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds.

No later than 10 Business Days after receipt by the City, the City will withdraw from the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds during the then-current Bond Year, and (ii) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement. At such time as deposits to the Special Tax Fund equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount will be available to the City to pay Administrative Expenses; provided, that no later than ten (10) Business Days after receipt by the City of any prepayment of Special Taxes, the City will transfer such prepayments to the Fiscal Agent for deposit into the Prepayment Account to be used for the redemption of Bonds.

Deposit and Use of Proceeds of Bonds

The Bonds are additionally secured by amounts generated from proceeds of the Bonds, together with interest earnings thereon pledged under the Fiscal Agent Agreement. Proceeds of the Bonds sufficient to redeem the Prior Bonds in full on the Redemption Date will be paid to the Prior Bonds Fiscal Agent, and not available to pay debt service on the Bonds. See "FINANCING PLAN." The remaining proceeds of the Bonds will be paid to the Fiscal Agent, who will deposit such proceeds in the Reserve Fund, Bond Fund and Costs of Issuance Fund established under the Fiscal Agent Agreement. The Fiscal Agent Agreement includes direction on the use of the moneys, including investment earnings thereon, in the various funds established under the Fiscal Agent Agreement. See "Reserve Fund" below.

Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes collected by the County, except at the City's option, the Special Taxes may be billed directly to property owners. In the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Act to order institution of an action in superior court to foreclose the lien therefor.

The City has covenanted in the Fiscal Agent Agreement with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the

public records of the County relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior fiscal year, and if the City determines on the basis of such review that the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in the District in such fiscal year, it will within 30 days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the District for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; *provided*, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such fiscal year, but that property owned by any single property owner in the District is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such fiscal year, or (b) property owned by any single property owner in the District is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the District), then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner.

Under the Act, foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. In such action, the real property subject to the special taxes may be sold at a judicial foreclosure sale for a minimum price which will be sufficient to pay or reimburse the delinquent special taxes.

The owners of the Bonds benefit from the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes with respect to the Bonds are significant enough to completely deplete the Reserve Fund, there could be a default or a delay in payments of principal and interest to the owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the City of the proceeds of foreclosure sales. Provided that it is not levying the Special Tax at the annual Maximum Annual Special Tax rates set forth in the Special Tax Formula, the City may adjust (but not to exceed the annual Maximum Annual Special Tax) the Special Taxes levied on all property within the District subject to the Special Tax to provide an amount required to pay debt service on the Bonds and to replenish the Reserve Fund.

Under current law, a judgment debtor (property owner) has at least 140 days from the date of service of the notice of levy in which to redeem the property to be sold. If a judgment debtor fails to redeem and the property is sold, his or her only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (California Code of Civil Procedure Section 701.680).

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor's filing for relief under the Federal bankruptcy laws. The Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem* taxes and special assessments. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT – Overlapping Liens and Priority of Lien."

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the District becomes the purchaser under a credit bid, the District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Reserve Fund

A Reserve Fund (the "**Reserve Fund**") for the Bonds will be established under the Fiscal Agent Agreement, to be held by the Fiscal Agent. Upon delivery of the Bonds, the amount on deposit in the Reserve Fund will be established by depositing certain proceeds of the Bonds in the amount of the "**Reserve Requirement**" for the Bonds, which is the lesser of 10% of the original principal amount of the Bonds, 100% of maximum annual debt service on the Bonds, or 125% of average annual debt service on the Bonds. The City is required to maintain an amount of money or other security equal to the Reserve Requirement in the Reserve Fund at all times that the Bonds are outstanding. All amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the City.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund or the Improvement Fund as provided below, except that investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company (a "**Qualified Reserve Fund Credit Instrument**"), provided certain conditions are met, including that the long-term credit rating of such bank or insurance company is rated in a "AA" rating category or higher by S&P or Moody's.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund and other moneys in the Reserve Fund will remain therein until the balance exceeds the Reserve Requirement; any amounts in excess of the Reserve Requirement will be

transferred to the Improvement Fund, if the Improvements have not been completed, or if the Improvements have been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and make any other transfer required under the Fiscal Agent Agreement, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption of all of the Outstanding Bonds. If the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent, to be used for any lawful purpose of the City.

Additional Bonds

The Resolution of Formation authorized the issuance of up to \$80 million of bonds by the City on behalf of the District, of which the 2005 Bonds represented the first series and the 2006 Bonds represented the second series. Pursuant to the Resolution of Issuance, the Bonds are being issued to refund the total aggregate principal amounts outstanding of the 2005 Bonds and 2006 Bonds. No additional bonds secured by the Special Taxes, other than bonds issued to refund all or a portion of the Bonds, may be issued by the City on behalf of the District in the future.

DEBT SERVICE SCHEDULE

The annual debt service on the Bonds based on the interest rates and maturity schedule set forth on the cover of this Official Statement is shown below.

Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Debt Service

Period Ending (September 1)	Bonds Principal	Bonds Interest	Bonds Total
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			

THE DISTRICT

Formation of the District

On August 4, 2004, the City Council adopted a Resolution of Intention to form a community facilities district under the Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing the Improvements and making contributions to certain public facilities. After conducting a noticed public hearing, on September 15, 2004, the City Council adopted the Resolution of Formation, which established Westpark Community Facilities District No. 1 (Public Facilities), set forth the Special Tax Formula within the District and set forth the necessity to incur bonded indebtedness in a total amount not to exceed \$80 million. On the same day, an election was held within the District in which the two only landowners/voters in the District, 1600 Placer Investors, L.P. (an entity that master planned the area for development) and another landowner entity unanimously approved the proposed bonded indebtedness and the levy of the Special Tax. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" below.

At the time the Prior Bonds were issued, most of the land in the District was owned by PL Roseville, LLC, an entity comprised of entities controlled by the homebuilders Pulte Home Corporation, Centex Homes and Lennar Homes, which acquired the property in 2005 from 1600 Placer Investors, L.P. The three member entities of PL Roseville, LLC, as homebuilders, intended to independently develop homes in the District.

Location and Description of the District and the Immediate Area

The District is located in the northwestern area of the City within a portion of the WRSP, approximately 20 miles northeast of the central business district of Sacramento. The land in the District is also known locally as the "Westpark" neighborhood. The process of annexation of the area to the City was completed in October 2004. The area is approximately 1-mile north of Baseline Road and generally bounded by Fiddymont Road to the east, Pleasant Grove Boulevard to the southwest (and north and south of Pleasant Grove Boulevard in the southeast area), with Westpark Drive forming the northern boundary. The Placer County/Roseville City Limit line is the western boundary of the District. Access to the District is via Pleasant Grove Boulevard and Blue Oaks Boulevard, a primary east-west traffic arterial that connects to State Highway 65 and the nearby Interstate 80 freeway system. Interstate 80 is located approximately three miles southeast of the State Highway 65/Blue Oaks Boulevard junction and merges with State Highway 65 at an interchange system.

The WRSP area permits the development of a total of 10,464 dwelling units on approximately 3,161 gross acres. Land use and zoning entitlements provided by the WRSP include full land-use entitlements, including a general plan amendment, specific plan amendment, rezone, design guidelines and a development agreement between the City and each owner. Since the approval of the WRSP in 2004 there have been 3,804 single family residential building permits issued, with 2,502 issued in the Westpark portion of the WRSP (activity through 3/31/15). In addition a senior-affordable community of 152 apartment homes has been constructed in the Village Center of Westpark. See "Development Agreement" below. This permits development of the property to proceed through approval of subsequent development entitlements such as subdivision maps and design review permits. See "Development Agreement" below. The portion of the WRSP area not included in the District is locally known as "Fiddymont Farm" and commenced development simultaneously with development in the District. The Fiddymont Farm area is planned for 5,868 residential units

and is also the subject of a community facilities district formed by the City concurrently with formation of the District.

Development within the Westpark portion of the WRSP commenced in 2005 and has proceeded steadily since that time with activity increasing during the past three years. The predominant approved suburban land use within the City limits in the vicinity of the District is single family residential. The District is adjacent to recently constructed residential subdivisions to the north and east, including those in the Fiddymont Farm and Doctor's Ranch area to the north, and in the Woodcreek Oaks and Diamond Creek planned area to the east. Residential development in the Del Webb Specific Plan senior living development (Sun City Roseville), which sold-out in 1999, lies directly east of the District, and residential development built mostly in the past ten years as part of the Northwest Roseville Specific Plan area lies south and southeast of the District. Since the approval of the WRSP the City has approved, and annexed, two new Specific Plans, the Sierra Vista Specific Plan ("**SVSP**") located south of the District and the Creekview Specific Plan ("**CSP**"). The SVSP was approved in 2010 with an amendment to include the Westbrook property occurring in 2012. Development has recently commenced on the first phase of the Westbrook property (with a first series of bonds issued in late 2014), however the original portion of the SVSP remains undeveloped as applications for state and federal regulatory permits are processed. The CSP was approved in 2012, it too is processing wetland and species permits before development can occur.

The Pleasant Grove Regional Wastewater Treatment Plant, and the Roseville Energy Park electricity generating facility, are adjacent to and partially surrounded by the central portion of the District. A variable distance non-residential buffer of up to 1,000 feet (which is planned to primarily consist of light-industrial land uses compatible with the surrounding land uses) is included to the north, south, east and west of the Pleasant Grove Regional Wastewater Treatment Plant.

The District comprises approximately 928.5 net developable acres (approximately 1,492 gross acres, which includes land planned for public uses and not subject to the Special Tax). Zoning for District land is in place for residential development of 3,819 single-family residences and 777 multi-family units, in addition to approximately 16.8 acres of commercial uses (13.8 acres of which are subject to the Special Tax and 3.0 acres of which are not) and 88.1 acres of industrial uses (none of which are subject to the Special Tax), all in accordance with the WRSP (described above) and a Development Agreement (described below). The District includes land planned for parks and open space (representing approximately 403 acres) not subject to the Special Tax.

Initial homebuilding activity began in late 2005, with much of the District currently developed with residential uses and homebuilding ongoing and at least some site grading having taken place on all remaining undeveloped land. As of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014). See "Current and Anticipated Development in the District" below. Undeveloped land is primarily owned by four merchant homebuilders.

Phases 1 and 2 are nearly fully built out with the exception of the Village Center commercial properties and a medium density residential parcel in the Village Center (a recent application was filed for development of the W-24 site). Phase 3 is mostly developed with 358 of 533 lots developed. A multi-family residential parcel also remains undeveloped. Phase 4, which contains 887 residential lots, 170 multi-family units and 88.1 acres of industrial zoned

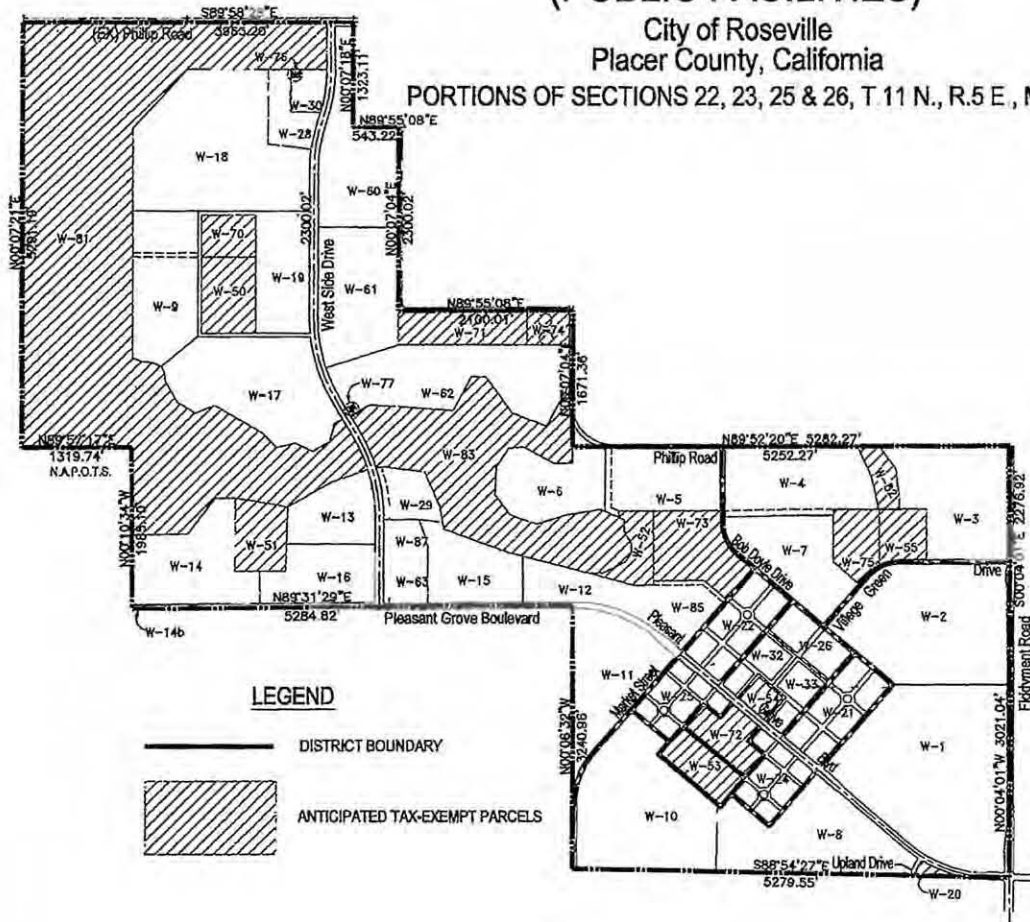
land (Light Industrial & Industrial), which is not subject to the Special Tax, began development in 2014. Approximately one half of the residential lots were completed in 2014, with development of the remaining lots commencing in the spring of 2015. A large expanse of open space (300+ acres) stretches throughout the Phase 3 and 4 portions of the District. Curry Creek traverses the property and clusters of seasonal wetlands, including vernal pools, are dispersed throughout the site. The WRSP has targeted a majority of the creek corridors, associated woodlands, and a portion of the seasonal wetlands and historic structures, for preservation in permanent open space/park use.

For fiscal year 2014-15, 2,597 parcels were subject to the Special Tax. Property in the District as presently constituted includes 18 "large lot" parcels which are planned to be subdivided for homebuilding. Upon subdivision mapping, new parcel numbers will be established for each parcel created by a final subdivision map.



Maps. A District boundary map is shown on the following page.

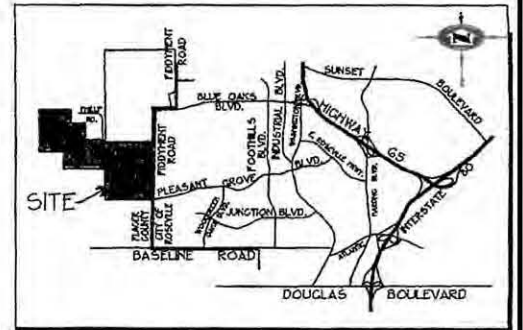
PROPOSED BOUNDARY MAP
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

City of Roseville
 Placer County, California
 PORTIONS OF SECTIONS 22, 23, 25 & 26, T 11 N., R 5 E., M.D.M



LEGEND

-  DISTRICT BOUNDARY
-  ANTICIPATED TAX-EXEMPT PARCELS



VICINITY MAP

NO SCALE

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF ROSEVILLE, WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE AT A REGULAR MEETING THEREOF HELD ON THE 14th DAY OF August, 2004.
 BY ITS RESOLUTION NUMBER 04-281

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

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA ON THIS 14th DAY OF August, 2004.

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

FILED THIS 18th DAY OF August, 2004,
 AT THE HOUR OF 9:22 O'CLOCK AM IN BOOK 3
 OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 38, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.
 Fee: \$8.00 Instrument # 2004-108605

Jim McCauley
 COUNTY RECORDER
 COUNTY OF PLACER, CALIFORNIA
 By *Debra*, Deputy

mp **MORTON & PITALO, INC.**
 CIVIL ENGINEERING • PLANNING • SURVEYING
 1352 Blue Oaks Boulevard, Suite 100 • Roseville, CA 95678
 phone: 916.773.7677 • fax: 916.773.7671 • survey fax: 916.927.1185
 email: engr@mpcorp.com • web: www.mpcorp.com

Entitlements. Property within the District encompasses approximately 1,492 gross acres, of which approximately 928 net acres are expected to be available for development. Development plans include 3,819 low- and medium-density residential homes (of which 704 lots are age-restricted units and 777 high-density residential units (including 462 designated for affordable housing)) consistent with the zoning designations of the WRSP, as well as 16.8 acres of commercial uses (13.8 acres of which are subject to the Special Tax and 3.0 acres of which are not) and 88.1 acres of industrial uses (none of which are subject to the Special Tax). The entitlements allow a development proposal related to a particular parcel to proceed through the tentative map subdivision and design-review permitting processes to final mapping provided the development application is in accordance with the entitlements and the final map conditions. See "Development Agreement" below. The land received full land use approval on February 3, 2004, including approval of Specific Plan Zoning and a Development Agreement.

Subdivision Maps. All single family residential villages have had tentative maps approved utilizing all residential units allocated to the Westpark portion of the WRSP. Builders are presently building homes within 11 of the remaining 20 residential villages within Westpark.

Infrastructure and Utilities. All required infrastructure within Phases 1, 2 and 3 has been constructed and accepted by the City. A portion of the infrastructure for the final phase of development, Phase 4 (approximately 50%), has been constructed and is in the final acceptance process for the City to assume maintenance responsibility. The remainder of the infrastructure for Phase 4 is under construction and is expected to be completed and accepted by the end of 2015. The remaining Phase 4 infrastructure cost is approximately \$6 million.

Affordable Units. Under the Development Agreement, 10% of the residential units (or 462 units) to be constructed in the District are planned to be available to renters as apartment homes affordable to persons in very-low to low income households. To date 152 units affordable to low and very low income seniors have been built on Parcel W-25. The remaining affordable units are designed within Parcels W-16 and W-27. The Special Tax Formula provides for a reduction by one-half of the otherwise applicable Special Tax for units that are the subject of the affordable housing provisions.

Development Agreement. Development in the District is subject to a development agreement dated February 18, 2004 (as amended, the "**Development Agreement**") with the City in accordance with applicable state and local codes. The original Development Agreement has been amended five times since the original approval to provide for changes to the land uses, unit totals and construction obligations. Land use and development entitlements granted under the Development Agreement for property in the District are consistent with the WRSP. The Development Agreement vests development rights, sets forth infrastructure improvements and dedication requirements, secures the timing and methods for financing improvements, and specifies other performance obligations related to development in the WRSP area. All of the property in the District is subject to the requirements of the Development Agreement as well as the WRSP. Current development plans for the District are consistent with the Development Agreement

Flood Hazard Map Information. According to the Federal Emergency Management Agency's flood insurance rate maps (Community-Panel Number 060243-0457F, with an effective date of July 8, 1998), the developable portions of the property in the District are located within Flood Zone X, described as areas of minimal flooding (outside of the 100 and 500-year floodplains).

Wetland Conditions. According to the City's planning department, some jurisdictional wetlands will be affected by the development within the District; however, developers of land in the District have mitigated the impact.

Seismic Conditions. The property in the District is not located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.

Water Supply. The City's water supply has historically been surface water. Since the Roseville water treatment plant came on-line in 1971, the primary source of raw water delivered to this plant has been Central Valley Project (CVP) water held in the Folsom Reservoir and contracted to the City by the US Bureau of Reclamation ("USBR"). The City also has a surface water supply contract with Placer County Water Agency ("PCWA") for water from the Middle Fork Project that is wheeled through the same USBR facilities at Folsom, and a surface water contract with San Juan Water District ("SJWD") for use in wet and normal water years. In addition to surface water, the City has six groundwater wells that provide back-up, emergency supply to the system.

The Sacramento region, like most of the State of California, is prone to occasional drought. For example the State experienced an extended drought period that began in 1987 and continued until the winter of 1992-93. California is also currently facing one of the most severe droughts on record. On April 1, 2015, for the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. The volatility of weather patterns make it difficult to predict how long drought conditions will persist, or how often they may reoccur. However, when drought conditions do occur, it can affect community water usage for the duration of the drought as cities and water agencies implement drought management plans that require water usage reduction.

The City employs a portfolio approach to its water supplies which includes the use of surface water, groundwater and recycled water. This portfolio approach is designed to provide a more reliable water supply. Surface water is the City's primary water supply which is delivered from Folsom Reservoir under contracts with the Bureau of Reclamation and the Placer County Water Agency. The City also uses groundwater to supplement its surface water supplies during emergency and drought conditions. These ground water wells are designated to accommodate Aquifer Storage and Recovery (ASR). The City's ASR program allows for the storage of treated surface water in the groundwater basin through direct injection through the ASR wells. This water can be extracted later from the same wells for use during emergency or drought conditions. This water "banking" allows the City to use groundwater without significant impact to the ground water table when surface water supplies are limited. The City also uses recycled water generated from its wastewater treatment facilities for irrigation purposes in commercial landscaping, public rights-of way, parks and golf courses. The use of recycled water reduces the demand for treated water for these purposes and leaving more for domestic use.

The existing Development Agreement protects the ability to access water for the project through an agreed upon water allocation. Further, the City indicates it has adequate surface water and groundwater supplies to meet the allocation for the development notwithstanding existing limitations as part of the City's drought management programs. However, in the event that the City's water supply is severely limited or cut off by virtue of future actions beyond its control resulting from ongoing or future drought conditions, development within the District may be delayed or even stopped.

The Development Agreement provides that should the City need to restrict development it must do so City-wide and cannot single out the District property in restricting development activity. In turn, the anticipated diversity of ownership of land within the District could also be reduced, making the owners of the Bonds more dependent upon the owners of undeveloped land timely payment of the Special Taxes levied on undeveloped property. Furthermore, such an increased period of concentrated ownership of undeveloped land increases the potential negative impact of any bankruptcy or other financial difficulties experienced by the owners. Any reduction or interruption in the water supply would also likely cause a reduction in the land value and thus a reduction in the security in the event of a need to foreclose on land within the District following a delinquency in the payment of Special Taxes.

Infrastructure Improvements

Prior Bonds Infrastructure Expenditures. The City utilized net proceeds from the 2005 Bonds and 2006 Bonds to reimburse the developers of completed on and off-site public infrastructure improvements required for development within the District which were acquired by the City, all of which were facilities authorized for the District. All of the facilities constructed with proceeds of the 2005 and 2006 Bonds have been completed and acquired by the City.

Additional Required Infrastructure. Remaining development in the District is subject to the construction of backbone infrastructure, including water and sewer, needed for Phase 4 development that is approximately half completed, with approximately \$6 million of work remaining. Pulte and Lennar are responsible for completing this work pursuant to their development agreements with the City. This remaining infrastructure is expected to be completed and accepted by the City by the end of 2015; however, the cost and funding estimates of remaining infrastructure may change over time.

Current and Anticipated Development in the District

Development Status Summary. Development in the District was planned for four phases and initial homebuilding activity began in late 2005. Progress of the development slowed during the real estate downturn and currently homebuilding activity in the District is ongoing. As of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014). There are 10 active new home communities selling in Westpark by homebuilders Pulte Homes, Lennar Homes, Meritage Homes, and KB Home. The pace of home construction in the District will be determined largely by market conditions and demand for homes.

The table on the following page shows the development status of property in the District based on the Fiscal Year 2014-15 County tax roll.

Table 1
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Development Status by Land Use Category
Fiscal Year 2014-15 Tax Roll

Land Use Category	Number of Parcels Levied	Number of Market Rate Units	Number of Affordable Units	Commercial Acreage
Developed				
HDR ⁽¹⁾	15	22	144	--
LDR ⁽²⁾ & MDR ⁽³⁾	<u>2,142</u>	<u>2,142</u>	--	--
Total	2,157	2,164	144	--
Building Permit Issued				
HDR	54	54	--	--
LDR & MDR	<u>97</u>	<u>97</u>	--	--
Total	151	151	--	--
Undeveloped Residential Lots				
HDR	70	70	--	--
LDR & MDR	<u>196</u>	<u>196</u>	--	--
Total	266	266	--	--
Undeveloped				
CC ⁽⁴⁾	2	--	--	13.8
HDR	3	207	312	--
LDR & MDR	<u>18</u>	<u>1,311</u>	--	--
Total	23	1,518	312	13.8
Total District	2,597	4,099	456	13.8

- (1) "HDR" means high-density residential housing.
(2) "LDR" means low-density residential housing.
(3) "MDR" means medium-density residential housing.
(4) "CC" means community commercial property.

Sources: Assessed Values: Placer County 2014-15 Secured Property Roll, as compiled by Willdan Financial Services. Building Permits as of May 11, 2015, City of Roseville, as compiled by Willdan Financial Services.

The following table shows current ownerships of property in the District.

Table 2
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Lot Ownership

Owner	Number of Improved Lots	Number of Tentatively Mapped (Paper/Unimproved) Lots
Individual Homeowners-Completed Homes In Place	2,157	n/a
Lennar Homes	376 ⁽³⁾	236
Pulte Homes ⁽¹⁾	279 ⁽³⁾	142
KB Home	134	175
Meritage Homes	224 ⁽³⁾	250
West Roseville, LLC ⁽²⁾	--	--
Individual Landowners	22 ⁽⁴⁾	--
CFD TOTAL:	3,192	803

(1) Pulte additionally owns 2 commercial sites and 1 multifamily site.

(2) Master developer entity; remainder ownership is 1 multifamily site.

(3) Includes some completed homes and/or model homes and/or homes under construction. (4) 100% completed homes in place.

Sources: Placer County 2014-15 Secured Property Roll, as compiled by Willdan Financial Services; Appraisal (Seevers Jordan Ziegenmeyer).

Phases 1 and 2. Phases 1 and 2 of the District were mostly built out between 2005 and 2009 with builders, Pulte Homes, Centex Homes and Lennar Homes, building during this time period. Lennar Homes has two active communities selling homes within the Village Center and has recently purchased the last remaining undeveloped residential parcel within Phases 1 and 2 of the District. Lennar Homes is presently seeking tentative map approval on Parcel W-24 and anticipates development of the site in 2016. The last remaining undeveloped parcels in Phase 1 and 2 are the Village Center commercial parcels (W-32 and W-33), which are owned by Pulte Homes.

Phase 3. Phase 3, which contains 533 single-family home sites and a 250 unit affordable multi-family parcel commenced development in 2013. Village W-15 (224 lots) is owned by Meritage Homes, all 224 lots are finished and active homebuilding is underway in two new home communities sales centers. Village W-13 (309 lots) is owned by KB Home. KB has developed 134 home sites and has two communities actively selling homes. The affordable multi-family site is owned by West Roseville, LLC who was the master developer of Phase 3 and 4 prior to sales to builders.

Phase 4. Phase 4 contains approximately 887 residential lots, a 170 units mixed income multi-family site and 88.1 acres of industrial zoned property. Development activity on approximately one-half of Phase 4 commenced in 2014. Pulte Homes owns approximately 454 home sites and is building three product lines. Pulte Homes has developed 229 of the lots. Lennar owns approximately 270 home sites and has developed approximately 117 of the lots. Model homes are under construction. Meritage Homes owns approximately 120 home sites in Phase 4 and does not currently have plans to develop the lots within the next 12 months. The balance of the backbone infrastructure and mass grading of the remaining residential portions of Phase 4 commenced in March 2015 and is expected to be completed by the end of 2015. Lot development will commence as market conditions warrant. The multi-family parcel (W-27) is owned by Pulte Homes. The industrial zone land, which is not subject to the Special Tax, is owned by West Roseville, LLC and is intended to be held for long term investment purposes.

The City anticipates that development within the District will be consistent with the WRSP land uses, which primarily consist of residential neighborhoods and, to a lesser extent, supporting uses such as parks, open space and supporting neighborhood land uses. Permitted land uses are configured to reinforce the neighborhood identity and sense of community.

In order to complete development in the District, Pulte and Lennar are responsible for the construction of a school. The construction is based on arrangements to be made between Pulte, Lennar and the school district.

For more information on current home sales in the District, see "OWNERSHIP OF PROPERTY IN THE DISTRICT – Undeveloped Property" below.

OWNERSHIP OF PROPERTY WITHIN THE DISTRICT

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance that the present property owners or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bondowner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. The Special Taxes are not personal obligations of the developers or of any subsequent landowners; the Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS" and "BOND OWNERS' RISKS" herein.

Certain information contained below has been obtained from the Appraisal, and certain terms used below are terms used in the Appraisal. For more detailed information on the ownership of undeveloped lots in the District, see the Appraisal attached hereto as APPENDIX D.

Developed Property. Development in the District was planned for four phases and initial homebuilding activity began in late 2005. Progress of the development slowed during the real estate downturn and currently homebuilding activity in the District is ongoing. As of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014).

Undeveloped Property. Most of the undeveloped land in the District is currently owned by one of four merchant homebuilder entities, affiliates of Lennar Corporation, PulteGroup, Inc., Meritage Homes Corporation and KB Home, respectively, each having purchased from West Roseville, LLC, whose remainder holding subject to the Special Tax is an approximate 12-acre parcel designated for high density residential use. The original master planner of development in the District was 1600 Placer Investors, L.P., whose ownership interests were acquired in 2005 by PL Roseville, LLC, an entity comprised of entities controlled by Pulte Home Corporation, Centex Homes and Lennar Homes. The three member entities of PL Roseville, LLC, as homebuilders, intended to independently develop homes in the District.

The following table shows currently ownerships of undeveloped property in the District.

Table 3
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Lot Ownership – Undeveloped Property

Owner	Number of Improved Lots	Number of Tentatively Mapped (Paper/Unimproved) Lots
Lennar Homes	376 ⁽³⁾	236
Pulte Homes ⁽¹⁾	279 ⁽³⁾	142
KB Home	134	175
Meritage Homes	224 ⁽³⁾	250
West Roseville, LLC ⁽²⁾	--	---
CFD TOTAL:	1,013	803

⁽¹⁾ Pulte additionally owns 2 commercial sites and 1 multifamily site.

⁽²⁾ Master developer entity; remainder ownership is 1 multifamily site.

⁽³⁾ Includes some completed homes and/or model homes and/or homes under construction.

Source: Appraisal (Seevers Jordan Ziegenmeyer).

Lennar. The owner of record of Lennar’s undeveloped properties in the District is Lennar Homes of California Inc., an affiliate of Lennar Corporation, a Delaware corporation, which is a diversified real estate company that is publicly traded on the New York Stock Exchange under the ticker symbol “LEN.”

Lennar Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC’s website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, Lennar Corporation provides investor relations information on its website.

Lennar Corporation is developing the “Taylor Crossing at WestPark” (132 homes) and “Merrion Square at WestPark” (102 homes) communities in the District. Homes by Lennar in the “Taylor Crossing at WestPark” community are currently priced from \$297,990 to \$328,990, and homes in the “Merrion Square at WestPark” community by Lennar are currently priced from

\$318,990 to \$359,990. Home sales began in July 2013 and December 2014, respectively, and as of June 2015 a total of approximately 102 homes have been sold and 25 are under contract for sale.

For further information on Lennar, see its Internet homepage located at www.lennar.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

Pulte Homes. The owner of record of Pulte's undeveloped properties in the District is Pulte Home Corporation, an affiliate of PulteGroup, Inc., which trades on the New York Stock Exchange under the ticker symbol "PHM."

PulteGroup, Inc. is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC's website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, PulteGroup, Inc. provides investor relations information on its website.

Pulte is developing the "Primrose" community in the District. Homes by Pulte in this community are currently priced from \$399,990 to \$510,810. Home sales began in August 2014 and through May 2015 approximately 74 homes have been sold, of which 13 have closed.

For further information on Pulte, see its Internet homepage located at www.pulte.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

Meritage Homes. The owner of record of Meritage Homes' undeveloped properties in the District is Meritage Homes of California Inc., an affiliate of Meritage Homes Corporation, which is a Maryland corporation. Meritage Homes Corporation's common stock is publicly traded on the New York Stock Exchange under the symbol "MTH."

Meritage Homes Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC's website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20

Broad Street, New York, New York 10005. Additionally, Meritage Homes Corporation provides investor relations information on its website.

Meritage is developing the “Sierra Commons” (83 homes) and “Sierra Crossings” (69 homes) communities in the District. These homes are being built on a portion of the 224 lots purchased by Meritage in Phase 3 of the District. Meritage owns an additional 173 mapped (paper) lots in Phase 4 of the District for which Meritage does not currently have any plans to develop the lots within the next 12 months. Homes by Meritage in the “Sierra Commons” community are currently priced from \$434,950 to \$507,950, and homes by Meritage in the “Sierra Crossings” community are currently priced from \$427,950 to \$473,950. Home sales began in March 2014 for Sierra Commons and as of June 2015 approximately 17 homes have closed and 5 are under contract for sale but not yet closed. Home sales began in August 2014 for Sierra Crossings and as of June 2015 approximately 11 homes have closed and 11 are under contract for sale but not yet closed.

For further information on Meritage, see its Internet homepage located at www.meritagehomes.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

KB Home. The owner of record of KB Home’s undeveloped properties in the District is KB Home Sacramento Inc., an affiliate of KB Home, which is a Delaware corporation with its principal place of business in Los Angeles, California. KB Home’s common stock trades on the New York Stock Exchange under the ticker symbol “KBH.”

KB Home is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC’s website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, Meritage provides investor relations information on its website.

KB Homes is developing the “Aria at Westpark” (74 homes) and the “Legato at Westpark” (60 homes) communities in the District. Homes in the “Aria” community are currently priced from \$418,000 to \$467,500, and homes in the “Legato” community are currently priced from \$424,000 to \$534,900. Home sales began in April 2014 and as of June 2015 approximately 34 homes have been sold and 30 are under contract for sale.

For further information on KB Home, see its Internet homepage located at www.kbhome.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

West Roseville, LLC. The managing members of the West Roseville, LLC are William Falik, John Murray and Jeff Jones. Mr. Falik is an attorney who has practiced land use, real

estate, mediation and environmental law in Northern California for more than 40 years. Mr. Falik is also an Adjunct Professor at the Haas School of Business and a Visiting Professor at the Berkeley School of Law at the University of California where he teaches real estate investment and development. Mr. Murray is a former Certified Public Accountant who prior to joining West Roseville, LLC was the General Manager for the Del Webb Corporation's Northern California Communities where he lead the development of Sun City Roseville and Sun City Lincoln Hills two of the most successful communities in the company's history. Mr. Falik and Mr. Murray were principals with 1600 Placer Investors, LP, the original master developer of the Westpark community, and subsequently sold the project to a consortium of homebuilders that included Pulte Home Corporation, Lennar Communities of California and Centex Homes in what is one of the largest single transactions involving a large scale master planned community in the State. Mr. Jones is the Chief Operating Officer. Prior to joining the Master Developer, Mr. Jones served as a part of the Del Webb Corporation's Northern California Communities executive management team where he oversaw the development of the Sun City Roseville and Sun City Lincoln Hills Communities.

The principals of West Roseville, LLC are also principals in projects adjacent to the District where they control 2,935 acres that have the potential for approximately 8,000 residential units and more than 9 million square feet of non-residential uses including retail commercial, office, industrial, educational and recreational uses.

West Roseville, LLC is a single asset entity that is part of the development group Westpark Communities. The Westpark Communities web address is wpcommunities.com. *The website address is given for reference, and convenience only, the information on the website may be incomplete or inaccurate and has not been reviewed by the Issuer or the Underwriters. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. A variety of economic, political, and natural occurrences incapable of being accurately predicted can affect land values. See "BOND OWNERS' RISKS – Property Values."

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District and the owners have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. There is no assurance that the owners have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bondholder will have the ability at any time to seek payment from the owners of property within the District of any Special Tax or any principal or interest due on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Assessed Valuation

In connection with valuing property in the District, the City has obtained the 2014-15 County assessed valuation (the "**Assessed Valuation**") of the property in the District. In addition, to comply with internal policies and in order to provide a more accurate valuation of certain undeveloped parcels in the District the City ordered an appraisal of such land.

The "full cash" assessed values of all of the taxable parcels in the District has been established by the County Assessor for fiscal year 2014-15 in the amount of \$884,290,969.

The following table summarizes the historical assessed valuation of property in the District over the last ten years.

Table 4
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Annual Assessed Valuation Totals
Fiscal Year 2005-06 through 2014-15

Fiscal Year	Total	% Change
2005-06	\$ 11,758,333	
2006-07	31,873,332	171%
2007-08	498,359,087	1,464
2008-09	502,849,109	1
2009-10	573,805,585	14
2010-11	507,202,568	(12)
2011-12	601,544,273	19
2012-13	605,418,297	1
2013-14	725,718,023	20
2014-15	884,290,969	22

Sources: FY 2005-06 Assessed Value – Placer County Secured Property Roll per Official Statement, Westpark CFD 1 Special Tax Bonds, Series 2006; FYs 2006-07 to 2008-09 Assessed Values – Placer County Secured Property Roll for Fiscal Year indicated, as compiled by Goodwin Consulting Group; and FYs 2009-10 to 2014-15 Assessed Values– Placer County Secured Property Roll for Fiscal Year indicated, as compiled by Willdan Financial Services.

The following table sets forth the number of residential units permitted in the District over the last ten years.

Table 5
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Residential Units Permitted
Fiscal Year 2005-06 through 2014-15

Fiscal Year	Residential Units Permitted ⁽¹⁾
2005-06	68
2006-07	422
2007-08	519
2008-09	152
2009-10	205
2010-11	569
2011-12	157
2012-13	154
2013-14	124
2014-15	90

(1)The fiscal year of permit issuance has been approximated for a portion of the permits issued using Placer County Secured Property Tax Rolls.

Sources: Building Permits as of May 11, 2015, City of Roseville, as compiled by Willdan Financial Services.

Due to the recent and ongoing nature of development of homes in the District, the County assessed valuations are not in all cases reflective of most current development status, as is the case with certain properties in the District. As provided by Article XIII A of the California Constitution, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the District thus reflect, for undeveloped parcels, the estimate of the County Assessor (the "**Assessor**") of market value when acquired (or 1975, whichever is later), possibly increased by 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor's estimate of market value as of the time of construction, possibly increased by 2% per year. The actual market value of parcels in the District, if sold at foreclosure, may be higher or lower than the Assessor's assessed values, depending upon the date of the Assessor's most recent assessment. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser.

Because of the general limitation to 2% per year in increases in full cash value of properties which remain in the same ownership, the County tax roll does not reflect values uniformly proportional to actual market values. No assurance can be given that should a parcel with delinquent Special Taxes be foreclosed and sold for the amount of the delinquency, that any bid will be received for such property, or if a bid is received that such bid will be sufficient to pay such delinquent installments.

Appraisal of Certain Undeveloped Land

The City ordered preparation of an appraisal report (the "**Appraisal**") dated July 15, 2015 of the "not less than" estimated market values as of May 29, 2015, of certain undeveloped parcels within the District. The Appraisal was prepared by Seevers Jordan Ziegenmeyer, Rocklin, California (the "**Appraiser**").

The Appraisal is set forth in APPENDIX D hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The complete Appraisal is on file with the City and is available for public inspection at the City offices at 311 Vernon Street, Roseville, California 95678 or from the Underwriters during the initial marketing period. The conclusions reached in the Appraisal are subject to certain assumptions and qualifications which are set forth in the Appraisal.

Property Appraised. The Appraisal valued the properties within the District without "structure" value on the fiscal year 2014-15 County tax roll (designed to reflect development as of January 1, 2014) to estimate the hypothetical market value of such properties. Notwithstanding the County roll indicating no structural improvements, the Appraiser observed many lots that were so classified actually did have improvements. The properties appraised encompass approximately 1,035 improved lots (of which there are numerous completed homes and partially completed homes), 803 unimproved (paper) lots (540 of which have rough cut roads), approximately 20.12 acres of multifamily land with affordable housing requirements (420 units in total) and approximately 13.80 acres of commercial land.

In general, the appraised property is contained within the boundaries identified as follows: west of Fiddymont Road, north of Pleasant Grove Boulevard and south of Blue Oaks

Boulevard, within the City. The typical lot size of the single-family lots range from 2,750 to 7,700 square feet.

Value Estimates. The value estimate for the fee simple estate of the appraised properties as of the May 29, 2015 date of value, using the methodologies described in the Appraisal and subject to the limiting conditions and special assumptions set forth in the Appraisal, and based on the ownership of the property as of that date, is \$156,580,000. The valuation accounts for the impact of the lien of the Special Tax and represents the hypothetical market value of all the land in the District that was appraised in the Appraisal. The property appraised excludes property in the District designated for public and quasi-public purposes, and property for which there is a property tax assessment for vertical improvements.

The estimate of aggregate value represents a “not-less-than” value due to the fact, as described above, that some of the lots are improved with completed homes, model homes and homes under construction (no less than 173 homes and 27 homes under construction). As requested by the City, the Appraisal does not capture any increment in value associated with those vertical improvements.

Methodology. The Appraisal utilized the sales comparison approach and extraction technique to estimate the market value of the large lot category ($\geq 4,500$ square feet). In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for this benchmark lot category was concluded. Then, as a support of reasonableness, the Appraiser utilized an extraction analysis, which was reconciled with the sales comparison approach conclusion. For the subject’s small lot category ($< 4,500$ square feet), the Appraiser used the extraction technique as the sole basis in estimating the value. The Appraiser also used the extraction technique to estimate the lot value for the subject’s nine lots with an affordable housing requirement. Next, adjustments were applied to determine values for each residential lot category (by ownership). The sales comparison approach was also utilized to determine the value of the subject’s commercial land component. The Appraiser considered using this approach to value the subject’s two multifamily sites. However, given the substantial affordable housing requirement on these two parcels, the Appraiser is of the opinion these sites possess no value as of the date of determination. Lastly, the Appraiser estimated the bulk market value of the holdings of each ownership group for the purpose of arriving at the aggregate value of the appraised properties. To estimate the market value of the properties held by 22 individual homeowners and the multifamily site held by Westpark, LLC, no discounts were applied. For the four major ownerships possessing a significant number of residential lots and other land, the subdivision development method (or discounted cash flow analysis) was used to determine these bulk market values. Then, the bulk market values were summed to provide an estimate of the aggregate value of the subject property. See the Appraisal in APPENDIX D.

Assumptions and Limiting Conditions. In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, some of which include the following. For more information and a complete description of certain other assumptions made by the Appraiser, see “APPENDIX D.”

- The value estimates assume the completion of the public facilities that were financed by the 2005 Bonds and 2006 Bonds. The Master Developer reported that the remaining costs for such infrastructure were approximately \$6,000,000, and the

remaining work will be completed within 6 months, with the costs being shared by two of the subject property owners (Pulte Homes and Lennar Corporation).

- The Appraiser has also assumed that there is no hazardous material on or in the property that would cause a loss in value. Should future conditions and events reduce the level of permitted development or delay the completion of any projected development, the value of the undeveloped land would likely be reduced from that estimated by the Appraiser.

Because the Appraiser arrived at an estimate of current market value based upon certain assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

Projected Absorption Period. The Appraiser also estimated the marketing time that would be required for the disposition of the single-family residential lots, based on the historical marketing times of a number of local sales, as well as current and projected economic conditions, the impacts of present market conditions, as well as anticipated changes in the market. After considering all those factors, the Appraiser estimated the disposition of the residential land subject to the Appraisal could occur over an 18-month time period.

The Appraiser also noted that while the subject includes two multifamily residential components (one owned by Pulte Homes and one owned by West Roseville, LLC), these are affordable housing sites with no value. The Appraiser assumed these parcels would sell to land speculators within the first year of the analysis.

The Appraiser also noted that development of the two parcels of commercial land (owned by Pulte Homes) will likely be driven by the completion and sale of single-family homes, and thus was of the opinion that the commercial sites would likely sell to land speculators at the end of the second year of the absorption period.

No assurance can be given that the estimated absorption will be achieved or attained over an extended period of time; real estate is cyclical in nature, and it is impossible to accurately forecast and project specific demand over a projected absorption period. See "BOND OWNERS' RISKS – Property Values" and "– Future Property Development."

Limitations of Appraised or Assessed Valuation. Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel.

No assurance can be given that the foregoing valuation can or will be maintained during the period of time that the Bonds are outstanding in that the City has no control over the market value of the property within the District or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See "– Overlapping Liens and Priority of Lien" below.

For a description of certain risks that might affect the assumptions made in the Appraisal, see “BOND OWNERS’ RISKS” herein.

Special Tax Revenue

The tables below summarize the allocation of the fiscal year 2014-15 Special Tax levy among the land uses in the District:

Table 6
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Special Tax Levy, Allocable Westpark CFD Debt and Value-to-Lien Ratios by Land Use

Land Use Category	Number of Parcels Levied	2014-15 Assessed Values			FY 2014/15 Maximum Tax	% of Total Maximum Tax	Allocable Debt ^{(2) *}	Value to Lien Ratio ^{(2) *}
		Land	Structure	Total				
Developed Parcels ⁽¹⁾								
HDR	15	\$2,883,550	\$14,331,147	\$17,214,697	\$64,510	1.07%	\$ 734,823	23.43:1
LDR & MDR	2,142	176,309,609	607,571,115	783,880,724	3,162,817	52.65	36,157,388	21.68:1
Total	2,157	\$179,193,159	\$621,902,262	\$801,095,421	\$3,227,327	53.73%	\$36,899,078	21.71:1
Undeveloped Parcels (Parcels Without Assessed Structural Values), by Ownership	See Footnotes			Appraised Value	FY 2014/15 Maximum Tax	% of Total Maximum Tax	Allocable Debt^{(2) *}	Value to Lien Ratio^{(2) *}
Lennar	A			\$45,440,000	\$672,621	11.20%	\$ 7,691,600	5.91:1
Centex Homes (Lennar)	B			--	--	--	--	--
KB Home	C			26,200,000	489,670	8.15	5,597,013	4.68:1
Meritage Homes	D			42,570,000	751,144	12.50	8,584,375	4.96:1
Pulte Homes, Inc.	E			39,740,000	768,132	12.79	8,783,533	4.52:1
West Roseville, LLC	F			--	71,516	1.19	817,233	N/A
Individual Owners	G			2,630,000	26,493	0.44	302,170	8.70:1
Total				\$156,580,000	\$2,779,577	46.27%	\$31,775,923	4.93:1
Total Assessed and Appraised Values (combined)				\$957,675,421	\$6,006,904	100.00%	\$68,675,000	13.95:1
Total District					\$6,006,904	100.00%	\$68,675,000	

(1) "HDR" means high-density residential housing, "LDR" means low-density residential housing, and "MDR" means medium-density residential housing.

(2) Allocable Debt based on the Bonds. Does not include overlapping debt.

A - Comprised of 376 improved lots and 236 paper (unimproved) lots. Some of the improved lots have either partially or completed homes in place.

B - Medium Density Residential site (MDR) acquired by Lennar. Value reflected in Lennar ownership above.

C - Comprised of 134 improved lots and 175 paper (unimproved) lots. Some of the improved lots have either partially or completed homes in place.

D - Comprised of 224 improved lots and 250 paper (unimproved) lots. Some of the improved lots have either partially or completed homes in place.

E - Comprised of 279 improved lots, 142 paper (unimproved) lots, two commercial sites and one multifamily site. Some of the improved lots have either partially or completed homes in place. Land components owned by Pulte related entities are reflected in Pulte Homes, Inc. above.

F - One multifamily site.

G - 22 improved lots (with 100% complete homes in place).

Sources: Debt Service-Stifel, Nicolaus and Company, Inc.; Maximum Tax-Willdan Financial Services, Inc.; Assessed Values-County of Placer; Appraised Values-Appraisal (Seevers Jordan Ziegenmeyer)

* Preliminary; subject to change.

Table 7
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Debt Service Coverage*

Fiscal Year	Maximum Tax⁽¹⁾	County Admin Fee - 1%	Maximum Tax Less County Admin Fee	Debt Service⁽²⁾⁽³⁾	Debt Service Coverage⁽³⁾
2015-16	\$ 6,127,038.00	\$ 61,270.38	\$ 6,065,767.62	\$ 3,518,646.53	1.72x
2016-17	6,249,578.76	62,495.79	6,187,082.97	3,512,250.00	1.76x
2017-18	6,374,570.34	63,745.70	6,310,824.63	5,487,150.00	1.15x
2018-19	6,502,061.74	65,020.62	6,437,041.12	5,482,650.00	1.17x
2019-20	6,632,102.98	66,321.03	6,565,781.95	5,484,250.00	1.20x
2020-21	6,764,745.04	67,647.45	6,697,097.59	5,482,250.00	1.22x
2021-22	6,900,039.94	69,000.40	6,831,039.54	5,482,750.00	1.25x
2022-23	7,038,040.74	70,380.41	6,967,660.33	5,487,250.00	1.27x
2023-24	7,178,801.55	71,788.02	7,107,013.53	5,485,250.00	1.30x
2024-25	7,322,377.58	73,223.78	7,249,153.81	5,486,750.00	1.32x
2025-26	7,468,825.13	74,688.25	7,394,136.88	5,486,250.00	1.35x
2026-27	7,618,201.64	76,182.02	7,542,019.62	5,483,500.00	1.38x
2027-28	7,770,565.67	77,705.66	7,692,860.01	5,483,250.00	1.40x
2028-29	7,925,976.98	79,259.77	7,846,717.21	5,485,000.00	1.43x
2029-30	8,084,496.52	80,844.97	8,003,651.56	5,483,250.00	1.46x
2030-31	8,246,186.45	82,461.86	8,163,724.59	5,482,750.00	1.49x
2031-32	8,411,110.18	84,111.10	8,326,999.08	5,483,000.00	1.52x
2032-33	8,579,332.38	85,793.32	8,493,539.06	5,483,500.00	1.55x
2033-34	8,750,919.03	87,509.19	8,663,409.84	5,483,750.00	1.58x
2034-35	8,925,937.41	89,259.37	8,836,678.04	5,478,250.00	1.61x
2035-36	9,104,456.16	91,044.56	9,013,411.60	5,526,750.00	1.63x
2036-37	9,286,545.28	92,865.45	9,193,679.83	5,481,000.00	1.68x
Total	\$167,261,909.50	\$1,672,619.10	\$165,589,290.41	\$116,749,446.53	

* Preliminary; subject to change.

(1) Based on development status as described herein under "Development". As described under the caption "SECURITY FOR THE BONDS –Levy of Annual Special Tax; Maximum Annual Special Tax," the City expects that the Special Tax will be levied at the Maximum Annual Special Tax rate for approximately the next 12 to 13 fiscal years to finance authorized Improvements. After such Improvements have been reimbursed the annual Special Tax levy and the resulting debt service coverage may be less than shown above in the coverage table. The City makes no assurance as to how long it will continue to levy at the Maximum Annual Special Tax rate. Pursuant to Section 53321(d) of the Government Code, the special tax levied against any Assessor's parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor's parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the City may not be able to increase the tax levy to the Maximum Annual Tax rate in all years. However, to the extent the City's ability to levy the necessary amount of Special Taxes is limited by Section 53321(d) of the Government Code, the City can levy Special Taxes on Undeveloped Property up to the Maximum Annual Special Tax rates.

(2) Debt service shown on Calendar Year, Maximum Tax shown on Fiscal Year.

(3) Debt service and debt service coverage based on the Bonds. Does not include overlapping debt.

Sources: Debt Service-Stifel, Nicolaus and Company, Inc.; Maximum Tax and County Admin Fee-Willdan Financial Services, Inc.

Special Tax Collection and Delinquency Rate

The County reports that for fiscal year 2014-15, there are 13 parcels delinquent on the 2014-15 special taxes, owing a total of \$12,190, or 0.20% of the annual total of \$6,006,871. The table below shows, for the past seven fiscal years, the annual Special Tax levies and delinquencies as of both the fiscal year end (June 30) for each fiscal year and as of June 5, 2015.

Table 8
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Special Tax Levy & Delinquencies

Fiscal Year	Annual Special Tax Levied	No. of Parcels Levied	As of Fiscal Year End ⁽¹⁾				As of June 5, 2015 ⁽²⁾			
			Amount Collected	Amount Delinquent ⁽⁴⁾	No. of Parcels Delinquent	% Levy	Remaining Amount Collected	Remaining Amount Delinquent ⁽⁴⁾	Remaining No of Parcels Delinquent	% Levy
2008-09	\$5,247,942	2,231	\$5,221,713	\$26,229 ⁽¹⁾	26	0.50%	\$5,247,400	\$541 ⁽²⁾	1	0.01%
2009-10	4,889,785	2,231	4,853,798	35,987 ⁽¹⁾	36	0.74	4,888,681	1,104 ⁽²⁾	1	0.02
2010-11	5,102,111	2,231	5,075,897	26,214 ⁽¹⁾	24	0.51	5,100,985	1,126 ⁽²⁾	1	0.02
2011-12	5,188,448	2,231	5,166,974	21,474 ⁽¹⁾	25	0.41	5,188,448	0 ⁽²⁾	0	0.00
2012-13	5,270,065	2,248	5,252,086	17,979 ⁽¹⁾	22	0.34	5,270,065	0 ⁽²⁾	0	0.00
2013-14	5,889,106	2,247	5,828,018	61,088 ⁽¹⁾	14	1.04	5,889,106	0 ⁽²⁾	0	0.00
2014-15	6,006,871	2,597	5,994,681	12,190 ⁽³⁾	13	0.20	5,994,681	12,190 ⁽³⁾	13	0.20

⁽¹⁾ Delinquency information as of May in the fiscal year in which the Special Taxes were levied, except as noted herein.

⁽²⁾ Delinquency information as of June 5, 2015.

⁽³⁾ The Amount Delinquent for the FY 2014-15 Levy shown above reflects the June 8, 2015 payment of two FY 2014-15 Special Tax second installments totaling \$109,344. These Special Tax installments of \$41,202.01 and \$68,141.78 for Assessor Parcel Nos. 496-020-017 and 496-020-027 were due on April 10, 2015.

⁽⁴⁾ Delinquent amounts do not include penalties, interest or fees.

Source: *Special Tax Collections - Placer County Tax Collector as compiled by Willdan Financial Services.*

Source: *Special Tax Levy information per Willdan Financial Services.*

Future delinquencies in the payment of property taxes (including the Special Taxes) with respect to property in the District could result in draws on the Reserve Fund established, and perhaps, ultimately, a default in the payment on the Bonds. See "BOND OWNERS' RISKS."

Value to Special Tax Burden Ratios

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of a Special Tax, the County's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Taxes. See "SECURITY FOR THE BONDS - Delinquent Payment of Special Tax; Covenant to Commence Superior Court Foreclosure" and "BOND OWNERS' RISKS - Bankruptcy Delays." Reductions in District property values due to a downturn in the economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of the Special Taxes.

The Special Tax is levied on each parcel within the District and only the respective individual parcel is responsible for its allocated Special Tax.

In comparing the value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

The Appraisal estimates the value of the properties subject to the Appraisal, all of which are subject to the Special Tax, to be \$156,580,000. For properties subject to the Special Tax and not included in the Appraisal, the 2014-15 County assessed valuation is \$801,095,421. The aggregate value of the property in the District includes both the appraised value of the subject properties of the Appraisal and the assessed value of the remainder. Based upon the \$957,675,421 total valuation of property in the District subject to the Special Tax and an aggregate outstanding principal amount of Bonds of \$68,675,000*, the value-to-lien ratio for property in the District is approximately 14* to 1 (this does not include Overlapping Debt).

In comparing the value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Overlapping Liens and Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Other public agencies whose boundaries overlap those of the District could, without the consent of the City and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. The lien created on the land within the District through the levy of such additional taxes or assessments may be secured on parity with the lien of the Special Tax. In addition, construction loans may be obtained by the homebuilder owners and home loans are likely to be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the District, however, will be subordinate to the lien of the Special Tax.

Set forth below is an overlapping debt table showing the existing authorized indebtedness payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The City has not reviewed the data for completeness or accuracy and makes no representations in connection therewith.

* Preliminary; subject to change.

**City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Summary of Overlapping Debt**

2014-15 Assessed Valuation: \$884,290,969 (Land and Improvement)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 7/1/15</u>
Roseville Joint Union High School District General Obligation Bonds	3.753%	\$ 2,995,998
Roseville Joint Union High School District SFID No. 1 General Obligation Bonds	53.597	2,535,480
Roseville City School District General Obligation Bonds	6.726	1,559,823
City of Roseville – Westpark Community Facilities District No. 1	100.000	72,565,000⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$79,656,301
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Placer County Certificates of Participation	1.475%	\$ 557,476
Placer County Office of Education Certificates of Participation	1.475	24,338
Sierra Joint Community College District Certificates of Participation	1.105	93,450
Roseville Joint Union High School District Certificates of Participation	3.753	60,986
Roseville City School District Certificates of Participation	6.726	652,086
Placer Mosquito and Vector Control District Certificates of Participation	1.475	57,673
City of Roseville Certificates of Participation	5.006	691,855
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$2,137,864
Less: City of Roseville Certificates of Participation supported by golf course enterprise		200,154
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$1,937,710
 GROSS COMBINED TOTAL DEBT		\$81,794,165⁽²⁾
NET COMBINED TOTAL DEBT		\$81,594,011

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Direct Debt (\$72,565,000)	8.21%
Total Direct and Overlapping Tax and Assessment Debt	9.01%
Gross Combined Total Debt.....	9.25%
Net Combined Total Debt.....	9.23%

Source: California Municipal Statistics.

Property in the District is also subject to an annual non-bonded special taxes of the City's Westpark Community Facilities District No. 2 (Public Services) in an annual maximum special tax amount of \$323 per low-density or medium-density residential unit, \$112 per high-density (multifamily) residential unit (\$56 for affordable units), and \$700 per acre for non-residential uses, each rate subject to a 4% annual escalation commencing with Fiscal Year 2005-06, and (ii) the City's Community Facilities District No. 3 (Municipal Services) in an annual maximum special tax amount of \$293 per low-density or medium-density residential unit and \$196 for per high-density unit (maximum tax rate of any affordable unit within CFD No. 3 shall be reduced by 50%) each rate subject to an annual escalation commencing with Fiscal Year 2005-06 by no more than 4% annually. All of the property in the District is also within these service districts. These districts are not authorized to issue bonds. The special tax levy of these service districts will be on a parity to the lien securing the Special Tax.

Property in the District is not subject to any other special tax or assessment liens (other than the lien of the Special Tax).

There can be no assurance that the current owners, or any subsequent owner, will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities, however no other special districts are currently contemplated or foreseen by the City.

Private liens, such as deeds of trust securing loans obtained by the owners, or any subsequent owner, may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

Estimated Tax Burden on Single Family Home

The following table sets forth the estimated total tax burden on a hypothetical \$500,000 single family home in the District, based on estimated Special Tax rates for fiscal year 2014-15.

Table 10
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Hypothetical Estimated Total Tax Burden

Item	Ad Valorem Tax Rate	Single Family (market-rate) Low-Density
Sales Price (est, 2,100 sq. foot home) (1)		\$500,000.00
Less: Homeowner's Exemption		(7,000.00)
Estimated Assessed Value of Home		\$493,000.00
<u>Property Taxes – Ad Valorem (2)(3)</u>		
Proposition 13 Property Tax (1%)	1.000000%	\$4,930.00
Roseville Elementary School District B&I 1992 Series A	0.031265	154.14
Roseville Elementary School District B&I 2002 Series A Non Refunding	0.000338	1.67
Roseville Elementary School District B&I 2002 Series A&B Ref 2011	0.014102	69.52
Roseville High School District B&I 1992	0.024749	122.01
Roseville High School District B&I 2004 Series B Non Refunding	0.001328	6.55
Roseville High School District B&I 2004 Series C Non Refunding	0.004019	19.81
Roseville High School District B&I 2004 A B & C Ref 2013	0.018376	90.59
Roseville High School District B&I 2008 SFID #1	0.012505	61.65
Subtotal Ad Valorem	1.106682%	\$5,455.94
<u>Direct Charges (Infrastructure and Services)</u>		
City of Roseville Westpark CFD 1 (Public Facilities) (4)		\$1,584.68
City of Roseville Westpark CFD 2 (Public Services) (4)		380.64
City of Roseville CFD 3 (Municipal Services) (4)		388.06
Placer County Mosquito Abatement District (5)		25.96
Subtotal Direct Charges		\$2,379.34
Total Taxes and Assessments (FY 2014/15)		\$7,835.28
Taxes/Assessments as a % of Sales Price		1.567%

(1) Based on hypothetical pricing of \$500,000. See "OWNERSHIP OF PROPERTY IN THE DISTRICT – Undeveloped Property" for current new home prices in the District.

(2) The District lies within Tax Rate Areas 005-062 and 005-066. The FY 2014-15 ad valorem property tax rates for parcels within Tax Rate Areas 005-062 and 005-066 are 1.094177% and 1.106682%, respectively. Source: California Municipal Statistics Inc.

(3) The above estimated ad valorem taxes are based upon the tax rates of Tax Rate Area 005-066. Source: County of Placer.

(4) Fiscal Year 2014/15 Special Tax Rates per Willdan Financial Services

(5) Per County of Placer.

Sources: County of Placer, Willdan Financial Services, California Municipal Statistics, Inc.

BOND OWNERS' RISKS

The purchase of the Bonds involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks that should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive or a complete statement of all factors that may be considered as risks in evaluating the credit quality of the Bonds.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. The City is not obligated to advance funds to pay debt service on the Bonds.

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District.

Limitation on Maximum Annual Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Special Tax Formula. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds.

In addition to the maximum annual Special Tax rate limitation in the Special Tax Formula, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such fiscal year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax Formula is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See "- Property Tax Delinquencies" below. For a summary of recent Special Tax collection and delinquency rates in the District, see "SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT - Special Tax Collection and Delinquency Rate" below.

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary ad valorem property taxes are collected and, except as provided in the special covenant for foreclosure described in "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure" and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary ad valorem property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Fund is depleted. See "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

The ability of the City to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the "**FDIC**") has or obtains an interest. The FDIC would obtain such an interest by taking over a financial institution that has made a loan that is secured by property within the District. See " – FDIC/Federal Government Interests in Properties" below.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Property Tax Delinquencies

General. Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the County in a timely manner, including situations in which the County initially sent property tax bills to the property developer or merchant builder at a time when the parcels in question had already been sold to individual homeowners. Delinquencies can also reflect economic difficulties and duress by the property owner.

Numerous future delinquencies by the owners of Taxable Property in the District in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax Revenues necessary to pay debt service on the Bonds, which could in turn result in the depletion of the Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that

event, there could be a delay or failure in payments of the principal of and interest on the Bonds. See "SECURITY FOR THE BONDS – Reserve Fund," and "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

The City intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure"); and increasing the levy of Special Taxes against non-delinquent property owners in the District, to the extent permitted under the Special Tax Formula and the Act and to the extent the Special Taxes are not already being levied at the Maximum Annual Special Tax rate. For a summary of recent Special Tax collection and delinquency rates in the District, see "SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT – Special Tax Collection and Delinquency Rate."

Risks Related to Homeowners With High Loan-to-Value Ratios

Any future decline in home values in the District could result in property owner unwillingness or inability to pay mortgage payments, as well as ad valorem property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the City to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

Payment of Special Tax is Not a Personal Obligation of the Property Owners

An owner of Taxable Property is not personally obligated to pay the Special Taxes. Rather, the Special Taxes are an obligation running only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the City, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the affected parcels of Taxable Property, the City has no recourse against the owner.

Property Values

The value of Taxable Property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the City's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, wildfires, or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

The following is a discussion of specific risk factors that could affect the value of property in the District.

Risks Related to Availability of Mortgage Loans. The current state of the world-wide capital markets has adversely affected the availability of mortgage loans to homeowners, including potential buyers of homes within the District. Any such unavailability could hinder the ability of the current homeowners to resell their homes, or the sale of newly completed homes in the future.

Natural Disasters. The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements.

The areas in and surrounding the District, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes. See "THE DISTRICT – Location and Description of the District and the Immediate Area."

Other natural disasters could include, without limitation, floods, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the Taxable Property may well depreciate or disappear.

Legal Requirements. Other events that may affect the value of Taxable Property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition.

The property values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the City is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may

arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency.

Concentration of Ownership of Undeveloped Property

A significant portion of the undeveloped land within the District is currently owned by only four entities (affiliates of Lennar Corporation, PulteGroup Inc., KB Homes and Meritage Homes Corporation). Although there are likely to be transfers of ownership of property within the District as development progresses, the timely payment of the Bonds depends upon the willingness and ability of all of the owners of taxable property within the District to pay the Special Taxes when due. The only assets of the owners of property within the District which constitute security for the Bonds are such owners' real property holdings located within the District, and each parcel may only be foreclosed against for delinquent Special Taxes levied against such parcel. If the current landowners choose to pay some but not all of the Special Taxes, they may, as owners of parcels in the District, choose to default on payments of the Special Tax on parcels. Also see "– Bankruptcy Delays" below.

Development of undeveloped property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the four homebuilders or other property owners to pay the Special Taxes when due. Certain infrastructure improvements remain to be completed in order to complete construction of the remaining homes in the District. No assurance can be given that the remaining proposed residential development will be partially or fully completed, and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and only partially improved. See the information set forth under the caption "THE DISTRICT – Infrastructure Improvements" and "– Current and Anticipated Development in the District."

Future Property Development

Continuing development of the parcels in the District may be adversely affected by changes in general or local economic conditions, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing and marketing capabilities of the developer, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, and other similar factors. Development in the District may also be affected by development in surrounding areas, which may compete with the property in the District. A slowdown of the development process could adversely affect land values and reduce the ability or desire of the property owners to pay the annual Special Taxes. In that event, there could be a default in the payment of the Bonds.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled "SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT – Overlapping Liens and Priority of Lien" shows the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table also states the additional amount of general obligation bonds the tax for which, if and when issued, may become

an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See "– Bankruptcy Delays" below.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Special Tax Formula and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. See "SECURITY FOR THE BONDS – Special Tax Methodology."

In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

California Drought; State of Emergency Proclamation

On January 17, 2014, with California facing water shortfalls in the then-driest year in recorded state history, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take all necessary actions to prepare for these drought conditions. In the State of Emergency declaration, Governor Brown directed state officials to assist farmers and communities that are economically impacted by dry conditions and to ensure the State can respond if Californians face drinking water shortages. The Governor also directed state agencies to use less water and hire more firefighters and initiated a greatly expanded water conservation public awareness. In addition, the proclamation gave state water officials more flexibility to manage supply throughout California under drought conditions.

The Governor's drought State of Emergency follows a series of actions the administration has taken to ensure that California is prepared for record dry conditions. In May 2013, Governor Brown issued an Executive Order to direct state water officials to expedite the review and processing of voluntary transfers of water and water rights. In December 2014, the Governor formed a Drought Task Force to review expected water allocations, California's preparedness for water scarcity and whether conditions merit a drought declaration.

On April 1, 2015, for the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. This savings amounts to approximately 1.5 million acre-feet of water over the following nine months.

California set a new "low water" mark on April 1, 2015, with its early-April snowpack measurement. The statewide electronic reading of the snowpack's water content stood at 5 percent of the April 1st average. April 1, 2015's content was only 1.4 inches, or 5 percent, of the 28-inch average. The lowest previous reading since 1950 was 25 percent of average, so water year 2015 is the driest winter in California's written record.

The implementation of mandatory water reductions is ongoing. For more information on the City's water supply and related matters, see "THE DISTRICT – Location and Description of the District and the Immediate Area – Water Supply" above. The City cannot predict how long the drought conditions will last, what effect drought conditions may have on property values or whether or to what extent water reduction requirements may affect the District.

FDIC/Federal Government Interests in Properties

General. The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "**FDIC**"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding."

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal

government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("**FNMA**") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from special taxes levied under the Act.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement for the Bonds. See "SECURITY FOR THE BONDS – Reserve Fund." The Reserve Fund will be used to pay principal of and interest on the Bonds (and the Prior Bonds and any Additional Bonds, the principal of and interest on which is payable from amounts in the Reserve Fund) if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within the District. If the Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the owners of the Bonds (and the Prior Bonds and any Additional Bonds, the principal of and interest on which is payable from amounts in the Reserve Fund) under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the annual Maximum Annual Special Tax rates, it is possible that no replenishment would be achieved if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus it is possible that the Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Bankruptcy Delays

The payment of the Special Tax and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax, as discussed in "SECURITY FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Special Taxes not being paid in full.

To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Reserve Fund could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Reserve Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the Bonds on a timely basis.

Disclosure to Future Purchasers

The City has recorded a notice of the Special Tax lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that

such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the District or the lending of money secured by property in the District. The Act and the Goals and Policies require the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

No Acceleration Provisions

The Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bondowner is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. So long as the Bonds are in book-entry form, DTC will be the sole Bondowner and will be entitled to exercise all rights and remedies of Bond holders, in accordance with its procedures and rules. See APPENDIX G.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS – Tax Exemption," interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to become includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional redemption, mandatory sinking fund redemption or special mandatory redemption upon prepayment of the Special Taxes. See "THE BONDS – Redemption."

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of such Bonds might be affected as a result of such an audit of such Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bondowners from realizing the full current benefit of the tax status of such interest.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act". Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes ("special taxes") require a two-thirds vote.

The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the landowners within the District who constituted the qualified electors at the time of such voted authorization. The City believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the District and its obligations can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or

result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

LEGAL MATTERS

Legal Opinions

The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, approving the validity of the Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX E.

Jones Hall, A Professional Law Corporation, San Francisco, California, has served as Disclosure Counsel to the City. The City Attorney will pass upon certain legal matters for the City as its general counsel. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California will pass upon certain legal matters for the Underwriters.

Tax Exemption

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") that must be satisfied subsequent to the issuance of the Bonds. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the

Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

No Litigation

At the time of delivery of and payment for the Bonds, the City Attorney will deliver his opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the City affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any of said documents.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the City's fiscal year (presently June 30) in each year (the "**City Annual Report**") commencing with its report for the 2014-15 fiscal year (due April 1, 2016) and to provide notices of the occurrence of certain enumerated events.

The City Annual Report and notices of material events will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriters in

complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of material events by the City is summarized in "APPENDIX F — Form of Continuing Disclosure Agreement."

The City believes that for the past five year period it currently is in material compliance with all of its continuing disclosure undertakings. Notwithstanding the foregoing:

(1) The Annual Reports for fiscal years 2011, 2012 and 2013 for certain of the City's then-outstanding obligations omitted two required tables, which the City subsequently filed in August 2014.

(2) The Audited Financial Statements of the City for fiscal years 2011, 2012 and 2013 for certain of the City's then-outstanding obligations were filed between 1 and 660days after the dates required for such filings.

(3) In the last five years, the City may not have in a timely manner filed all significant event notices of changes in the ratings of certain then-outstanding obligations resulting from changes in ratings to the bond insurers who insured such obligations or the underlying rates for such obligations. However, the City has submitted all previously undisclosed significant event notices of changes in ratings on all currently outstanding obligations.

The City expects to engage contract support for the preparation and filing of its continuing disclosure reports, including as to the District, in order to ensure compliance with future continuing disclosure obligations.

RATINGS

The City has not applied to a rating agency for the assignment of a rating to the Bonds and does not contemplate applying for a rating.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated and Piper Jaffray & Co. (together, the "**Underwriters**"), at a purchase price of \$_____, which represents the aggregate principal amount of the Bonds (\$_____) less an Underwriters' discount of \$_____ and [less/ plus] an original issue [discount/premium] of \$_____.

The purchase agreement relating to the Bonds provides that the Underwriters will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters.

MUNICIPAL ADVISOR

The City has retained First Southwest Company, LLC, of Santa Monica, California, as Municipal Advisor (the “**Municipal Advisor**”) in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

PROFESSIONAL FEES

In connection with the issuance of the Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the Bonds. Those professionals include: the Underwriters; Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel; Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriters; First Southwest Company, LLC, as Municipal Advisor; and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent for the Bonds.

EXECUTION

The execution and delivery of the Official Statement by the City has been duly authorized by the City Council, acting as the legislative body of the District.

CITY OF ROSEVILLE

By: _____
Treasurer/Chief Financial Executive

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APPENDIX A

PLACER COUNTY AND CITY OF ROSEVILLE DEMOGRAPHIC INFORMATION

The City of Roseville (the "City") is located in Placer County (the "County"), in California's Sacramento Valley near the foothills of the Sierra Nevada mountain range, about 16 miles northeast of Sacramento and 110 miles east of San Francisco. The City, with a population estimated to be approximately 128,382 at January 1, 2015, is the largest city in the County, as well as the residential and industrial center of the County.

The City has warm summers typical of central California, with an average July temperature of 77 degrees. Winter temperatures are moderate; the average January temperature is 46 degrees. The temperature drops below freezing an average of eight days per year. Rainfall averages 20 inches annually and falls mostly during the winter.

There is a wide variety of land uses within the City. Most of the City's residential neighborhoods are located west of Interstate Highway 80; industrial facilities, including Hewlett-Packard, NEC Electronics, Inc. and Consolidated Communications, Inc. (CCI) are concentrated in the north Roseville area.

Municipal Government

The City was incorporated on April 10, 1909 and is a charter city. The City operates under the council-manager form of government, with a five-member City Council elected at large for staggered four-year terms. At each election, the council member receiving the most votes is appointed mayor pro-tempore for two years and becomes mayor for the final two years.

City services include, among others, police and fire protection, library services, street maintenance, and parks and recreation. The City also owns two golf courses and provides its own electricity, water, sewer and refuse services to its citizens.

Population

The City's population has increased substantially over the past five years.

City of Roseville Population - 2011 through 2015

<u>Year</u>	<u>City of Roseville</u>	<u>Placer County</u>	<u>State of California</u>
2011	120,307	351,463	37,427,946
2012	122,104	355,455	37,668,804
2013	124,673	360,802	37,984,138
2014	127,153	366,678	38,357,121
2015	128,382	369,454	38,714,725

Source: California State Department of Finance.

Effective Buying Income

Effective buying income ("EBI") is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of Owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the County, the State of California and the United States.

The following table summarizes the total effective buying income for the County, the State and the United States for the period 2010 through 2014. Effective buying income data is not yet available for calendar year 2015.

Table A-1
Effective Buying Income
As of January 1, 2010 through 2014

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2010	City of Roseville	\$ 3,073,595	\$55,878
	Placer County	9,455,123	56,109
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Roseville	\$ 3,030,070	\$56,309
	Placer County	9,797,178	55,993
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of Roseville	\$ 3,308,060	\$55,367
	Placer County	9,955,120	55,173
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Roseville	\$ 3,327,535	\$56,270
	Placer County	9,811,843	56,393
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Roseville	\$ 3,507,655	\$59,074
	Placer County	10,287,888	58,583
	California	901,189,699	50,072
	United States	7,357,153,421	45,448

Source: The Nielsen Company (US), Inc.

Employment and Industry

The unemployment rate in the Sacramento-Roseville-Arden Arcade MSA was 6.0 percent in March 2015, down from a revised 6.3 percent in February 2015, and below the year-ago estimate of 8.1 percent. This compares with an unadjusted unemployment rate of 6.5 percent for California and 5.6 percent for the nation during the same period. The unemployment rate was 5.8 percent in El Dorado County, 5.1 percent in Placer County, 6.0 percent in Sacramento County, and 7.0 percent in Yolo County. The following table summarizes the civilian labor force, employment and unemployment, as well as employment by industry, in the Sacramento Arden Arcade Rocklin Metropolitan Statistical Area (which is comprised of Sacramento, Placer and El Dorado Counties) for the years 2010 through 2014.

Table A-2
Sacramento Arden Arcade Roseville Metropolitan Statistical Area
(El Dorado, Placer, Sacramento, and Yolo Counties)
Civilian Labor Force, Employment and Unemployment
March 2014 Benchmark
(Annual Averages)

	2010	2011	2012	2013	2014
Civilian Labor Force (1)	1,048,900	1,039,400	1,051,600	1,046,600	1,049,200
Employment	918,000	916,200	942,900	956,400	974,100
Unemployment	130,900	123,200	108,700	90,200	75,100
Unemployment Rate	12.5%	11.9%	10.3%	8.6%	7.2%
<u>Wage and Salary Employment: (2)</u>					
Agriculture	8,100	8,200	8,600	8,800	9,200
Mining and Logging	400	500	400	500	500
Construction	38,400	36,900	38,400	42,900	45,500
Manufacturing	32,800	33,200	33,900	33,700	34,800
Wholesale Trade	22,800	23,600	25,100	25,000	24,700
Retail Trade	88,000	89,400	91,800	93,900	95,600
Transportation, Warehousing and Utilities	21,700	21,100	21,900	23,200	23,400
Information	17,200	16,300	15,600	15,000	13,700
Finance and Insurance	36,100	34,600	35,700	36,600	35,300
Real Estate and Rental and Leasing	12,200	12,000	12,400	13,000	13,400
Professional and Business Services	102,200	104,200	110,800	114,300	119,100
Educational and Health Services	115,000	116,900	121,300	127,700	134,900
Leisure and Hospitality	80,200	81,700	84,500	88,000	91,900
Other Services	28,100	28,000	28,500	28,900	30,400
Federal Government	14,600	14,000	13,700	13,500	13,500
State Government	110,900	109,600	108,200	109,800	113,500
Local Government	104,700	100,900	99,600	98,700	100,400
Total, All Industries	833,500	831,200	850,400	873,200	899,600

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest manufacturing and non-manufacturing employers within the County as of July 2015.

**Table A-3
Placer County
Largest Employers
July 2015
(In Alphabetical Order)**

Employer Name	Location	Industry
Adventist Health	Roseville	Health Services
Agilent Technologies Inc	Roseville	Instruments-Measuring (Mfrs)
Alpine Meadows	Alpine Meadows	Resorts
AT&T	Auburn	Telephone Companies
C-Tech Systems Inc	Roseville	Computers-Service & Repair
Composite Engineering Inc	Roseville	Engineers-Professional
Kaiser Roseville Medical Ctr	Roseville	Hospitals
Northstar At Tahoe Resort	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Placer County Fire Dept	Auburn	County Government-Fire Protection
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County of Education	Auburn	Schools
Placer County Sheriff	Auburn	Sheriff
Progressive Technology	Rocklin	Machine Shops (Mfrs)
Resort At Squaw Creek	Alpine Meadows	Hotels & Motels
Ritz-Carlton-Lake Tahoe	Truckee	Hotels & Motels
Roseville Golfland-Sun Splash	Roseville	Water Parks
Roseville Toyota & Scion	Roseville	Automobile Dealers-New Cars
Sheriff's Training	Auburn	Sheriff
Sutter Roseville Medical Ctr	Roseville	Hospitals
Tami Saner & Assoc	Roseville	Real Estate
Thunder Valley Casino	Lincoln	Casinos
Unfi Western Region Div	Rocklin	Food Products (Whls)
Union Pacific Railroad Co	Roseville	Railroads
Walmart Supercenter	Roseville	Department Stores

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2015 2nd Edition.

Construction Permits

The County's 2013-2014 assessment roll totaled \$54,452,236,134 as compared to the prior year's assessment roll of \$51,307,476,072, which reflected a 6.13% increase this year. These numbers over the last two years contrast with the real estate decline years of 2008 and after, where the County assessment roll experienced declines.

In May of 2013, the City issued 41 single-family building permits and 3 commercial building permits. The City maintains building permit data, which can be viewed on its website.

The following table shows residential and non-residential building permits issued, for calendar years 2009 through 2013.

Table A-4
City of Roseville*
Building Permit Valuation
(Valuation in Thousands of Dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Permit Valuation</u>					
New Single-family	\$125,257.4	\$133,206.3	\$91,310.0	\$249,559.2	\$118,547.9
New Multi-family	3,746.7	0.0	0.0	0.0	\$6,632.0
Res. Alterations/Additions	<u>1,620.6</u>	<u>2,808.4</u>	<u>7,329.2</u>	<u>3,082.0</u>	<u>\$3,395.0</u>
Total Residential	<u>\$130,624.7</u>	<u>\$136,014.7</u>	<u>\$98,639.2</u>	<u>\$252,641.2</u>	<u>\$128,575.0</u>
New Commercial	\$ 1,439.2	\$ 1,625.8	\$ 707.9	\$16,280.4	\$26,058.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	6,435.5	5,026.5	0.0	0.0	\$2,627.4
Com. Alterations/Additions	<u>49,481.4</u>	<u>46,534.4</u>	<u>67,245.2</u>	<u>31,868.5</u>	<u>\$45,489.0</u>
Total Nonresidential	<u>\$57,356.1</u>	<u>\$53,186.7</u>	<u>\$67,953.1</u>	<u>\$48,148.9</u>	<u>\$74,175.4</u>
<u>New Dwelling Units</u>					
Single Family	602	635	411	663	528
Multiple Family	<u>49</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>224</u>
Total New Dwelling Units	<u>651</u>	<u>635</u>	<u>411</u>	<u>663</u>	<u>752</u>

* 2014 data available but not comparable to previous years.

Source: Construction Industry Research Board, Building Permit Summary.

The following table shows residential and non-residential building permits issued within the County for calendar years 2010 through 2014. Annual figures are not yet available for 2015.

**Table A-5
Placer County
Building Permit Valuation
(Valuation in Thousands of Dollars)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Permit Valuation</u>					
New Single-family	\$272,263.0	\$230,831.8	\$431,611.6	\$378,286.0	523,638.2
New Multi-family	11,385.1	6,549.5	11,368.0	\$7,078.5	48,645.5
Res. Alterations/Additions	<u>50,586.8</u>	<u>62,155.8</u>	<u>35,481.3</u>	<u>\$50,358.2</u>	<u>59,428.5</u>
Total Residential	\$334,234.9	\$299,537.1	\$478,460.9	\$435,722.7	631,712.2
New Commercial	\$ 5,551.8	\$ 7,014.3	\$ 44,303.0	\$70,876.0	\$38,343.5
New Industrial	0.0	860.0	164.0	\$1,092.0	199.8
New Other	29,303.2	12,112.3	414.5	\$25,673.5	44,159.8
Com. Alterations/Additions	<u>73,789.4</u>	<u>88,639.9</u>	<u>55,512.0</u>	<u>\$73,037.0</u>	<u>\$101,977.7</u>
Total Nonresidential	\$108,644.4	\$108,626.5	\$100,393.5	\$170,678.5	\$184,680.8
<u>New Dwelling Units</u>					
Single Family	1,090	802	1,209	1,249	1,620
Multiple Family	<u>79</u>	<u>28</u>	<u>111</u>	<u>227</u>	<u>376</u>
TOTAL	1,169	830	1,320	1,476	1,996

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables. Annual figures are not yet available for calendar years 2014 or 2015.

Total taxable sales during the calendar year 2013 in the City were reported to be \$4,171,738,000 a 10.58% increase over the total taxable sales of \$3,772,583,000 reported during calendar year 2012.

**Table A-6
City of Roseville
Taxable Transactions
Calendar Years 2009 through 2013
(Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2009	3,400	\$2,708,864	4,441	\$3,104,840
2010	3,640	2,814,546	4,698	3,251,045
2011	3,405	3,024,189	4,476	3,499,616
2012	3,765	3,332,827	4,861	3,772,583
2013	3,757	3,558,765	4,819	4,171,738

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable transactions reported in the County during calendar year 2013 amounted to \$7,724,406,000 a 9.32 percent increase over the total taxable transactions of \$7,065,597,000 that were reported during calendar year 2012. A summary of historic taxable sales within the County is shown in the following table.

**Table A-7
Placer County
Taxable Transactions
Calendar Years 2009 through 2013
(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	7,819	\$4,453,186	11,135	\$5,796,644
2010	8,110	4,678,785	11,439	6,017,542
2011	7,803	5,112,781	11,120	6,568,195
2012	8,272	5,613,981	11,621	7,065,597
2013	8,487	6,050,198	11,713	7,724,406

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Transportation

The County's transportation network is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the County, connecting San Francisco to New York. Highway 65 runs north from I-80 to Lincoln and Marysville. Interstate 5, which is west of the County, runs north to Seattle and south to Los Angeles. In the City, the major highways in the area are Interstate 80 and Interstate 5, and State Highways 65, 50, and 99.

Union Pacific Railroad bought Southern Pacific in 1996 and the J.R. Davis Yard, located in the City, is the largest rail facility on the West Coast. Union Pacific owns and operates track in 23 states, primarily west of the Mississippi River. Amtrak provides passenger service daily to San Francisco and San Jose, and the California Zephyr connects the County to the Midwest and Chicago.

Greyhound operates a station in the City, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

Sacramento International Airport serves the area in and around the City. Served by ten major carriers and several commuter airlines, as well as air freight carriers, the airport handles passenger flights to over 140 cities with more than 130 scheduled departures per day and 4.3 million passengers annually. Nearby Auburn Municipal Airport serves charter and private aircraft for coastal, state and transcontinental flights. Executive air service is available as well. Auburn Municipal has an elevation of 1,520 feet and an east/west runway 3,100 feet in length.

Several trucking companies serve the County, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

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APPENDIX B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT No. 1
(PUBLIC FACILITIES)

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Westpark Community Facilities District No. 1 (Public Facilities) [herein "CFD No. 1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Roseville, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"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 Unit built on a Parcel of Single Family Detached Property or Single Family Attached Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on the Parcel in favor of the City. The City’s Affordable Housing Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots parcels remaining prior to May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Sections C and D below.

“Affordable Unit Adjustment” means a reduction in the Assigned Maximum Special Tax for a Large Lot due to the assignment of Affordable Units to the Large Lot. No Affordable Unit Adjustment shall occur on Multi-Family Property, as the Assigned Special Tax for such property has already been adjusted to account for affordable units.

“Annual Tax Escalation Factor” means, in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in an amount equal to two percent (2%) of the Maximum Special Tax in effect in the prior Fiscal Year.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel number.

“Assigned Maximum Special Tax” means the Maximum Special Tax assigned to each Large Lot at CFD Formation based on the Expected Land Uses, as shown in Attachment 2 of this RMA.

“Base Year” means Fiscal Year 2004-05.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 1.

“Buildable Lot” means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

“CFD Maximum Special Tax Revenue” means the cumulative Maximum Special Tax revenue that can be collected from all property within CFD No. 1 after adjusting for the Expected Affordable

Units. The CFD Maximum Special Tax Revenue is shown in Attachment 2 of this RMA and may be reduced due to prepayments in future Fiscal Years.

“City” means the City of Roseville.

“City Council” means the City Council of the City of Roseville, acting as the legislative body of CFD No. 1.

“County” means the County of Placer.

“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 a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Multi-Family Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Non-Residential Property, all Parcels for which a building permit for new construction of a building was issued prior to May 1 of the preceding Fiscal Year.

“Development Plan” means a condominium plan, apartment plan, site plan or other development plan that identifies such information as the type of structure, acreage, square footage, and/or number of Units that are approved to be developed on Single Family Attached Property, Multi-Family Property and Non-Residential Property. This information may be obtained from the City’s Development Activity Updates, which are published periodically by the City’s Planning Department.

“Expected Affordable Units” means a total of 85 medium density residential Units within CFD No. 1 that are expected to be Affordable Units. Upon recordation of Final Maps within CFD No. 1, the Affordable Housing Director will determine which Large Lots will include Affordable Units, and, upon such determination, the Administrator shall reduce the Assigned Maximum Special Tax for the Large Lot pursuant to the steps set forth in Section C.3a, C.3b, or C.3d (as applicable) below. If, in any Fiscal Year, the Affordable Housing Director identifies a total number of Affordable Units within CFD No. 1 that exceeds 85 Units, no Affordable Unit adjustment will be applied for the Affordable Units identified after the 85th Affordable Unit has been designated.

“Expected Land Uses” means the total number of single family and multi-family units, and acres of Non-Residential Property expected within each Large Lot at the time of CFD Formation. The Expected Land Uses are identified in Attachment 2 of this Rate and Method.

“Final Map” means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable Lots. The term “Final Map” shall not include any Large-Lot Subdivision Map, Small Lot Tentative Map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Finance Director” means the Finance Director for the City of Roseville or his or her designee.

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

“Land Use Class” means, individually, Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, and Undeveloped Property.

“Large Lot” means a specific geographic area within CFD No. 1 that (i) is created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) has an Assigned Maximum Special Tax that will ultimately be allocated to the Buildable Lots within the Large Lot as Final Maps are recorded. The Large Lots expected at CFD Formation are shown in Attachment 1 of this RMA, and the Assigned Maximum Special Tax for each Large Lot within CFD No. 1 is shown in Attachment 2.

“Large-Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides the property in CFD No. 1 into Large Lots.

“Large-Lot Subdivision Map Property” means, in any Fiscal Year, all Parcels which are included within a Large-Lot Subdivision Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Small Lot Tentative Map Property.

“Market-Rate Unit” means a unit that is not an Affordable Unit.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C and D below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

“Non-Residential Property” means, in any Fiscal Year, all Parcels of Developed Property within CFD No. 1 which are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Taxable Public Property.

“Original Parcel” means an Assessor’s Parcel in CFD No. 1 at the time of CFD Formation, as identified in Attachment 1. A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C.

“Public Property” means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, County, City, or other public agency.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single Family Attached Property” means, in any Fiscal Year, all Buildable Lots in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale 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 Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a Unit that does not share a common wall with another Unit.

“Small Lot Tentative Map” means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Buildable Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Property” means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Developed Property.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement, as defined below.

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to pay Administrative Expenses, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Special Tax proceeds. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 1 from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

“Successor Parcel” means an Assessor’s Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means, in any Fiscal Year, all Parcels of Public Property within CFD No. 1 that, based on a tentative map or other Development Plan, were expected to be Taxable Property and, based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 1 that are not yet Developed Property, Small Lot Tentative Map Property, or Large-Lot Subdivision Map Property.

“Unit” means (i) for Single Family Detached Property, an individual single-family detached unit, and (ii) for Single Family Attached Property, an individual residential unit within a duplex, triplex, fourplex, townhome, or condominium structure.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Taxable Property within CFD No. 1. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, or Undeveloped Property, (ii) for Parcels of Single Family Attached Property, the number of Units on each Parcel, (iii) for Non-Residential Property, the Acreage of each Parcel, (iv) for Buildable Lots within the Large Lots designated as W-1 and W-2 in Attachment 1, the square footage of each Buildable Lot, and (v) the Special Tax Requirement. For Single Family Attached Property, the number of Units shall be determined by referencing the Development Plan for the property.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Land Use Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Land Use Class, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

If, in any Fiscal Year, it is determined that, based on building permits that have been issued, for-sale residential Units will be built within a structure constructed on a Parcel of Non-Residential Property, the Administrator shall determine whether (i) Units that have been or will be built on the Parcel will be offered for sale to individual home buyers, and (ii) a separate Assessor’s Parcel number will be assigned to the airspace parcel associated with each Unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax

to the airspace Parcel for each residential unit. The Maximum Special Tax for the Base Year for such Units is \$500, which amount shall be increased each Fiscal Year thereafter by the Annual Tax Escalation Factor. The Administrator shall also tax commercial land uses on the Parcel using the Maximum Special Tax for the commercial uses within that Large Lot as shown in Attachment 2. The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the Affordable Housing Director is to determine the number of Affordable Units included within the Final Map. As set forth in Sections C.3a, C.3b and C.3d below, once the Affordable Housing Director has designated the number of Affordable Units on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the market-rate Units created by recordation of that Final Map. This reduction shall not be applied if the Administrator determines that the Expected Affordable Units have already been designated on other Parcels, and the designation of additional Affordable Units would reduce the CFD Maximum Special Tax Revenues. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the Affordable Housing Director to confirm which Parcels and Large Lots qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. CALCULATING THE MAXIMUM SPECIAL TAX

The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. Prior to Recordation of a Large-Lot Subdivision Map

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Original Parcels within the CFD shall be as follows:

Fiscal Year 2004-05 Assessor's Parcel Number	Fiscal Year 2004-05 Maximum Special Tax *
017-0150-037	\$2,899,194
017-0150-003	\$681,669
017-0100-043	\$1,021,354
017-0100-044	\$325,533
<i>* Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.</i>	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

2. *After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map*

The Maximum Special Tax assigned to each Large Lot expected at CFD Formation is identified in Attachment 2 of this RMA. If, upon recordation of the Large-Lot Subdivision Map for property within the CFD, it is determined that the actual boundaries of the Large Lots are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Large Lot shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Large Lot has changed, the Assigned Maximum Special Tax for each Large Lot in Attachment 2 may, in the City's sole discretion, also be changed as long as the CFD Maximum Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large-Lot Subdivision Map, after which time the Assigned Maximum Special Tax for each Large Lot shall be fixed for all future Fiscal Years, except as otherwise provided in Section D below. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and Attachments 1 and 2. Prior to approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

Unless an adjustment is made pursuant to the prior paragraph, the Maximum Special Tax for property within a Large Lot shall be the Assigned Maximum Special Tax identified in Attachment 2 of this RMA. If there are multiple Assessor's Parcels within a Large Lot prior to recordation of a Final Map within the Large Lot, the Assigned Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property to determine the Maximum Special Tax for each Parcel. Upon recordation of the Large-Lot Subdivision Map, the actual boundary of each Large Lot may change slightly from that shown in Attachment 1; such change shall have no impact on the Assigned Maximum Special Tax for each Large Lot unless an adjustment is also made to the Assigned Maximum Special Tax as permitted in the paragraph above.

3. *After Recordation of a Final Map*

a. **Final Map Creating Buildable Lots of Single Family Detached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Detached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Buildable Lots created by the subdivision:

- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2a: For Large Lots W-1 and W-2 (as identified in Attachment 1)

Determine how many Buildable Lots are greater than 5,000 square feet and multiply the number of such lots by an equivalent dwelling unit (EDU) factor of 1.3 to calculate the total EDUs associated with the lots.

Determine how many Buildable Lots are less than or equal to 5,000 square feet and add this total number of lots to the EDUs calculated above to determine the total EDUs for all Buildable Lots within the Final Map.

Divide the Assigned Maximum Special Tax by the total EDUs calculated above to determine the Maximum Special Tax per EDU, which will also be the Maximum Special Tax for all Buildable Lots that are less than or equal to 5,000 square feet. Multiply the Maximum Special Tax per EDU by 1.3 to calculate the Maximum Special Tax for each Buildable Lot greater than 5,000 square feet.

Step 2b: For Large Lots Other Than W-1 and W-2

Divide the Assigned Maximum Special Tax from Step 1 by the number of Buildable Lots created by the Final Map to determine the Maximum Special Tax for each Buildable Lot.

Step 3: Determine if Affordable Units have been designated within the Large Lot by the Affordable Housing Director. If **yes**, each Parcel on which an Affordable Unit has been designated by the Affordable Housing Director shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2a or 2b, and all other Buildable Lots will be assigned the amount from Step 2a or 2b as the Maximum Special Tax for the Fiscal Year. If **no**, all Buildable Lots in the Final Map shall be assigned the Maximum Special Tax determined in Step 2a or 2b.

b. Final Map Creating Buildable Lots of Single Family Attached Property Throughout Entire Large Lot

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Units that are expected to be built based on reference to the Development Plan for the Single Family Attached Property:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2: Divide the Assigned Maximum Special Tax from Step 1 by the number of Units expected to be built on the property within the Final Map to determine the Maximum Special Tax for each Unit.

Step 3: Determine if any of the Units have been designated as Affordable Units by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Units will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Units created within the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

c. Final Map Creating No Buildable Lots of Single Family Detached Property or Single Family Attached Property

If none of the Successor Parcels created by recordation of a Final Map are Buildable Lots of Single Family Detached Property or Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the total Acreage of Taxable Property created by subdivision of the Large Lot.

Step 3: Divide the Assigned Maximum Special Tax from Step 1 by the Acreage from Step 2 to calculate Maximum Special Tax per acre.

Step 4: Multiply the per-acre Maximum Special Tax from Step 3 by the Acreage in each Successor Parcel to calculate the Maximum Special Tax for each Successor Parcel.

d. Final Map Creating Buildable Lots in a Portion of the Large Lot

If a Final Map records creating Buildable Lots within only a portion of a Large Lot, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the number of Buildable Lots created within the Final Map area.

Step 3: Multiply the Buildable Lots from Step 2 by the “Base Tax Rate per Unit” shown in Attachment 2 for the Large Lot that has been subdivided

by the Final Map to determine the Maximum Special Tax associated with the Buildable Lots created by the Final Map. The Base Tax Rate per Unit shall be used as the Maximum Special Tax for all Buildable Lots included in the Final Map, except Affordable Units (as designated by the Affordable Housing Director) which shall be set at one-half of the rate of Market Units within the Final Map.

- Step 4:** Subtract the Maximum Special Tax associated with the Buildable Lots as determined in Step 3 from the Assigned Maximum Special Tax for the Large Lot that was identified in Step 1.

- Step 5:** Subtract the Acreage of Taxable Property included within the Final Map from the total Acreage of Taxable Property in all Successor Parcels within the Large Lot that resulted after recordation of the Final Map to determine the Acreage of Taxable Property that is not included within the Final Map.

- Step 6:** Divide the remainder determined in Step 4 by the remainder determined in Step 5 to calculate the per-acre Maximum Special Tax that will apply to Taxable Property not included within the Final Map.

- Step 7:** Multiply the per-acre Maximum Special Tax from Step 6 by the Acreage in each Successor Parcel not included within the Final Map to calculate the Maximum Special Tax for each such Successor Parcel.

If, after subdivision of a Large Lot, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.3c, or C.3d, as appropriate.

After each reallocation of the Maximum Special Tax upon subdivision or reconfiguration of a Large Lot, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Assigned Maximum Special Tax for that Large Lot as shown in Attachment 2. Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Large Lot.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. Annual Escalation of Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Assigned Maximum Special Tax for each Large Lot shown in Attachment 2, and the Maximum Special Tax assigned to each Parcel of Taxable Property within the CFD, shall be adjusted by the Annual Special Tax Escalation Factor.

2. *Affordable Units that Become Market-Rate Units*

If, in any Fiscal Year, the Affordable Housing Director determines that a Unit that had previously been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Special Tax shall continue to escalate two percent (2%) per year.

3. *Transfer of the Assigned Maximum Special Tax from One Large Lot to Another*

The Assigned Maximum Special Taxes in Attachment 2 were determined based on the Expected Land Uses for each Large Lot. If the number of planned residential units or non-residential acreage is transferred from one Large Lot to another prior to recordation of a Final Map within any portion of the Large Lot, the City may, in its sole discretion, allow for a transfer of the Assigned Special Tax from one Large Lot to the other. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (ii) there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to Attachment Nos. 1 or 2 of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the District records and prepare the required amendments to the Notice of Special Tax Lien and Attachment Nos. 1 and 2. Prior to the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

- Step 1:** Determine the Maximum Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or non-residential acreage by the “Base Tax Rate” identified for the units or acreage in Attachment 2 (escalated to the then-current Fiscal Year).
- Step 2:** Subtract the amount determined in Step 1 from the Assigned Maximum Special Tax for the Large Lot from which the units or acreage will be transferred to determine the new Assigned Maximum Special Tax for the Large Lot.
- Step 3:** Add the amount determined in Step 1 to the Assigned Maximum Special Tax for the Large Lot to which the units or acreage is being transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

4. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.

E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy the Special Tax on all Parcels of Taxable Property as follows:

- Step 1:*** The Special Tax shall be levied proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 2:*** If additional revenue is needed after Step 1, the Special Tax shall be levied proportionately on each Assessor's Parcel of Small Lot Tentative Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 3:*** If additional revenue is needed after Step 2, the Special Tax shall be levied proportionately on each Assessor's Parcel of Large-Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 4:*** If additional revenue is needed after Step 3, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 1 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 5:*** If additional revenue is needed after Step 4, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 2 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 6:*** If additional revenue is needed after Step 5, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 3 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 7:*** If additional revenue is needed after Step 6, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 4 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 8: If additional revenue is needed after Step 7, the Special Tax shall be levied proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

F. COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring authorized facilities from Special Tax proceeds have been paid, and all administrative expenses have been reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2050-51. Under no circumstances may the Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Public Property, except Taxable Public Property, as defined herein. In addition, no Special Tax shall be levied on Parcels that are not Public Property but are (i) designated as permanent open space or common space on which no structure is permitted to be built, (ii) owned by a public utility for use as an unmanned facility, or (iii) subject to an easement that precludes any other use on the Parcel. Notwithstanding the foregoing, if a Maximum Special Tax was assigned to a Parcel, and the entire Parcel ends up subject to one of the exemptions set forth above, the Parcel shall remain subject to the Special Tax levy until a prepayment is received that releases such Parcel from the Special Tax obligation.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

“Public Facilities Requirements” means either \$60,000,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City to be an appropriate estimate of the net construction proceeds that will be generated from all Bonds that have been or are expected to be issued on behalf of CFD No. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

“Remaining Facilities Costs” means the Public Facilities Requirements (as defined above), minus public facility costs funded by Previously Issued Bonds (as defined above), developer equity, and/or any other source of funding.

1. *Full Prepayment*

The Special Tax obligation applicable to an Assessor’s Parcel in the CFD may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Determine the Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2.** Divide the Maximum Special Tax from Step 1 by the CFD Maximum Special Tax Revenues for the Fiscal Year in which prepayment would be received by the City.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.
- Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the *"Defeasance Requirement"*).
- Step 10.** Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).
- Step 11.** If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding

Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

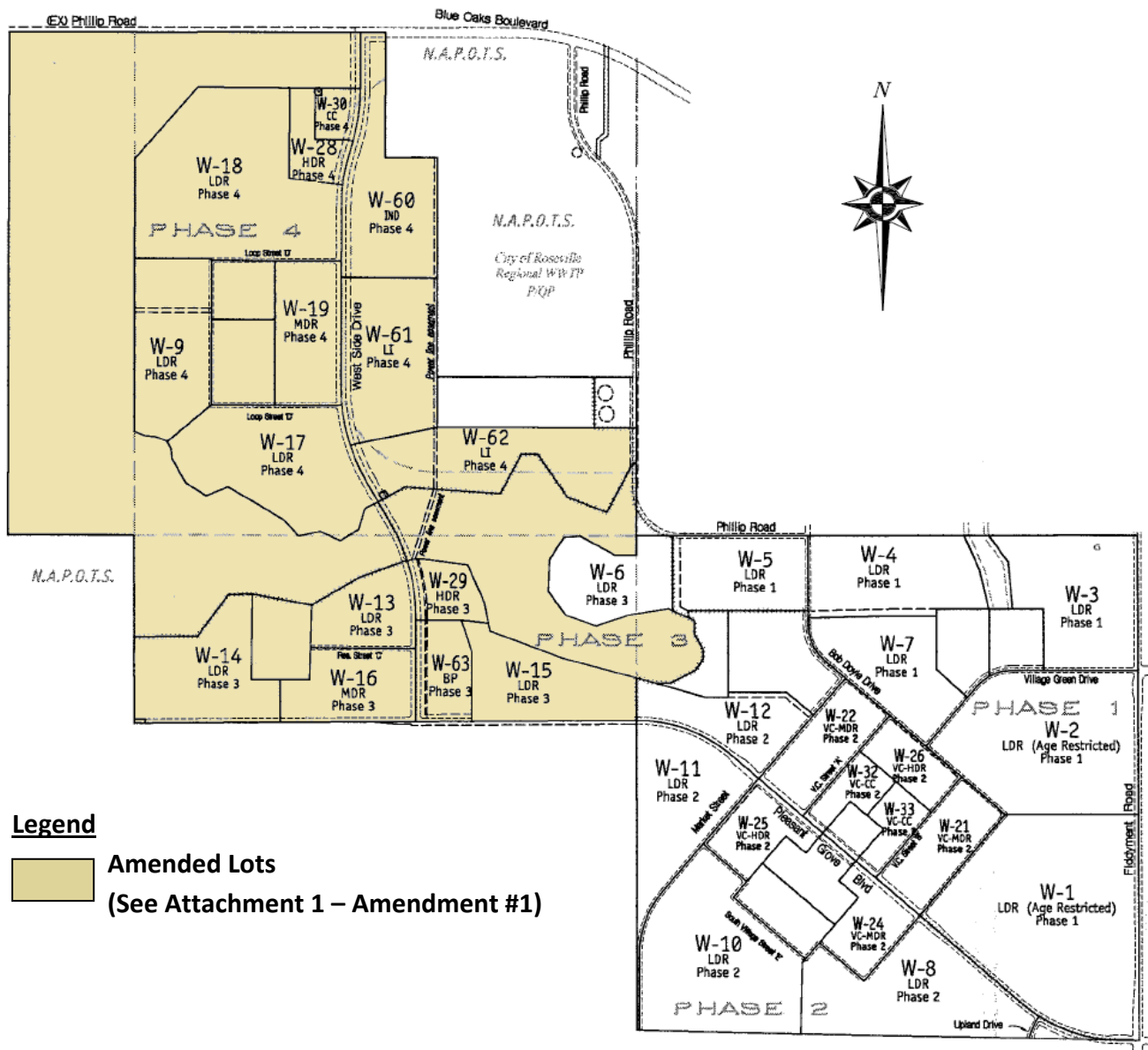
I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City’s discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

ATTACHMENT 1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

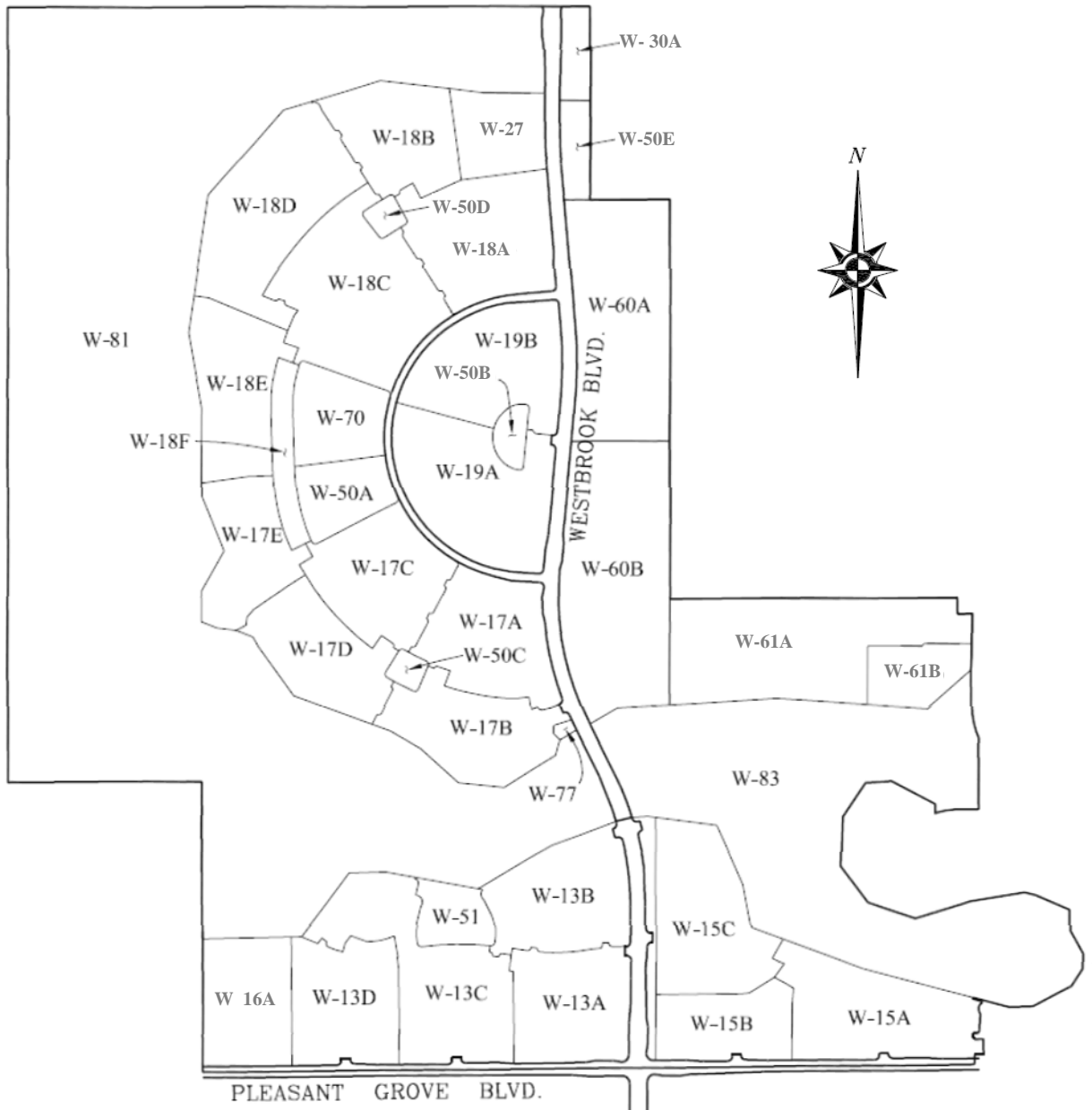
IDENTIFICATION OF LARGE LOTS



ATTACHMENT 1 – AMENDMENT #1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS (AMENDED PHASE 3 AND PHASE 4 LOTS)



ATTACHMENT 2 (AMENDMENT #1)

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) (FY 2004-05) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
PHASE I						
W-1	LDR (Active Adult)	Lots > 5,000 sqft Lots <= 5,000 sqft	225 173	\$1,200 \$900	\$270,000 \$155,700	\$270,000 \$155,700
W-2	LDR (Active Adult)	Lots > 5,000 sqft Lots <= 5,000 sqft	137 169	\$1,200 \$900	\$164,400 \$152,100	\$164,400 \$152,100
W-3	LDR	38.1	198	\$1,300	\$257,400	\$257,400
W-4	LDR	31.4	147	\$1,300	\$191,100	\$191,100
W-5	LDR	23	88	\$1,300	\$114,400	\$114,400
W-7	LDR	27.9	111	\$1,300	\$144,300	\$144,300
PHASE II						
W-8	LDR	42.3	180	\$1,300	\$234,000	\$234,000
W-10	LDR	54.1	261	\$1,300	\$339,300	\$339,300
W-11	LDR	32.3	148	\$1,300	\$192,400	\$192,400
W-12	LDR	18.9	61	\$1,300	\$79,300	\$79,300
W-21	VC-MDR	16.8	144	\$1,000	\$144,000	\$144,000
W-22	VC-MDR	16.8	144	\$1,000	\$129,836	\$129,836 ⁽⁴⁾
W-24	VC-MDR	12.5	95	\$1,000	\$95,000	\$95,000
W-25	VC-HDR (Affordable) VC-HDR (Market)	12.4	144 96	\$250 \$500	\$98,164	\$98,164 ⁽⁴⁾
W-26	VC-HDR	10	132	\$500	\$66,000	\$66,000
W-32	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
W-33	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
PHASE III						
W-6	LDR	22.8	77	\$1,300	\$100,100	\$100,100
W-13	LDR	17	60	\$1,300	\$78,000	
W-13A	LDR	14	74	\$1,300		\$96,200
W-13B	LDR	15.3	60	\$1,300		\$78,000
W-13C	LDR	21.1	87	\$1,300		\$113,100
W-13D	LDR	14.1	88	\$1,300		\$114,400
W-14	LDR	31.7	115	\$1,300	\$149,500	
W-15	LDR	27.6	80	\$1,300	\$104,000	
W-15A	LDR	17.8	83	\$1,300		\$107,900
W-15B	LDR	10.7	72	\$1,300		\$93,600
W-15C	LDR	19.4	69	\$1,300		\$89,700
W-16	MDR	20.6	160	\$1,000	\$160,000	
W-16A	HDR (Affordable) HDR (Market)	12.2	162 88	\$90.55 \$500		\$14,668 \$44,000
W-29	HDR (Affordable)	8	150	\$250	\$37,500	
W-63	BP	10.5	N/A	\$5,000	\$52,500	
PHASE IV						
W-9	LDR	31.9	95	\$1,300	\$123,500	
W-17	LDR	46	210	\$1,300	\$273,000	
W-17A	LDR	14.9	66	\$1,300		\$85,800
W-17B	LDR	14.1	56	\$1,300		\$72,800
W-17C	LDR	14.9	69	\$1,300		\$89,700

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) (FY 2004-05) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
W-17D	LDR	13.1	53	\$1,300		\$68,900
W-17E	LDR	11.4	41	\$1,300		\$53,300
W-18	LDR	71.2	280	\$1,300	\$364,000	
W-18A	LDR	17.6	86	\$1,300		\$111,800
W-18B	LDR	12.6	57	\$1,300		\$74,100
W-18C	LDR	23	102	\$1,300		\$132,600
W-18D	LDR	21.5	92	\$1,300		\$119,600
W-18E	LDR	14.4	52	\$1,300		\$67,600
W-18F	LDR	4.4	19	\$1,300		\$24,700
W-19	MDR	21.9	165	\$1,000	\$165,000	
W-19A	LDR	20.4	109	\$1,300		\$141,700
W-19B	LDR	16.7	85	\$1,300		\$110,500
W-27	HDR (Affordable)	7.92	150	\$90.55		\$13,582
	HDR (Market)		20	\$500		\$10,000
W-28	HDR (Affordable)	9	47	\$250	\$11,750	
	HDR (Market)		128	\$500	\$64,000	
W-30	CC	4	N/A	\$5,000	\$20,000	
W-30A	CC	3	N/A	\$0		\$0
W-60	IND	34.3	N/A	\$3,000	\$102,900	
W-60A	LI	25.2	N/A	\$0		\$0
W-60B	LI	30	N/A	\$0		\$0
W-61	L1	35.9	N/A	\$3,000	\$107,700	
W-61A	IND	26.9	N/A	\$0		\$0
W-61B	IND	6	N/A	\$0		\$0
W-62	L1	38.3	N/A	\$3,000	\$114,900	
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,927,750	\$4,927,750

⁽¹⁾ See Attachment 1 for geographic area associated with each Large Lot.

⁽²⁾ LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
VC-MDR = Village Center Medium Density Residential
VC-HDR = Village Center High Density Residential
VC-CC = Village Center Community Commercial
BP = Business Park
CC = Community Commercial
IND = Industrial
LI = Light Industrial

⁽³⁾ Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

⁽⁴⁾ Max Tax Transfer 1 (\$14,164 from W-22 to W-25)

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

The following summary of the Fiscal Agent Agreement is a summary only and does not purport to be a complete statement of the contents thereof. Reference is made to the Fiscal Agent Agreement for the complete terms thereof.

Definitions

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

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties under the Agreement (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to the Agreement, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties under the Agreement (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the CFD. Administrative Expenses will include any such expenses incurred in prior years but not yet paid.

"Agreement" means the Fiscal Agent Agreement dated as of August 1, 2015, by and between the City and the Fiscal Agent, as it may be amended or supplemented from time to time by any Supplemental Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

"Authorized Officer" means, with respect to the City, its Treasurer/Chief Financial Executive, City Manager, Finance Director or City Clerk, or any other person authorized by the City to perform an act or sign a document on behalf of the City for purposes of the Agreement.

"Bond Counsel" means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund by that name established pursuant to the Agreement.

"Bond Year" means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year will begin on the Closing Date and end on September 1, 2016.

"Bonds" means the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

"CDIAC" means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

"CFD" means the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) formed pursuant to the Resolution of Formation.

"City" means the City of Roseville, California, and any successor thereto.

"Closing Date" means _____, 2015, the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of _____, 2015, by and among the City and Willdan Financial Services, in its capacity as initial Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Cost of Issuance" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense will include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses and fees of the Fiscal Agent Counsel, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Agreement.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository" means (a) initially, DTC, and (b) any other securities depository acting as Depository pursuant to the Agreement.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

"Fair Market Value" means, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related

parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment).

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank, (ii) certificates of beneficial ownership issued by the Farmers Home Administration, (iii) participation certificates issued by the General Services Administration, (iv) mortgage-backed bonds or passthrough obligations issued and guaranteed by the Government National Mortgage Association, (v) project notes issued by the United States Department of Housing and Urban Development, and (vi) public housing notes and bonds guaranteed by the United States of America.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Agreement.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Improvement Fund" means the fund by that name established pursuant to the Agreement.

"Interest Payment Dates" means March 1 and September 1 of each year, commencing March 1, 2016.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Officer's Certificate" means a written certificate of the City signed by an Authorized Officer of the City.

"Ordinance" means any ordinance of the City levying the Special Taxes.

"Original Purchaser" means Stifel, Nicolas & Company, Incorporated and Piper Jaffray & Co., the first purchasers of the Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Agreement) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of the Agreement; and (iii) Bonds in lieu of or in substitution for which other Bonds will have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

"Owner" or "Bondowner" means any person who will be the registered owner of any Outstanding Bond.

"Participating Underwriter" will have the meaning ascribed thereto in the Continuing Disclosure Agreement.

"Permitted Investments" means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a Permitted Investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent), provided that (a) in the case of a savings and loan association, such demand or time deposits will be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association will be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits will be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) will be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank will be rated in one of the top two rating categories by a nationally recognized rating service, or such bank will be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank will be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation will be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) will have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service,

including funds which are managed or maintained by the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (ii) the Fiscal Agent collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper which at the time of purchase is of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long-term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program;

(xiv) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, provided, however, that the Fiscal Agent will be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement; or

(xv) any other lawful investment for City funds.

"Prepayment Account" means the account within the Bond Fund by that name established pursuant to the Agreement.

"Principal Office" means the corporate trust office of the Fiscal Agent in the Agreement, or such other or additional offices as may be designated by the Fiscal Agent.

"Prior Bonds" means the (i) \$57,905,000 original principal amount of City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds issued in 2005 and (ii) \$22,095,000 City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds issued in 2006.

"Prior Bonds Fiscal Agent" means The Bank of New York Mellon Trust Company, N.A., as fiscal agent with respect to the Prior Bonds under the Prior Bonds Fiscal Agent Agreement.

"Prior Bonds Fiscal Agent Agreement" means the Fiscal Agent Agreement, dated as of August 1, 2005 and First Supplement to Fiscal Agent Agreement dated as of August 1, 2006, between the City, for and on behalf of the CFD, and the Prior Bonds Fiscal Agent.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent pursuant to the Agreement, provided that all of the following requirements are met: (a) the long-term credit rating of such bank or insurance company is rated at the time of issuance in a "AA" Rating Category or higher by S&P or Moody's; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the Agreement; and (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to the Agreement.

"Rating Agencies" means, as of any date, (a) Moody's, if Moody's then maintains a rating on the Bonds, and (b) S&P, if S&P then maintains a rating on the Bonds.

"Rating Category" means any generic rating category of a Rating Agency, without regard to any refinement of such category by plus or minus sign or by numerical or other qualifying designation.

"Record Date" means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date whether or not such day is a Business Day.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Reserve Fund" means the fund by that name established pursuant to the Agreement.

"Reserve Requirement" means an amount equal to the lesser of (a) Maximum Annual Debt Service on the Outstanding Bonds, (b) 125% of average annual Debt Service, or (c) ten percent (10%) of the total proceeds of the Bonds deposited under the Agreement.

"Resolution" means Resolution No. 15-323, adopted by the City Council of the City on July 15, 2015, which resolution, among other matters, authorized the issuance of the Bonds.

"Resolution of Formation" means Resolution No. 04-439, adopted by the City Council of the City on September 15, 2004, establishing the CFD for the purpose of providing for the financing of certain public facilities in and for such CFD.

"Series" means a series of bonds issued under the Agreement.

"Special Tax Fund" means the fund by that name established under the Agreement.

"Special Tax Revenues" means the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes.

"Special Taxes" means the special taxes levied within the CFD pursuant to the Act, the Ordinance and the Agreement.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to the Agreement, but only if and to the extent that such agreement is specifically authorized under the Agreement.

"Treasurer" means the duly acting Treasurer of the City or if the City has no Treasurer, the City Manager or Finance Director of the City, or other person holding a similar position.

Pledge of Special Tax Revenues and Other Amounts

All of the Special Tax Revenues and all moneys deposited in the Bond Fund, the Reserve Fund and the Special Tax Fund are pledged to secure the repayment of the Bonds. Such pledge will constitute a first lien on the Special Tax Revenues and said amounts. The Special Tax Revenues and all moneys deposited into the such funds (except as otherwise provided in the Agreement) are dedicated in their entirety to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided in the Agreement and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with the Agreement.

Amounts in the Costs of Issuance Fund are not pledged to the repayment of the Bonds. The facilities acquired with the proceeds of the Bonds are not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation, destruction or other disposition of any facilities financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed under the Agreement.

Special Tax Fund

Establishment of Special Tax Fund. There is established under the Agreement as a separate fund to be held by the Treasurer, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Special Tax Fund, to the credit of which the City will deposit, immediately upon receipt, all Special Tax Revenues received by the City and any amounts required by the Agreement to be deposited therein. Moneys in the Special Tax Fund will be held in trust by the City for the benefit of the City and the Owners of the Bonds and will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds.

Disbursements. As soon as practicable after the receipt by the City of any Special Tax Revenues or the transfer of amounts to the Special Tax Fund pursuant to the terms of the Agreement, but no later than ten (10) Business Days after such receipt or transfer, the City will withdraw from the Special Tax Fund and transfer: (i) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds during the then-current Bond Year, and (ii) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement. At such time as deposits to the Special Tax Fund equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount will be available to the City to pay Administrative Expenses; provided, however, that as soon as practicable after the receipt by the City of any prepayments of Special Taxes, but no later than ten (10) Business Days after such receipt, the City

will transfer such prepayments to the Fiscal Agent for deposit into the Prepayment Account to be used for the redemption of Bonds.

Investment. Moneys in the Special Tax Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the Special Tax Fund to be used for the purposes thereof.

Costs of Issuance Fund

Establishment of Costs of Issuance Fund. There is established under the Agreement as a separate fund to be held by the Fiscal Agent, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Costs of Issuance Fund. Moneys in the Costs of Issuance Fund will be held in trust by the Fiscal Agent and will be disbursed for the payment or reimbursement of Costs of Issuance of the Bonds.

Disbursements. Amounts in the Costs of Issuance Fund will be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate of the City containing respective amounts to be paid to the designated payees and delivered to the Fiscal Agent. The Fiscal Agent will pay all Costs of Issuance of the Bonds upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate of the City requesting payment of a Cost of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date of the Bonds. The Fiscal Agent will maintain the Costs of Issuance Fund for a period of 2 months, from the Closing Date of the Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Treasurer for deposit by the Treasurer in the Special Tax Fund. Thereafter, every invoice received by the Fiscal Agent will be submitted to the Treasurer or Finance Director for payment from amounts on deposit in the Special Tax Fund.

Investment. Moneys in the Costs of Issuance Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from said investment will be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

Improvement Fund

Establishment of Improvement Fund. There is established in the Agreement as a separate fund to be held by the City, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Improvement Fund, to the credit of which a deposit will be made as required by the Agreement. Moneys in the Improvement Fund will be held by the City in trust and will be used to reimburse the developer of property in the CFD for a portion of the cost of construction of improvements authorized to be financed by the CFD.

Bond Fund

Establishment of the Bond Fund. There is established under the Agreement as a separate fund to be held by the Fiscal Agent, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Bond Fund, to the credit of which deposits will be made as required by the Agreement or the Act. Moneys in the Bond Fund will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, will be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, will be subject to a lien in favor of the Owners of the Bonds.

Within the Bond Fund there is established the Prepayment Account, which will be used exclusively for the administration of any prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account will be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to the Agreement. In the event all of the Special Taxes are prepaid in full, the Prepayment Account will be closed.

Disbursements. On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, however, that if the amounts so transferred equal the amount due on the Bonds for the then-current Bond Year and if there is excess moneys in the Bond Fund, such excess will be paid to the City upon receiving a request from an Authorized Officer to do so.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent will withdraw from the Reserve Fund to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent will provide written notice to the Treasurer or Finance Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund will be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled will be added to the sinking payment to be made on the next sinking payment date.

Investment. Moneys in the Bond Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the Bond Fund to be used for the purposes of such fund.

Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent will report to the Treasurer or Finance Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent will notify the Treasurer or Finance Director in writing of such fact, and the Treasurer or Finance Director will notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under the Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Reserve Fund

Establishment of Reserve Fund. There is established as a separate fund to be held by the Fiscal Agent, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Reserve Fund, to the credit of which a deposit will be made as required by the Agreement and deposits will be made as provided in the Agreement. Moneys in the Reserve Fund will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest on, the Bonds and will be subject to a lien in favor of the Owners of the Bonds.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Fund Credit Instrument, and (2) an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the Bonds to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, the Fiscal Agent will transfer such funds from the Reserve Fund to the City.

Use of Fund. Except as otherwise provided in the Agreement, all amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency within five days prior to any Interest Payment Date in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds on such Interest Payment Date. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the Treasurer and the Finance Director.

Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent will provide written notice to the Treasurer or Finance Director of the amount of the excess and, following any transfer required for rebate purposes as described below, will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with the Agreement; provided, however, that to the extent that such excess results from the prepayment of Special Taxes, such amount will be transferred to the Prepayment Account and applied to the corresponding redemption of Bonds.

Transfer for Rebate Purposes. Investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the federal government to comply with rebate requirements in the Agreement.

Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and after making any transfer required for rebate purposes as described above and upon receipt of an Officer's Certificate directing it to do so, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with the Agreement, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent hereunder, to be used for any lawful purpose of the City.

Notwithstanding the foregoing, no amounts will be transferred from the Reserve Fund pursuant to this section until after the calculation of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount for purposes of making such payment to the federal government, and payment of any fees and expenses due to the Fiscal Agent.

Investment. Moneys in the Reserve Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the Reserve Fund to be used and disbursed as provided in the Agreement.

Certain Covenants of the City

Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of the Agreement and all Supplemental Agreements and of the Bonds.

Limited Obligation. The Bonds are limited obligations of the City on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund created under the Agreement.

Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, be a party to the

approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest will be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded will not be entitled, in case of default under the Agreement, to the benefits of the Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which will not have been so extended or funded.

Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Agreement.

Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries will be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts will at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds will be incontestable by the City.

Private Activity Bond Limitation. The City will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Federal Guarantee Prohibition. The City will not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Collection of Special Tax Revenues. The City will comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. On or within five (5) Business Days of each June 1, the Fiscal Agent will provide the Treasurer or Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Treasurer and Finance Director will in no way affect the obligations of the Treasurer or Finance Director under the following two paragraphs. Upon receipt of such notice, the City will ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City will effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which County Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City will prepare or cause to be prepared, and will transmit to the Treasurer or Finance Director, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City will fix and levy the amount of Special Taxes within the CFD required for the payment of principal of and interest on any outstanding Bonds of the CFD becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the rate and method of apportionment of the Special Taxes for the CFD and the Ordinance. In any event, the Special Taxes so levied will not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes will be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City will prescribe if necessary to pay the debt service on the Bonds.

No Arbitrage. The City will not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Maintenance of Tax-Exemption. The City will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Covenant to Foreclose. The City covenants with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County of Placer relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that the amount so collected is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year, it will within thirty (30) days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the CFD for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; provided, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the CFD in such Fiscal Year, but that property owned by any single property owner in the CFD is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or (b) that property owned by any single property owner in the CFD is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the CFD) then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner. The Treasurer or Finance Director will notify the City Attorney of any such delinquency of which it is aware, and the City Attorney will commence, or cause to be commenced, such proceedings.

Continuing Disclosure to Owners. The City covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Agreement, failure of the City to comply with the Continuing Disclosure Agreement will not be considered a default under the Agreement; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations thereunder, including seeking mandate or specific performance by court order.

No Additional Bonds. The City covenants not to issue additional Bonds payable from Special Taxes and by the Special Tax Revenues equally and ratably with Bonds previously issued, except that the City may issue bonds to refund all or part of the Bonds.

Yield of the Bonds. In determining the yield of the Bonds to comply with the Agreement, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

Investments; Disposition of Investment Proceeds

Deposit and Investment of Moneys in Funds. Subject in all respects to the rebate provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Fiscal Agent, will be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent will invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out hereunder provided, however, that any such investment will be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent will have received an Officer's Certificate specifying a specific money market fund and, if no such an Officer's Certificate is so received, the Fiscal Agent will hold such moneys uninvested. Subject in all respects to the rebate provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Treasurer or Finance Director will be invested by the Treasurer or Finance Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent, Treasurer or Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent, the Treasurer nor the Finance Director will incur any liability for losses arising from any investments made pursuant to this section. Any losses arising from any investments made pursuant to this section will be offset against interest earnings and profits retained in the same fund.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Agreement.

The Fiscal Agent or the Treasurer, as applicable, will sell or present for redemption, any investment security whenever it will be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer will be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Rebate of Excess Investment Earnings to the United States. The City covenants to calculate and rebate to the federal government, in accordance with the Regulations, excess investment earnings to the extent required by Section 148(f) of the Code. The City will notify the Fiscal Agent of any amounts determined to be due to the federal government, and the Fiscal Agent will, upon receipt of an Officer's Certificate of the City, withdraw such amounts from the Reserve Fund pursuant to the Agreement, and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available to make such payments under the Agreement, the Fiscal Agent will notify the Treasurer or Finance Director in writing of the amount of the shortfall and the Treasurer or Finance Director will make such payment from any amounts available in the Special Tax Fund. Any fees or expenses incurred by the Fiscal Agent or the City under or pursuant to this section will be Administrative Expenses. The Fiscal Agent may rely conclusively upon the City's determinations, calculations and certifications required by this section. The Fiscal Agent will have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder.

Limited Obligation. The City's obligations under the Agreement are limited obligations of the City on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund created thereunder.

The Fiscal Agent

Appointment, Removal and Resignation of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., at its Principal Office, is appointed Fiscal Agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in the Agreement, and no implied covenants or obligations will be read into the Agreement against the Fiscal Agent.

The City may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor will be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) including, for such purpose, the combined capital and surplus of any parent holding company, and subject to supervision or examination by federal or state authority.

The Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the City will promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent will become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent has been made within thirty (30) days after the Fiscal Agent has given to the City written notice or after a vacancy in the office of the Fiscal Agent will have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Liability of Fiscal Agent. The recitals of facts, covenants and agreements in the Agreement and in the Bonds contained will be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Agreement or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent will not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

Modification or Amendment of Agreement

The Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Agreement. No such modification or amendment will (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Agreement), or reduce the percentage of Bonds required for the amendment of the Agreement. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in the Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power in the Agreement reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Agreement, or in regard to questions arising under the Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which will not adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required, will be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request will not affect the validity of the Supplemental Agreement when assented to as in the Agreement.

If consent of the Owners is required, such Supplemental Agreement will not become effective unless there will be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Agreement) and a notice will have been mailed as provided in the Agreement. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by the Agreement. Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice provided for under the Agreement has been mailed.

Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to the Agreement, the Agreement will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Agreement of the City and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement will be deemed to be part of the terms and conditions of the Agreement for any and all purposes.

Discharge of Agreement

If the City has paid and discharged the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in the Agreement, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums, or;

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City will determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in the Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as in the Agreement provided or provision satisfactory to the Fiscal Agent has been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds will not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in the Agreement and all other obligations of the City under the Agreement with respect to such Bonds Outstanding will cease and terminate, except only the obligations of the City with respect to maintenance of the tax exemption of the Bonds and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent; and thereafter Special Taxes will not be payable to the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, will be paid over to the City.

Miscellaneous

Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument, which the Agreement may require or permit to be executed by Owners, may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing. Except as otherwise expressly provided in the Agreement, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Except as otherwise expressly provided in the Agreement, the ownership of registered Bonds and the amount, maturity, number and date of holding the same will be proved by the registry books. Any request, consent, declaration or other instrument or writing of the Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in good faith and in accordance therewith.

Waiver of Personal Liability. No member, officer, agent or employee of the City will be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Unclaimed Moneys. Anything contained in the Agreement to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, will be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent will thereupon be released and discharged with respect thereto and

the Bond Owners will look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Conclusive Evidence of Regularity. Bonds issued pursuant to the Agreement will constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest will accrue for the period from and after such date.

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APPENDIX D
APPRAISAL

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Appraisal Report

Westpark Community Facilities
District No. 1 (*portion of*)
Roseville, California 95747



Date of Report: July 15, 2015

Prepared For:

Mr. Monty Hanks - Finance Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

Prepared By:

Kevin K. Ziegenmeyer, MAI
Lance C. Jordan, MAI
Justin E. Kobilis, Appraiser



July 15, 2015

Mr. Monty Hanks, Finance Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

**RE: Westpark Community Facilities District No. 1 (*portion of*)
Roseville, California 95747**

Dear Mr. Hanks:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has prepared an appraisal of certain undeveloped properties within the boundaries of the Westpark Community Facilities District No. 1 (the “CFD”), under the assumptions and limiting conditions contained in this report.

The attached Appraisal Report was prepared in compliance with the reporting requirements set forth under Standards Rule 2-2(a) of the 2014/15 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004).

The subject property comprises the properties within the CFD without property tax assessments for vertical improvements. The appraisers identified the subject using documentation provided by Willdan Financial Services. This documentation is included in the Appendix to this report and is assumed to be correct. Further, it is noted that any properties not subject to the lien of the Special Tax securing the CFD Bonds are also not part of the subject property.

The CFD is located within the northwest portion of the city of Roseville, Placer County, California, in the city’s primary area of future growth. In general, the subject property is situated west of Fiddymment Road, north of Pleasant Grove Boulevard and south of Blue Oaks Boulevard. At groundbreaking, the CFD was planned for four phases, with the construction fund proceeds provided through the Bond issuance used for improvements to Fiddymment Road, Del Webb Boulevard, Pleasant Grove Boulevard, Village Green Drive, Bob Doyle Drive, Phillip Road, Upland Drive, West Side Drive, Market Street and other public roads. These improvements include, but are not limited to, drainage, water, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals, transportation, wastewater and solid waste treatment, parks, open space, utilities, and other miscellaneous improvements.

As a result of our analysis, our opinion of market value, by ownership and aggregate (or cumulative value) of the appraised properties, in accordance with the general and extraordinary assumptions and limiting conditions set forth herein, as of May 29, 2015, is provided at the top of the following page.

Ownership	Description	Value by Ownership
Lennar	376 Improved Lots* & 236 Paper Lots	\$ 45,440,000
KB Home	134 Improved Lots & 175 Paper Lots	\$ 26,200,000
Meritage Homes	224 Improved Lots* & 250 Paper Lots	\$ 42,570,000
Pulte Homes, Inc.	279 Improved Lots*, 142 Paper Lots, (2) Commercial Sites & (1) Multifamily Site	\$ 39,740,000
West Roseville, LLC	(1) Multifamily Site	\$ -
Individual Owners	22 Improved Lots*	\$ 2,630,000
Aggregate Value		\$ 156,580,000

* Includes some completed homes and/or model homes and/or homes under construction

Please note the aggregate value noted in the table above *is not* the market value of the subject property in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this report, market value is estimated by ownership. The estimates of market value account for the impact of the lien of the Special Taxes securing the Bonds.

The estimate of aggregate value above represents a “not-less-than” value due to the fact numerous lots are improved with completed homes, model homes and homes under construction. As requested, our valuation does not capture any increment of value associated with vertical improvements.

The estimates of market value provided assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimates are also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller acting prudently, knowledgeably, for their own self-interest and assuming neither is under duress.

We hereby certify the property has been inspected and have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the property. This letter must remain attached to the report, which contains 139 pages, plus related exhibits and Appendix, in order for the value opinions set forth herein to be considered valid.

Mr. Monty Hanks
July 15, 2015
Page 3

The subject property does not have any significant natural, cultural, recreational or scientific value. The appraisers certify this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

This appraisal has been performed in accordance with the requirements of USPAP, the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004). Additionally, this valuation is offered in accordance with the limiting conditions, assumptions and significant factors set forth in this report.

Thank you for the opportunity to work with your office on this assignment.

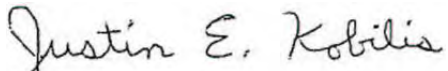
Respectfully submitted,



Kevin K. Ziegenmeyer, MAI
State Certification No.: AG013567
Expiration Date: June 4, 2017



Lance C. Jordan, MAI
State Certification No.: AG012709
Expiration Date: January 8, 2016



Justin E. Kobilis, Appraiser
State Certification No. AG044370
Expires: June 16, 2017

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property:	The appraised property comprises certain land areas within the boundaries of Westpark Community Facilities District No. 1. Tables identifying the subject property are contained within the <i>Property Description and History</i> section of this report.
Location:	In general, the subject property is contained within the boundaries identified as follows: west of Fiddymont Road, north of Pleasant Grove Boulevard and south of Blue Oaks Boulevard, within the city of Roseville, Placer County, California 95747.
Assessor Parcel Numbers:	Assessor's parcel numbers are included, by property ownership group, within the <i>Property Description and History</i> section of this report.
Owners of Record:	Lennar Corporation, KB Home, Meritage Homes Corporation, Pulte Home, Inc., West Roseville, LLC and 22 individual homeowners.
Land Area:	The subject property encompasses approximately 1,035 improved lots (of which there are numerous lots improved with completed and partially completed homes), 803 paper lots (540 of which have rough cut roads), 20.12± acres of multifamily land with affordable housing requirements (420 units total) and 13.80± acres of commercial land.
Zoning:	R1/DS – single family residential with development standard overlay RS/DS – small lot residential with development standard overlay R3 – multiple family housing CC – community commercial
Flood Zone:	Flood Zone X – Areas outside of the 100 and 500-year floodplains. Flood insurance is not required.
Earthquake Zone:	Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)
Entitlements:	Current entitlements for the subject property are summarized in the table at the top of the following page.

Entitlements (continued):

Subject Property Land Uses	Acres	No. of Units
Improved Lots (single family)*	n/a	1,035
Unimproved/Paper Lots (single family)	n/a	803
Multifamily	20.12	
Commercial	13.80	
TOTAL	33.92	1,838

It should be noted that some properties without vertical improvements are excluded from the table above. These properties include those not subject to the lien of the Special Tax securing the Bonds (public and quasi-public land uses and the industrial-use sites).

Lot Sizing:

The typical lot size of the subject's single-family lots range from 2,750 to 7,700 square feet.

Highest and Best Use:

Near term single-family residential development and an interim hold until demand warrants construction on the multifamily and commercial parcels.

Property Rights Appraised:

Fee simple estate

Date of Inspection:

May 29, 2015

Effective Date of Value:

May 29, 2015

Date of Report:

July 15, 2015

Exposure Time:

12 months

Conclusions of Value:

Value conclusions are summarized in the table at the top of the following page.

Conclusions of Value (continued):

Ownership	Description	Value by Ownership
Lennar	376 Improved Lots* & 236 Paper Lots	\$ 45,440,000
KB Home	134 Improved Lots & 175 Paper Lots	\$ 26,200,000
Meritage Homes	224 Improved Lots* & 250 Paper Lots	\$ 42,570,000
Pulte Homes, Inc.	279 Improved Lots*, 142 Paper Lots, (2) Commercial Sites & (1) Multifamily Site	\$ 39,740,000
West Roseville, LLC	(1) Multifamily Site	\$ -
Individual Owners	22 Improved Lots*	\$ 2,630,000
Aggregate Value		\$ 156,580,000

* Includes some completed homes and/or model homes and/or homes under construction

Note: *The estimate of aggregate value above represents a “not-less-than” value due to the fact a number of the lots are improved with completed homes, model homes and homes under construction. As requested, our valuation does not capture any increment of value associated with vertical improvements.*

The market value conclusions noted above are subject to the Extraordinary Assumptions and Significant Factors, as well as the General Assumptions and Limiting Conditions referenced on pages 8 through 10 of this report. No Hypothetical Conditions were part of this valuation analysis.

CLIENT, INTENDED USER AND INTENDED USE

The client and intended user of this Appraisal Report is the City of Roseville. The Appraisal Report is intended for use as an aid in bond underwriting. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this Appraisal Report for inclusion in the Preliminary Official Statement (POS) and Official Statement (OS) for the express purpose of marketing the Bonds.

APPRAISAL REPORT FORMAT

This document is an Appraisal Report, intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the 2014-15 edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

TYPE AND DEFINITION OF VALUE

The purpose this appraisal is to estimate the market value (fee simple estate) of the appraised property, by ownership and aggregate, or cumulative value of the appraised property, as of the date of inspection (May 29, 2015). Market value and aggregate value are defined as follows:

Market Value: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ Code of Federal Regulations, Title 12, Section 34.42 (55 Federal Register 34696, Aug. 24, 1990; as amended at 57 Federal Register 12202, Apr. 9, 1992; 59 Federal Register 29499, June 7, 1994).

Aggregate Value: The sum of separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simple the total of multiple market value conclusions²

PROPERTY RIGHTS APPRAISED

The market values estimated herein are for the fee simple estate, defined as follows:

Fee Simple Estate: absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

DATES OF INSPECTION, VALUE AND REPORT

An inspection of the subject property was completed on May 29, 2015, which represents the effective date of market value. This Appraisal Report was completed and assembled on July 15, 2015.

SCOPE OF WORK

This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an “appraisal assignment,” as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions, or conclusion be that of a disinterested third party.

Several legal and physical aspects of the subject property were researched and documented. A physical inspection of the property was completed and serves as the basis for the site description contained in this report. Interviews were conducted with Mr. John Tallman, representing West Roseville, LLC (master developer), who provided project maps and a status update on the overall project. Documentation identifying the subject parcels by Assessor’s parcel number (APN) and owner was provided by Willdan Financial Services for use in the appraisal. This documentation is included within the Appendix to this report. The sales history was verified by consulting public records. Zoning and entitlement information was collected from the City of Roseville Planning Department. The subject’s earthquake zones, flood zones and utilities were obtained from the respective agencies, and property tax information was obtained from the County of Placer Assessor’s Office on-line resources.

² The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 6.

³ The Dictionary of Real Estate Appraisal, 78.

Data relating to the subject's neighborhood and surrounding market area were analyzed and documented. This information was obtained through personal inspections of portions of the neighborhood and market area; newspaper articles; real estate conferences; and interviews with various market participants, including property owners, property managers, land brokers, developers and local government agencies.

In this appraisal we determined the highest and best use of the subject property as though vacant based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). As will be shown in the *Highest and Best Use Analysis* section, the highest and best use of the subject property is for near term single-family residential development (production homes), with an interim hold for development of the subject's commercial and multifamily parcels (affordable housing restrictions apply).

In the valuation of the subject lots we utilized the sales comparison approach and extraction technique to estimate the market value of the large lot category ($\geq 4,500$ SF). In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for this benchmark lot category was concluded. Then, as a support of reasonableness, we utilized an extraction analysis, which was reconciled with the sales comparison approach conclusion. For the subject's small lot category ($< 4,500$ SF), we used the extraction technique as the sole basis in estimating the value of the subject's smaller lots. We also used the extraction technique to estimate the lot value for the subject's nine single-family lots with an affordable housing requirement. Next, adjustments were applied to determine values for each residential lot category (by ownership). The sales comparison approach was also utilized to determine the value of the subject's commercial land component. We considered using this approach to value the subject's two multifamily sites. However, given the substantial affordable housing requirement on these two parcels, it is our opinion these sites currently possess no value. Lastly, we estimated the bulk market value of the holdings of each ownership group for the purpose of arriving at the aggregate value of the subject property. To estimate the market value of the properties held by 22 individual owners and the multifamily site held by Westpark, LLC, no discounts were applied. For the four major ownerships possessing a significant number of residential lots and other land, the subdivision development method (or discounted cash flow analysis) was used to determine these bulk market values. Then, the bulk market values were summed to provide an estimate of the aggregate value of the subject property.

Our analysis excluded a typical income capitalization approach, since the subject land uses represent vacant land with limited extended income potential.

The individuals involved in the preparation of this appraisal include Kevin K. Ziegenmeyer, MAI, Lance Jordan, MAI and Justin Kobilis, Appraiser. Messrs. Jordan and Kobilis assisted in 1) inspecting the subject property, 2) reviewing the subject property information provided by the master developer, 3) the collection and confirmation of market data, 4) the analysis of the market data and 5) preparing the draft report. Mr. Ziegenmeyer 1) inspected the subject property, 2) reviewed the subject property information provided by the owner/developer, 3) reviewed Messrs. Jordan Kobilis' research, 4) provided professional input and direction, 5) made any necessary revisions and/or amplifications to the draft report and 6) completed the final report.

**EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL CONDITIONS
AND SIGNIFICANT FACTORS**

It is noted the use of an extraordinary assumption or hypothetical condition may have affected the results of the appraisal.

Extraordinary Assumptions

1. The Master Developer reported the remaining backbone infrastructure costs are approximately \$6,000,000. This remaining work is to be completed within the next six months with the cost shared by two of the subject property owners (Pulte Homes and Lennar Corporation). The reported cost sharing structure indicates Pulte is responsible for 68% of the costs and Lennar is responsible for 32%. The \$6,000,000 in remaining costs will be divided as noted above and applied to the lots held by each of these ownership entities (Pulte - 421 lots @ \$9,691 per lot and Lennar – 612 lots @ \$3,137 per lot).

Hypothetical Conditions

None

Significant Factors

1. It is presumed there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit development of the subject properties. If, at some future date, items are discovered that are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion of value stated herein.
2. This report utilizes lot sizes and configurations as reflected by a combination of maps (Assessor parcel maps and project maps provided by the Master Developer representative and City of Roseville staff).
3. The aggregate value presented herein is not the market value in bulk of the entire subject property. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is “the total of multiple market value conclusions.” For purpose of this report, market value has been estimated by the individual ownerships only.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No responsibility is assumed for matters of law or legal interpretation.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.
5. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
6. It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
7. It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
8. It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
9. It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.
10. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics,

the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.

12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
13. Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers • Jordan • Ziegenmeyer.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers • Jordan • Ziegenmeyer. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this document to aid in bond underwriting and in the issuance of Bonds.
15. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.
16. An inspection of the subject properties revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed typical easements do not have an impact on the opinion (s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion (s) of value.
17. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this document to aid in bond underwriting and in the issuance of Bonds.

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made an inspection of the property that is the subject of this report.
- Lance Jordan, MAI and Justin Kobilis, Appraiser, provided significant real property appraisal assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Appendix to this report for additional information.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute.



Kevin K. Ziegenmeyer, MAI
State Certification No.: AG013567 (Expires June 4, 2017)

July 15, 2015

DATE

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
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- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made an inspection of the property that is the subject of this report.
- Justin Kobilis, Appraiser, provided significant real property appraisal assistance to the person signing this certification. Kevin Ziegenmeyer, MAI reviewed this report.
- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Appendix to this report for additional information.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute.



Lance Jordan, MAI
State Certification No.: AG012709 (Expires January 8, 2016)

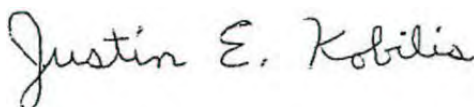
July 15, 2015

DATE

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
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- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made an inspection of the property that is the subject of this report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Appendix to this report for additional information.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



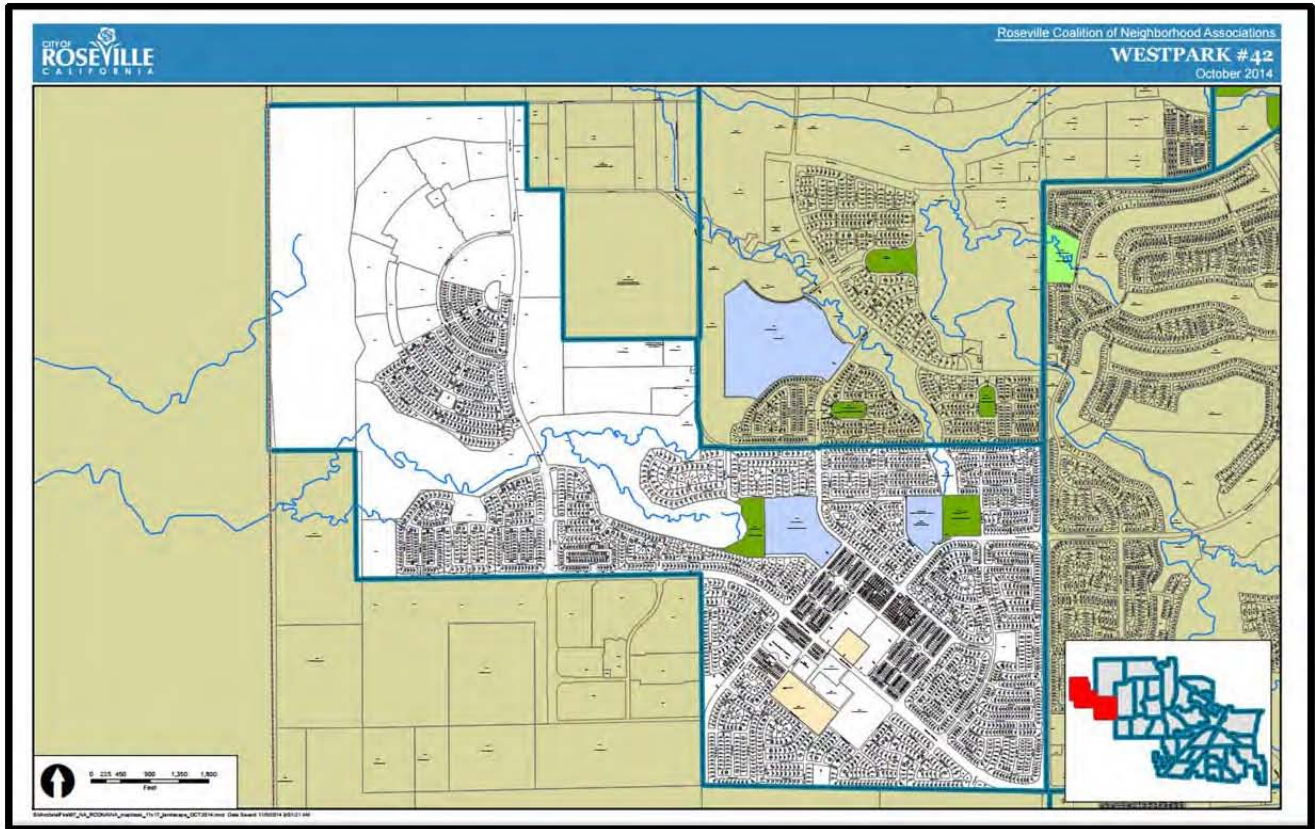
Justin E. Kobilis, Appraiser
State Certification No.: AG044370 (June 16, 2017)

July 15, 2015

DATE

PROPERTY OWNERSHIP AND HISTORY

Westpark Map (subject is a portion of)



Source: Google Maps, boundaries are approximate

Introduction

The Westpark Community Facilities District No. 1 encompasses the Westpark master planned community in the northwestern portion of the city of Roseville, Placer County, California. In total, Westpark will consist of approximately 928.5 acres of land that at build out will contain just over 3,500 single-family residential homes, three multifamily sites containing a substantial affordable component, three commercial sites, several industrial sites, open space and recreational areas, as well as public facilities. It should be noted that one of the commercial sites, all of the industrial land and the public use land areas are not subject to the Special Tax lien securing the CFD Bonds and are therefore not part of the subject property.

Development of Westpark has been underway since 2006 and significant portions of the CFD are complete. The subject property is a portion of the Westpark CFD identified below.

Subject Property Land Uses	Acres	No. of Units
Improved Lots (single family)*	n/a	1,035
Unimproved/Paper Lots (single family)	n/a	803
Multifamily	20.12	
Commercial	13.80	
TOTAL	33.92	1,838

The subject property is divided into six ownership groups, the holdings of which are summarized in the following tables:

WEST ROSEVILLE, LLC					
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Lot Size (SF)
W-16A	HDR (affordable - multi-family)	250	496-010-001	Unimproved	12.20± acres

INDIVIDUAL OWNERS					
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-1A	LDR (age restricted)	1	490-160-019	1 completed home	4,500
W-2A	LDR (age restricted)	11	490-290-012, 024, 025, 041, 045, 046, 051, 056, 059, 060, 074	11 completed homes	4,500
W-2B	LDR (age restricted)	8	490-290-034, 054, 062, 063, 070, 071, 072, 076	8 completed homes	4,500
W-25B	HDR	2	490-300-070 & 071	2 completed homes	2,750

MERITAGE HOMES CORPORATION					
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-18D	LDR	92	496-020-016	Paper Lots**	6,825
W-17B	LDR	56	496-030-007*	Paper Lots	6,300
W-15B	LDR	72	496-050-001 thru 072	Improved Lots	3,600
W-15C	LDR	69	496-050-073 thru 077 & 496-010-010*	Improved Lots	6,300
W-15A	LDR	83	496-040-001 thru 083	Improved Lots	5,500
W-18C	LDR	102	496-020-025	Paper Lots**	6,300
<u>Ownership Summary</u>					
Improved Lots		224			
Paper Lots		<u>250</u>			
Total		474			

* Larger parcel / APNs not assigned

** Rough cut roads

LENNAR CORPORATION

Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-24	MDR	122	017-150-057	Map submitted	3,780
W-26	HDR	99	490-372-001*	Improved Lots	3,200
W-26	HDR	66	490-371-001 thru 066	Improved Lots	3,200
W-25A	HDR	44	490-300-010 thru 053	Improved Lots	2,600
W-25B	HDR	12	490-300-068, 069 & 072 thru 081	Improved Lots	2,600
W-18A	LDR	86	496-020-027	Paper Lots**	5,775
W-17A	LDR	66	496-020-019*	Improved Lots	5,775
W-18F	LDR	19	496-020-023*	Improved Lots	6,825
W-18E	LDR	28	496-020-017*	Paper Lots**	7,700
W-18E	LDR	24	496-020-017*	Improved Lots	7,700
W-17E	LDR	41	496-020-018*	Improved Lots	7,700
W-22	MDR	5	490-258-006 thru -008; - 011, 012	Improved Lots	3,780

Ownership Summary

Improved Lots	376
Paper Lots	<u>236</u>
Total	612

* Larger parcel / APNs not assigned

** Rough cut roads

PULTE HOMES, Inc.

Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-32	CC	1	017-150-074	Improved commercial lot	6.80± acres
W-33	CC	1	017-150-076	Improved commercial lot	7.00± acres
W-19A	LDR	109	496-020-027*	Improved Lots	4,725
W-19B	LDR	85	496-020-028	Paper Lots	4,725
W-17C	LDR	69	496-020-021*	Improved Lots	6,300
W-17D	LDR	53	496-030-006*	Improved Lots	6,825
W-2A	LDR (age restricted)	25	490-290-004 thru 010, 037, 040, 042, 043, 044, 047, 048, 049, 050, 052 053, 055, 057, 058 065, 073, 075, 077	Improved Lots	4,500
W-1A	LDR (age restricted)	18	490-130-001 thru 004, 490-160-015 thru 018, 020, 021, 060 thru 064 and 490-170-002, 019, 020	Improved Lots	4,500
W-1B	LDR (age restricted)	5	490-130-005, 490-160-013, 014 490-170-018, 021	Improved Lots	4,500
W-18B	LDR	57	496-020-015	Paper Lots**	6,300
W-27	HDR (affordable - multi-family)	170	496-020-014	Unimproved	7.92± acres

Ownership Summary

Improved Lots	279
Paper Lots	<u>142</u>
Total	421
Two Commercial Sites	13.80± acres
One Multi-Family Site	7.92± acres

* Larger parcel / APNs not assigned

** Rough cut roads

KB HOME						
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)	
W-13D	LDR	88	496-010-002	Paper Lots**	4,275	
W-13A	LDR	74	496-010-014*	Improved Lots	5,000	
W-13C	LDR	87	496-010-012	Paper Lots**	6,825	
W-13B	LDR	60	496-060-001 thru 60	Improved Lots	6,000	
<u>Ownership Summary</u>						
Improved Lots		134				
Paper Lots		<u>175</u>				
Total		309				

* Larger parcel / APNs not assigned

** Rough cut roads

Three-year Sales History

On May 10, 2013, Meritage Homes acquired 224 unimproved lots (W-15A through C) from a developer/investor identified as WP3 Capital Partners. The price paid was \$20,000,000 (\$89,286 per lot). The terms of the transaction were all cash to the seller. In addition to the purchase price above the buyer paid a commission to a local land broker. Reportedly the offsite obligation associated with these lots was significant at approximately \$25,000 per lot. Since acquiring the property, Meritage Homes completed the in-tract site work and the lots are now all improved. Due primarily to changes in market conditions over the past 1 ½ years, this prior transfer is not considered representative of current market value for this portion of the subject property.

KB Home acquired all of their subject property holdings (W-13 A through D) in one transaction, which closed on May 17, 2013. The seller was also WP3 Capital Partners. At the time of sale, all of the 309 lots purchased were unimproved. Since the acquisition, 134 of the lots have been improved (W-13A and W-13B). The sale price was \$34,000,000 (\$110,032 per lot) and the terms of the transaction were all cash to the seller. In contrast to the Meritage transaction above, the offsite costs associated with these lots was reportedly about \$5,000 per lot. Due primarily to changes in market conditions over the past 1 ½ years, this prior transfer is not considered representative of current market value for this portion of the subject property.

Meritage Homes acquired 169 lots (Villages 17B, 18C portion, and 18D – Westpark Phase 4) from Pulte for \$20,280,000, or \$120,000 per lot on September 4, 2013. The terms of the transaction were all cash to the seller with the seller responsible for the cost of remaining backbone infrastructure. This transaction is the resale of the 169 largest lots of Pulte's same day purchase of 603 paper lots, described below. For the reasons cited and due to changes in market conditions over the past 1 ½ years, these transfers are not considered representative of current market value for this portion of the subject property.

On September 4, 2013, Pulte and Lennar acquired 485.33 gross acres of the subject (W-17A through E, W-18A through F, and W-19 A & B) proposed for 887 MDR and LDR lots and 170 HDR units from West Roseville, LLC. Pulte purchased 68% of the lots with Lennar acquiring 32%. The sale price was \$50,059,373 (\$45,000,000 plus reimbursement of \$5,059,373 in credits), or \$47,360 per residential unit (\$56,437 for MDR & LDR lots). The terms of the transaction were all cash to the seller with construction of the backbone infrastructure the obligation of the buyers. Pulte and Lennar have improved a portion of the lots and constructed models and commenced with construction and sales of new homes. This transaction is the result of exercising a First Right of Refusal obtained when previously transferring these properties to the current seller. For the reasons cited and due to changes in market conditions over the past 1 ½ years, these transfers are not considered representative of current market value for this portion of the subject property.

The Westpark MDR Site (W-24) transferred from Centex (Pulte) to Lennar in March 2015. The property was listed for sale at an asking price of \$4,000,000 and transacted at \$2,250,000 (March 25, 2015). The broker for this transaction reports the seller was motivated to eliminate this asset from their books and this motivation impacted the purchase price. Since the acquisition Lennar has completed engineering and all other work necessary to submit for tentative map approval for detached single family development (similar to Lennar's small product line at the Taylor Crossing project). Based on the analysis presented later in this report, this parcel's current market value is deemed higher than this prior transfer, due primarily to the reported seller motivation and the work completed by the buyer and their efforts in obtaining tentative map approval in the near term.

Besides the bulk transactions and individual home sales, which continue to occur on a regular basis throughout the subject property, there have been no other transfers of the subject property within three years prior to the date of value. To the best of our knowledge, the subject property (excluding existing homes) are not being marketed for sale. However, certain completed homes may be currently listed for sale or in the process of being (re)sold.

Subject Property – Strengths, Weaknesses, Opportunities, Threats

Strengths:

- Desirable regional location (South Placer County)
- Appeal to both first time and move-up buyers
- Good condition of surrounding homes and immediate path of growth
- Backbone infrastructure and in-tract development are substantially complete
- Good transportation linkages with proximity to State Highway 65 and Interstate 80

Weaknesses:

- The housing market is still in a state of recovery, which could impact pricing in the near term
- Site development is not 100% complete
- With a large number of lots (1,838), sell-out is anticipated to take several years

Opportunities:

- Strengthening residential sector may be a signal the local economy is entering an expansionary cycle

Threats:

- Macroeconomic factors, and the possibility the economy remains stagnant and the residential sector loses steam
- Unforeseen delays

POR. SEC.25, T.11N., R.5E., M.D.B.&M.
 Westpark Phase 1 Large Lot Subd. Bk. AA, Pg. 4
 Westpark Village 3A, M.O.R. Bk. AA, Pg. 83
 Westpark Village 3B, M.O.R. Bk. BB, Pg. 52

490-03



Pg. 17
18

Assessor's Map Bk.490Pg.03
 County of Placer, Calif.
 APR 10 2009

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 02-09-2006 RNP/GHM
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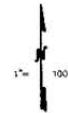
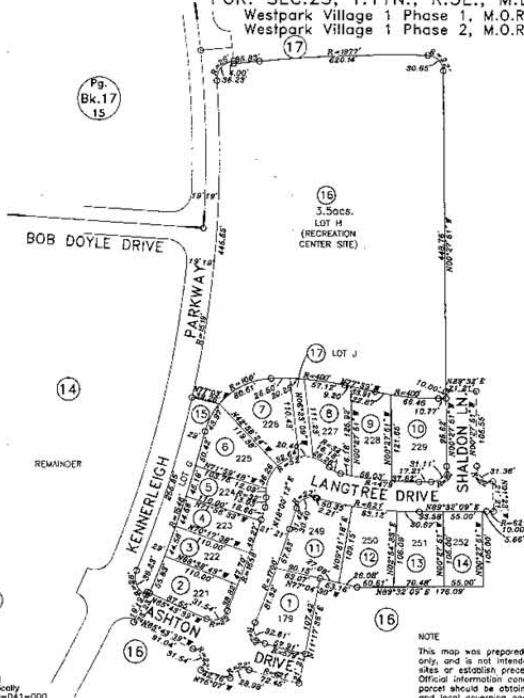
NOTE
 All distances on curved lines are chord measurements.

NOTE
 This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

NOTE
 Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.

POR. SEC.25, T.11N., R.5E., M.D.B.&M.
 Westpark Village 1 Phase 1, M.O.R. Bk.AA, Pg.93
 Westpark Village 1 Phase 2, M.O.R. Bk.AA, Pg.94

490-13



NOTE
 All distances on curved lines are chord measurements.

Assessor's Map Bk.490Pg.13
 County of Placer, Calif.

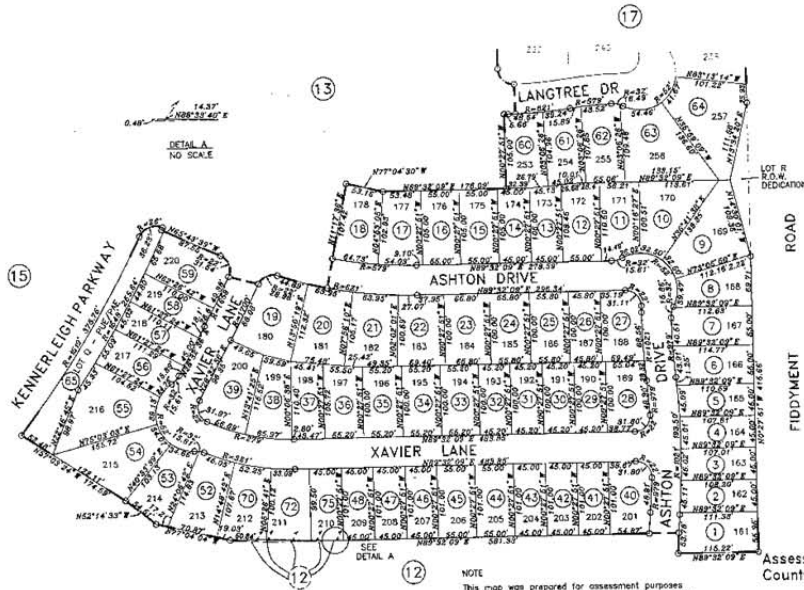
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 Formerly Por. 017-150-041-000

NOTE
 This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

NOTE
 Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.

POR. SEC. 25, T.11N., R.5E., M.D.B.&M.
 Westpark Village - Phase 3, M.O.R. Bk. AA, Pg. 95
 Westpark Village 1 - Phase 4, M.O.R. Bk. BB, Pg. 10

490-16



09-02-2011
 09-31-2011
 12-13-2010
 12-10-2010
 12-19-2008 CHM
 Page Redrawn Electronically
 Formerly Por. 017-150-073-000

NOTE
 1. All distances on curved lines are chord measurements.
 2. PUE/PAC - Public Utility Easement/Public Access Easement

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Assessor's Map Bk.490Pg.16
 County of Placer, Calif.
 DEC 1 3 2011

POR. SEC. 25, T.11N., R.5E., M.D.B.&M.
 Westpark Village - Phase 3, M.O.R. Bk. AA, Pg. 95
 Westpark Village 1 - Phase 4, M.O.R. Bk. BB, Pg. 10

490-17



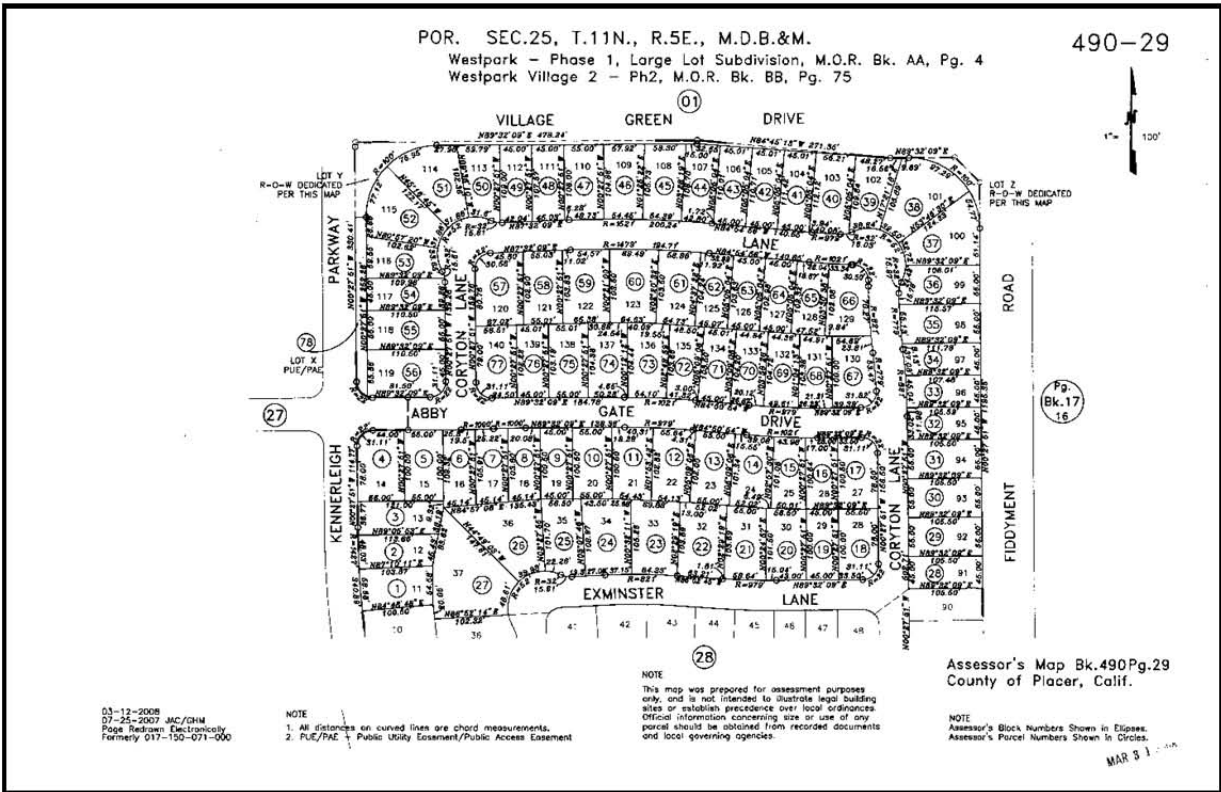
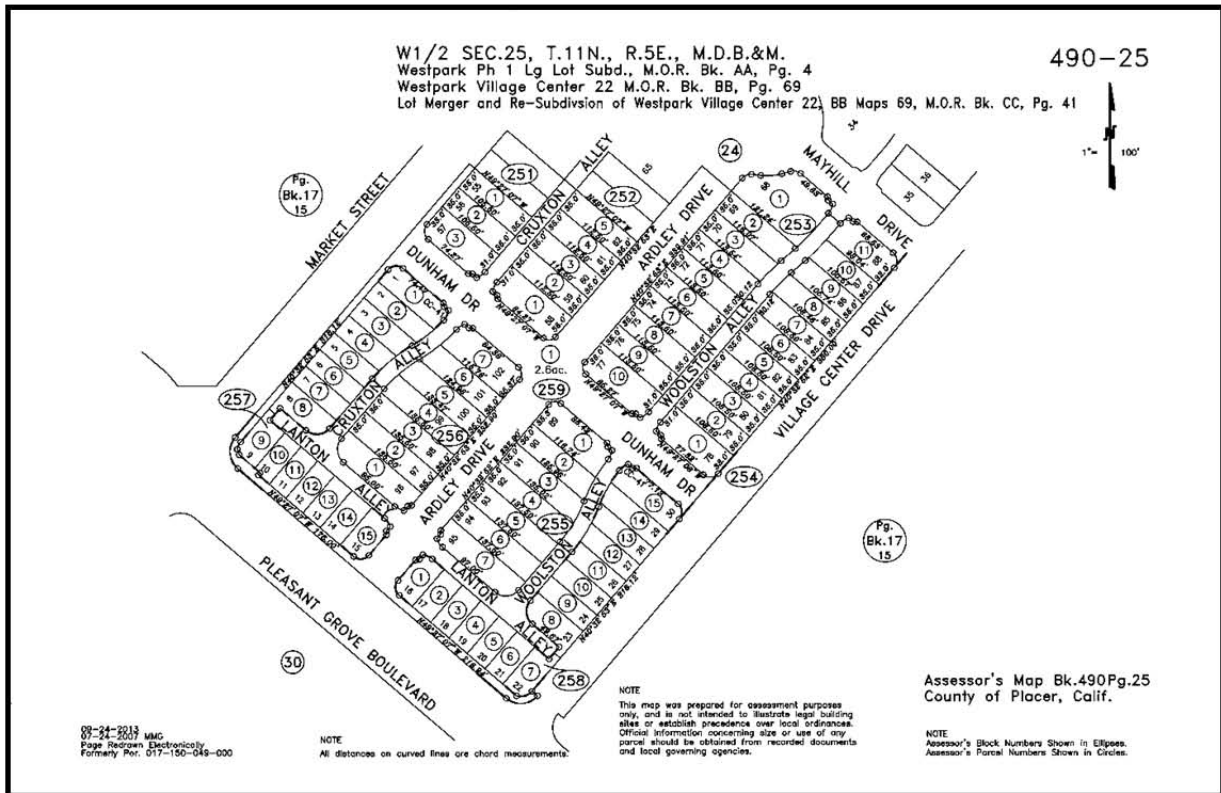
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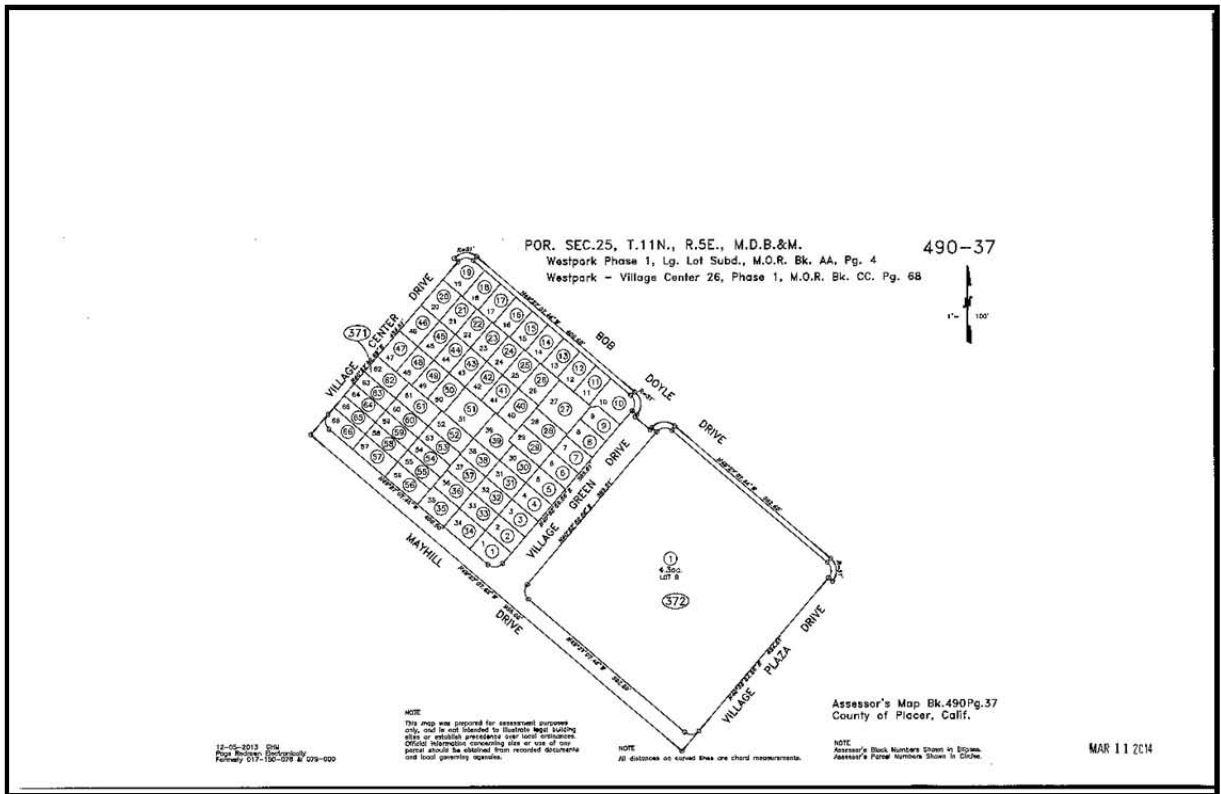
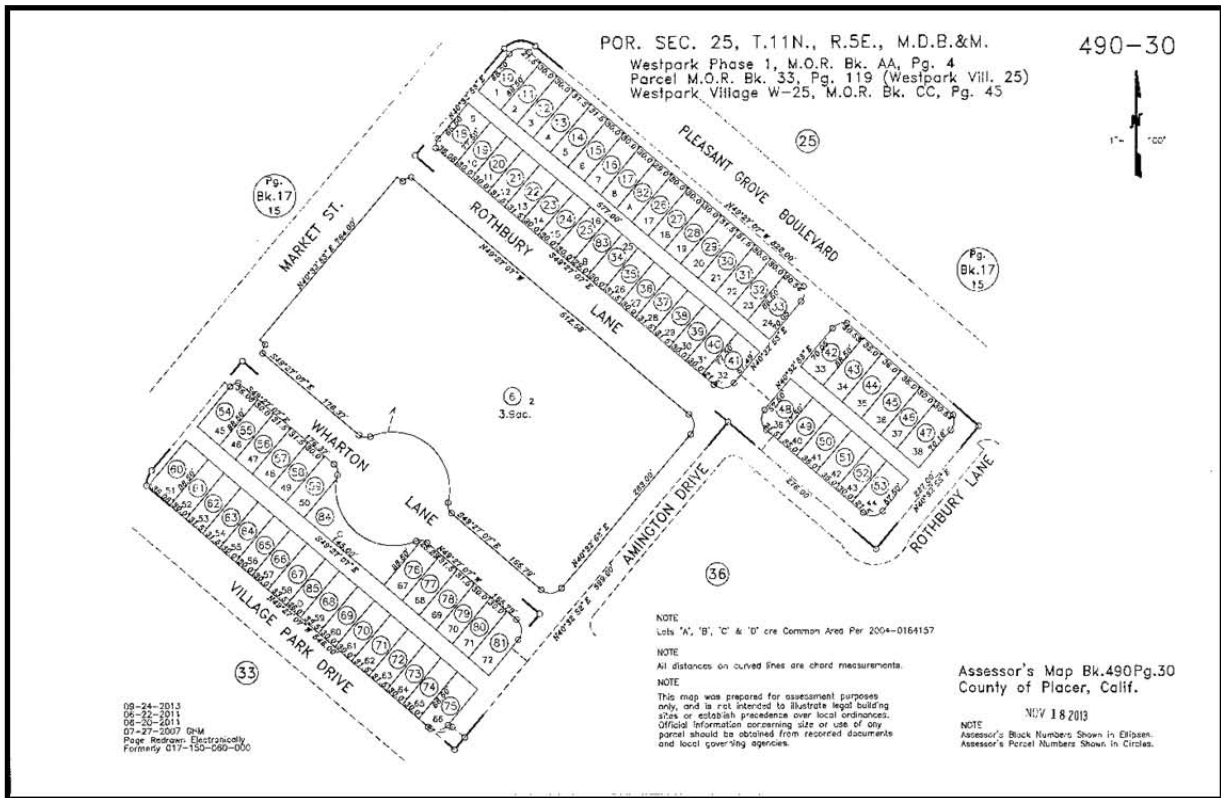
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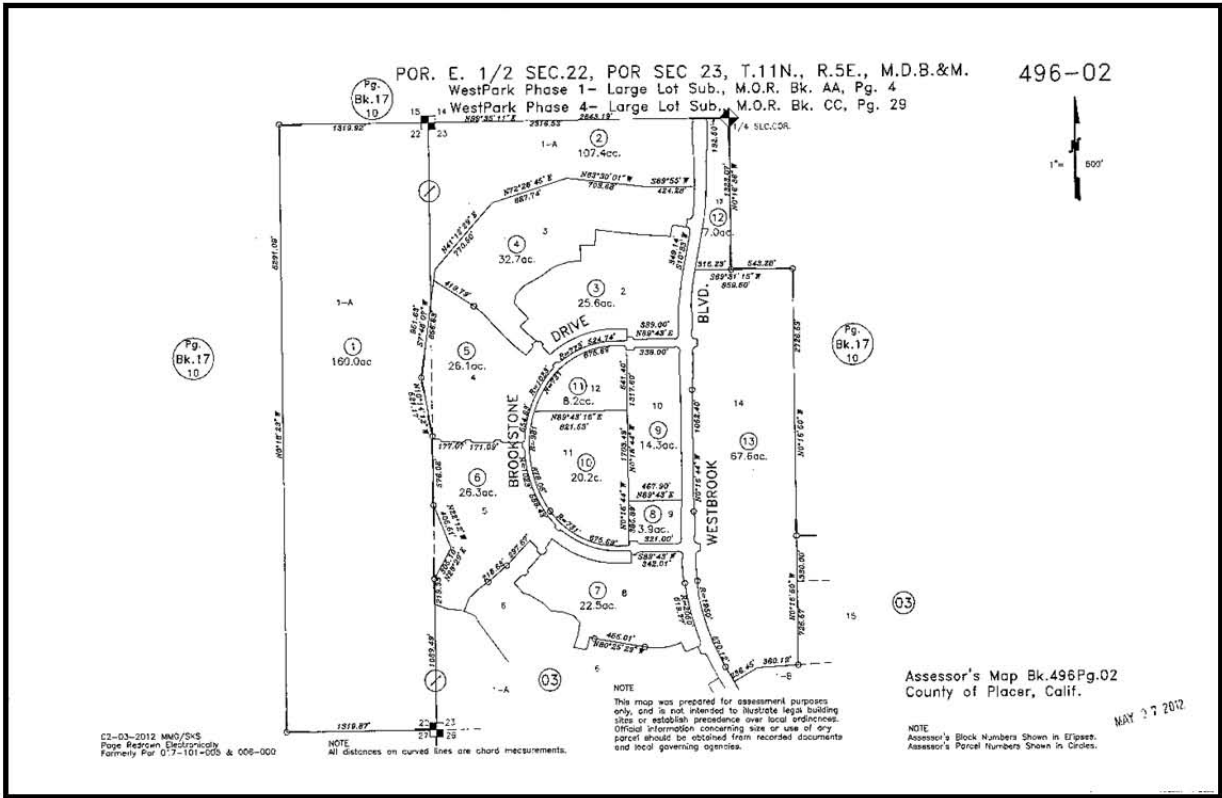
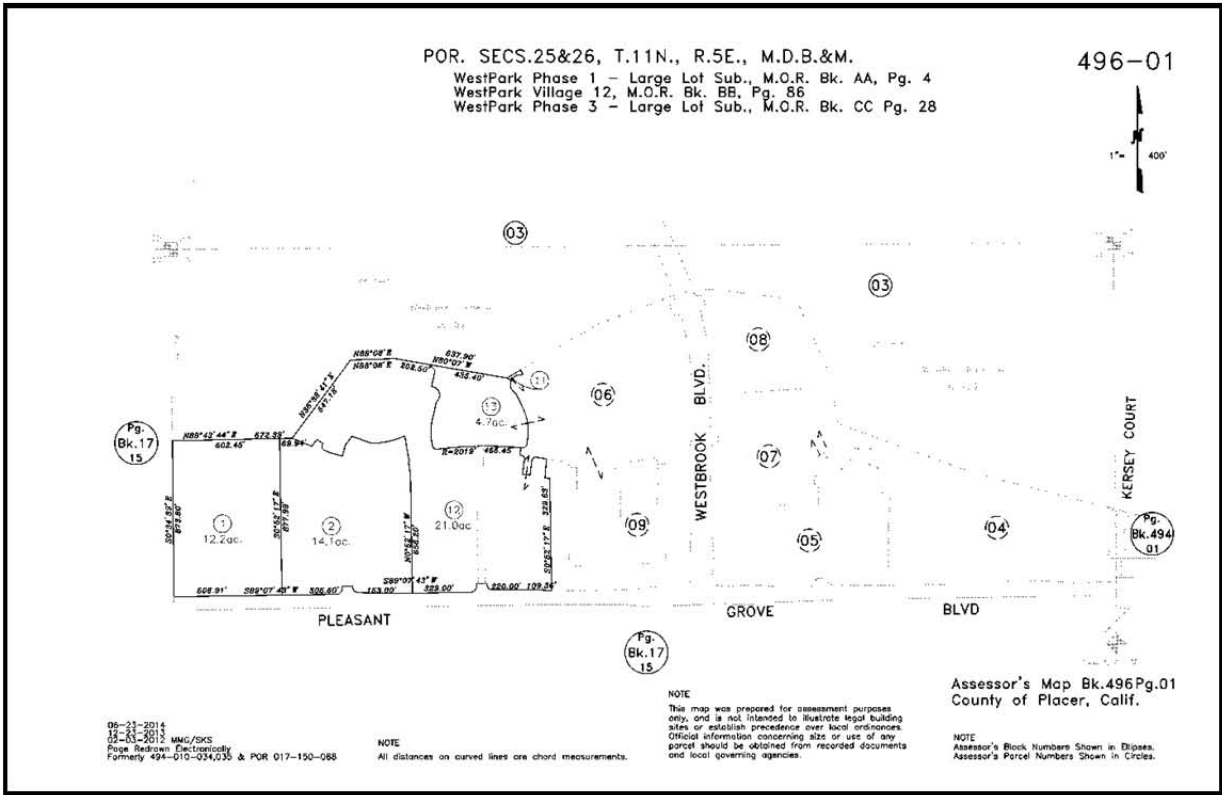
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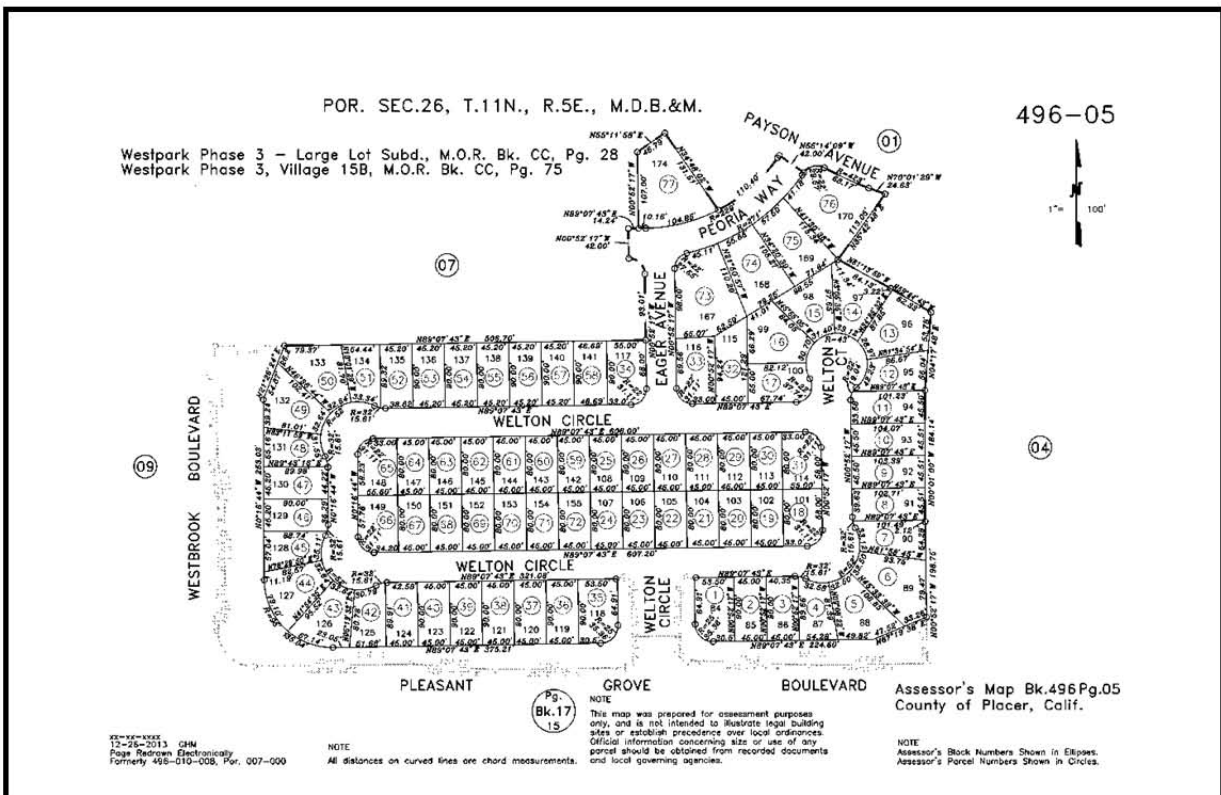
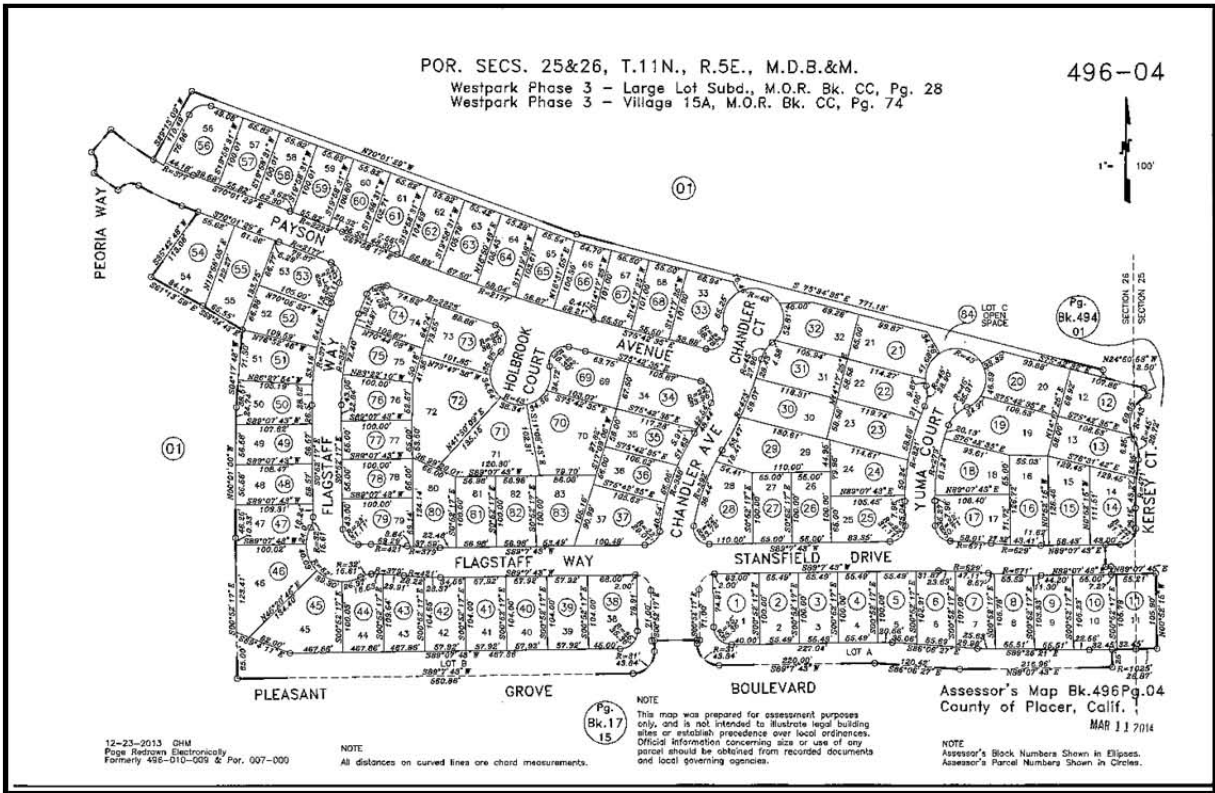
Assessor's Map Bk.490Pg.17
 County of Placer, Calif.

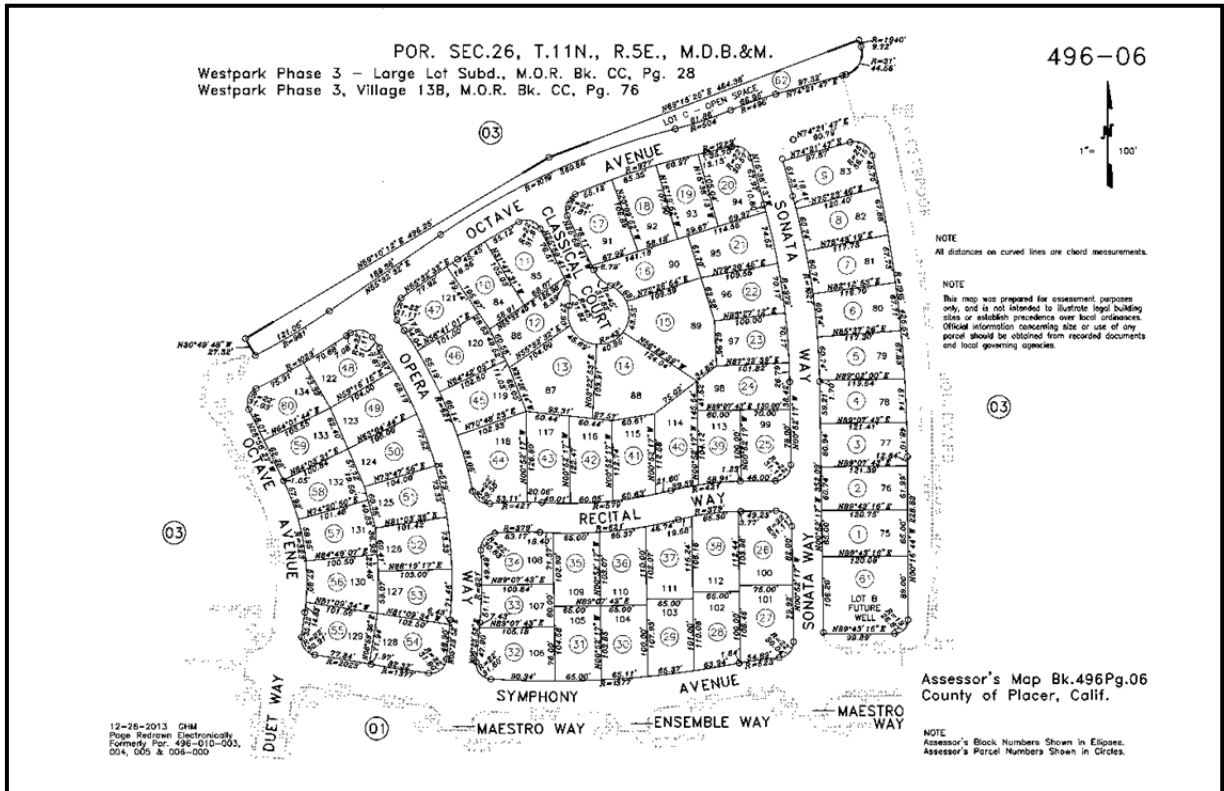
NOTE
 Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.
 NOV 0 3 2008











Location

In general, the subject property is contained within the boundaries identified as follows: west of Fiddymt Road, north of Pleasant Grove Boulevard and south of Blue Oaks Boulevard, within the city of Roseville, Placer County, California 95747.

Owner(s) of Record

Title to the subject property is presently vested with Lennar Corporation, KB Home, Meritage Homes Corporation, Pulte Home, Inc., West Roseville, LLC and 22 individual homeowners.

Legal Description

A complete legal description of the subject property, which would be contained in a preliminary title report, was not provided for use in this analysis.

Property Taxes (Ad Valorem Taxes)

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value,

which is then modified annually to reflect inflation (if any). Annual inflationary increases cannot exceed 2% per year. The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and supplemental assessments. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the political jurisdiction in which the property is located, can be added to the 1% tax rate.

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the infrastructure and property improvements are completed. Additionally, the definition of market value employed in this appraisal assumes a sale of the appraised property. A parcel representative of the entire subject property (APN 496-050-001) is located in tax rate area 005-066. According to the Placer County Treasurer-Tax Collector's Office, this parcel has a cumulative annual tax rate of 1.106682% based on assessed value.

Additionally, the appraised property is encumbered by the Westpark Community Facilities District (CFD) No. 1 bond district. The financing provided through the Westpark CFD No. 1 bond district issuance funded certain portions of the public improvements to Fiddymont Road, Del Webb Boulevard, Pleasant Grove Boulevard, Village Green Drive, Bob Doyle Drive, Phillip Road, Upland Drive, West Side Drive, Market Street and other public roads. These improvements included—but are not limited to—drainage, water, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals, transportation, wastewater, solid waste, parks, open space, utilities, and other miscellaneous improvements.

The Westpark community is also encumbered by public and municipal services special taxes, identified as Westpark CFD Nos. 2 and 3, respectively. These CFDs funded services, including open space improvements, landscape corridor maintenance, neighborhood park improvements, storm water management, and other miscellaneous services. However, unlike the public facilities bond (Westpark CFD No. 1), the public services CFDs are in perpetuity and cannot be paid off (i.e. no expiration for annual payment). It is noted that the Westpark CFD No. 3 only is assessed when a building permit is pulled, both for residential and non-residential parcels. As such, since the underlying land of the subject property is being appraised (with no consideration given to any vertical improvements with associated building permits), Westpark CFD No. 3 is NOT deemed to encumber the subject parcels.

We have relied upon the Annual Levy Report, prepared by Willdan Financial Services, to determine the annual special tax levies on the subject property. The base year maximum taxes, as well as the current (2014-2015 tax year) taxes, are shown in the tables on the following pages, per larger parcel.

WESTPARK CFD NO. 1

Larger Parcel Designation	Land Use	Base Year Max. Tax per Unit/Acre	Current Max. Tax per Unit/Acre
W-1	LDR (age rest., > 5,000 SF)	\$1,200	\$1,463
W-1	LDR (age rest., ≤ 5,000 SF)	\$900	\$1,097
W-2	LDR (age rest., > 5,000 SF)	\$1,200	\$1,463
W-2	LDR (age rest., ≤ 5,000 SF)	\$900	\$1,097
W-13A	LDR	\$1,300	\$1,585
W-13B	LDR	\$1,300	\$1,585
W-13C	LDR	\$1,300	\$1,585
W-13D	LDR	\$1,300	\$1,585
W-15A	LDR	\$1,300	\$1,585
W-15B	LDR	\$1,300	\$1,585
W-15C	LDR	\$1,300	\$1,585
W-22	VC-MDR	\$1,000	\$1,219
W-24	VC-MDR	\$1,000	\$1,219
W-25	VC-HDR, affordable	\$250	\$305
W-25	VC-HDR, market	\$500	\$609
W-26	VC-HDR	\$500	\$609
W-32	VC-CC	\$5,000	\$6,095
W-33	VC-CC	\$5,000	\$6,095
W-16A	HDR, affordable	\$91	\$111
W-16A	HDR, market	\$500	\$609
W-17A	LDR	\$1,300	\$1,585
W-17B	LDR	\$1,300	\$1,585
W-17C	LDR	\$1,300	\$1,585
W-17D	LDR	\$1,300	\$1,585
W-17E	LDR	\$1,300	\$1,585
W-18A	LDR	\$1,300	\$1,585
W-18B	LDR	\$1,300	\$1,585
W-18C	LDR	\$1,300	\$1,585
W-18D	LDR	\$1,300	\$1,585
W-18E	LDR	\$1,300	\$1,585
W-18F	LDR	\$1,300	\$1,585
W-19A	LDR	\$1,300	\$1,585
W-19B	LDR	\$1,300	\$1,585
W-27	HDR, affordable	\$91	\$111
W-27	HDR, market	\$500	\$609

WESTPARK CFD NO. 2

Larger Parcel Designation	Land Use	Base Year Max. Tax per Unit/Acre	Current Max. Tax per Unit/Acre
W-1	LDR (age rest., > 5,000 SF)	\$471	\$697
W-1	LDR (age rest., ≤ 5,000 SF)	\$471	\$697
W-2	LDR (age rest., > 5,000 SF)	\$488	\$722
W-2	LDR (age rest., ≤ 5,000 SF)	\$488	\$722
W-13A	LDR	\$478	\$708
W-13B	LDR	\$478	\$708
W-13C	LDR	\$478	\$708
W-13D	LDR	\$478	\$708
W-15A	LDR	\$478	\$708
W-15B	LDR	\$478	\$708
W-15C	LDR	\$478	\$708
W-22	VC-MDR	\$520	\$770
W-24	VC-MDR	\$520	\$770
W-25	VC-HDR, affordable	\$161	\$238
W-25	VC-HDR, market	\$161	\$238
W-26	VC-HDR	\$133	\$197
W-32	VC-CC	\$1,036	\$1,534
W-33	VC-CC	\$1,036	\$1,534
W-16A	HDR, affordable	\$111	\$164
W-16A	HDR, market	\$111	\$164
W-17A	LDR	\$478	\$708
W-17B	LDR	\$478	\$708
W-17C	LDR	\$478	\$708
W-17D	LDR	\$478	\$708
W-17E	LDR	\$478	\$708
W-18A	LDR	\$478	\$708
W-18B	LDR	\$478	\$708
W-18C	LDR	\$478	\$708
W-18D	LDR	\$478	\$708
W-18E	LDR	\$478	\$708
W-18F	LDR	\$478	\$708
W-19A	LDR	\$478	\$708
W-19B	LDR	\$478	\$708
W-27	HDR, affordable	\$91	\$135
W-27	HDR, market	\$91	\$135

The Westpark CFD 1 is subject to an annual escalation of 2%, while Westpark CFD 2 escalates at 4% annually. The bond debt and any direct charges will be accounted for in the valuation.

For the reader's reference, the total annual maximum taxes by ownership are shown in the table below:

Total Annual Maximum Special Tax by Ownership*		
Property Owner	CFD No 1	CFD No. 2
KB Home	\$489,670	\$218,635
Lennar Corporation	\$672,621	\$314,320
Meritage Homes	\$751,144	\$335,382
PL Roseville LLC (Commercial)	\$87,768	\$14,920
Pulte Homes Inc. (SFR)	\$651,618	\$298,013
Pulte Home Corporation et. al. (HDR)	<u>\$28,746</u>	<u>\$22,899</u>
Subtotal - Pulte Holdings	\$768,132	\$335,833
West Roseville, LLC	\$71,516	\$33,676
Totals	\$2,753,084	\$1,237,845

* Note: Excludes "Individual Owners"

Conditions of Title

A preliminary title report was not provided for this analysis. It is assumed there are no adverse conditions on title. The appraiser assumes no negative title restrictions and accepts no responsibility for matters pertaining to title.

Zoning and Entitlements

A description for the land use designations covering the subject property are presented on the following page. The information was obtained from our conversations with the City of Roseville Planning Department.

Land Use	Applied Zoning Districts
<u>Residential Uses</u>	
LDR – Low Density Residential	R1/DS – RS/DS
MDR – Medium Density Residential	RS/DS
HDR – High Density Residential	R3
<u>Service and Employment Uses</u>	
CC – Community Commercial	CC

R1/DS - Single-family Residential/Development Standard Overlay: The R1, Single-Family Residential district is intended for detached, single-family homes and similar and related uses inclusive of half-plexes. The Development Standard Overlay district has been applied to allow variations to development standards at lower densities (5.0 dwelling units/acre and below). The intent of these variations is to provide additional flexibility to accommodate single-family detached product types and to facilitate the use of separate sidewalks to enhance the local street scene and overall neighborhood environment.

RS/DS – Small Lot Residential/Development Standard Overlay: The RS, Small Lot Residential district is intended to allow either attached or detached single-family dwellings, and similar and related compatible uses. The Development Standard Overlay district has been applied to allow variations to development standards for age-restricted housing (Villages W-1 and W-2) and higher densities (5.1 – 6.9 dwelling units/acre).

R3 – Attached Housing: The R3, Attached Housing district is intended for multiple-family housing. The types of land use intended for the R3 zoning district include apartments, condominiums, town homes and similar or related compatible uses. All of the R3 (HDR) sites, with no affordable housing restrictions, have either been developed as “for sale” product or are planned for “for sales” product.

CC – Community Commercial: The Community Commercial district is intended to serve the principal retail shopping needs of the entire community by providing areas for shopping centers and other retail and service uses.

Flood Zone

Source: First American Flood Data Services

Flood Zone: Zone X – Areas outside the 100-year and 500-year floodplains

Map Panel: 060239-0475, -0475 and -0394

Panel Date: June 8, 1998

Flood Insurance: Flood insurance is not required.

Earthquake Zone

According to the Seismic Safety Commission, the subject property is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the subject is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology.

Easements

An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions currently impacting the subject. Please refer to a preliminary title report for information regarding potential easements, as the appraiser is not a surveyor nor qualified to determine the exact location of any easements. It is assumed that any easements noted in a preliminary title report do not have an impact on the opinion of value set forth in this report. If at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion of value contained herein.

It is worth noting there are overhead power lines throughout the CFD; however, it has been mapped in such a way that the power lines will be situated above open spaces, roads and parking areas upon completion of all site development. Thus, the power lines are considered to have nominal, if any, adverse impact on the subject property.

SITE DESCRIPTION

Property:	The subject property represents a <i>portion</i> of the Westpark Community Facilities District No. 1. Essentially, the subject includes all properties without vertical improvement assessments subject to the lien of the Special Taxes securing the CFD Bonds, as of the date of value.
Land Area:	The subject encompasses approximately 1,035 improved lots (of which there are numerous completed homes and partially completed homes), 803 paper lots (540 of which have rough cut roads), 20.12± acres of multifamily land with affordable housing requirements and 13.80± acres of commercial land. The subject does not include any of the properties within the CFD not encumbered by the lien of the Special Tax securing the CFD Bonds. These properties are the public and quasi-public land uses and the industrial-use sites.
Topography:	Generally level
Shape:	The subject land areas are primarily irregular in shape, yet functional for development under their respective land use and zoning designations.
Access, Frontage, Visibility:	The subject sites have access and/or frontage and visibility from the CFD's primary roadways including Fiddymment Road, Del Webb Boulevard, Pleasant Grove Boulevard, Village Green Drive, Bob Doyle Drive, Phillip Road, Upland Drive, West Side Drive and Market Street. Overall, the accessibility and visibility of the property are considered adequate for residential and commercial use.
Adjacent Uses:	
North	Proposed single family residential development
East	Single-family residential development
South	Proposed single-family residential development
West	Agricultural land
Utilities:	Public utilities, including electricity, natural gas, sewer, public water, telephone, etc., are available to the subject's perimeter and will be extended to individual lots upon completion of site development. The utilities for Larger Parcels W-1A, W-2A, W-1B, W-2B, W-13A, W-13B, W-15A, W-15B, W-15C, W17A, W-17C, W-17D, W-17E, W-18E, W-18F, W-19A, W-22, W-25A, W-25B and W-26, which comprise approximately 1,035

single-family residential lots, are representative of finished lots and have all utility extensions to each lot.

Improved Lots:

The subject property includes 1,035 fully improved single family lots (curbs, gutters, sidewalks, street lighting, utilities stubbed, etc.)

Unimproved Lots:

The subject property includes 803 paper lots that require all in-tract improvements.

Commercial and Multifamily Parcels:

The two commercial sites that are part of the subject property are fully improved sites, with curbs, gutters, sidewalks, street lighting and utilities available along the street frontage. Both multifamily sites (affordable) are currently unimproved, but will be fully improved within the next six months when the remaining backbone infrastructure is complete.

Drainage:

Based on our physical inspection of the subject property, it appears drainage is adequate for continued development. Upon further subdivision and development, it is assumed future site improvements would provide adequate drainage for suburban development.

Soils:

The appraiser has not been provided a soils report to determine the load bearing capacity of the subject property. Based on the surrounding improvements, no adverse subsoil conditions are apparent. The soils appear to be similar to other local parcels that, to the best of our knowledge, have been improved with no adverse effects.

Environmental Issues:

At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present, on the subject property. The appraiser has no knowledge of the existence of such materials on the property. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the property. The value estimate is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Offsite Improvements:

Offsite improvements, which include primary access roads and curbs, gutters, sidewalks and street lights, are substantially complete. As of the date of value, Pleasant

Grove Boulevard and Westbrook Boulevard require extension to the west and north, respectively.

Onsite Improvements:

1,035 lots are fully improved, while 803 lots are unimproved; however, 540 of these lots have rough cut roads and require onsite improvements

Backbone Infrastructure

According to the Master Developer, the remaining backbone infrastructure costs are approximately \$6,000,000. This remaining work is to be completed within the next six months with the cost shared by two of the subject property owners (Pulte Homes and Lennar Corporation). The reported cost sharing structure indicates Pulte is responsible for 68% of the costs and Lennar is responsible for 32%. The \$6,000,000 in remaining costs will be divided as noted above and applied to the lots held by each of these ownership entities (Pulte - 421 lots @ \$9,691 per lot and Lennar – 612 lots @ \$3,137 per lot).

In-tract Development Costs:

In-tract improvements in the region typically range from approximately \$30,000 to \$45,000 per lot. According to the Master Developer, in-tract costs are approximately \$36,000 per lot for the LDR lots and \$35,000 for the smaller lots on the MDR and HDR sites. For LDR and MDR/HDR residential lot components of the subject we will use estimates commensurate with the Master Developer's figures. For the reader's reference, the multifamily and commercial components do not have in-tract costs like the single family sites.

Permits and fees for Home Construction:

According to the Westpark Financing Plan, permits and fees due at building permit average \$59,645/lot for LDR/MDR lots and approximately \$51,771/lot for HDR/MDR lots. Permits and fees for the age-restricted lots average \$49,633 per lot.

These figures include building permit fees, development agreement fees and school fees. Note these figures represent estimates; actual permits and fees will vary by plan according to the actual home size construction.

Affordability Requirement:

The subject property includes two multifamily sites with affordability requirements. Specifically, parcel W-16A (APN 496-010-001), is required to have 23 very low income units and 138 low income units out of the total of the 250 units for which this site is approved. Further, parcel W-27 (APN 496-020-014) is restricted to 89 very

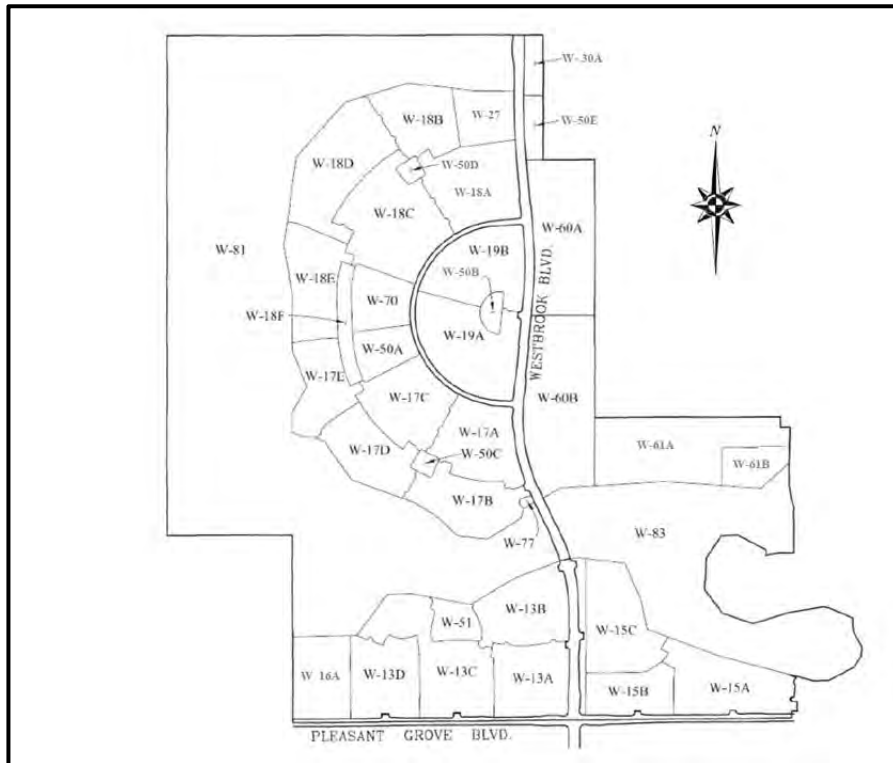
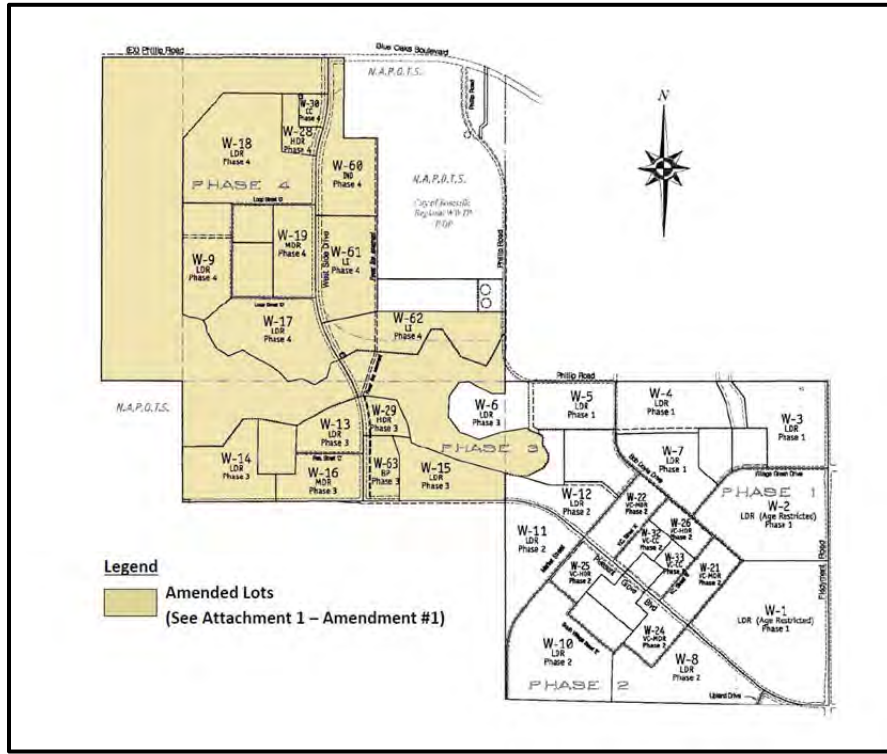
low income units and 61 low income units out of a total of 170 units. These two properties are held by West Roseville, LLC and Pulte Homes, Inc., respectively. Additionally, Lennar owns nine single family residential lots within W-25 (four lots) and W-26 (five lots) that have middle-income restrictions.

Conclusion:

Overall, the subject property is deemed functional in terms of its size, topography, shape and overall location. There appear to be no unusual or restrictive physical limitations to the property. The subject property is considered physically suitable for residential and commercial development.

PHASE 3 AND 4 AMENDMENT MAPS

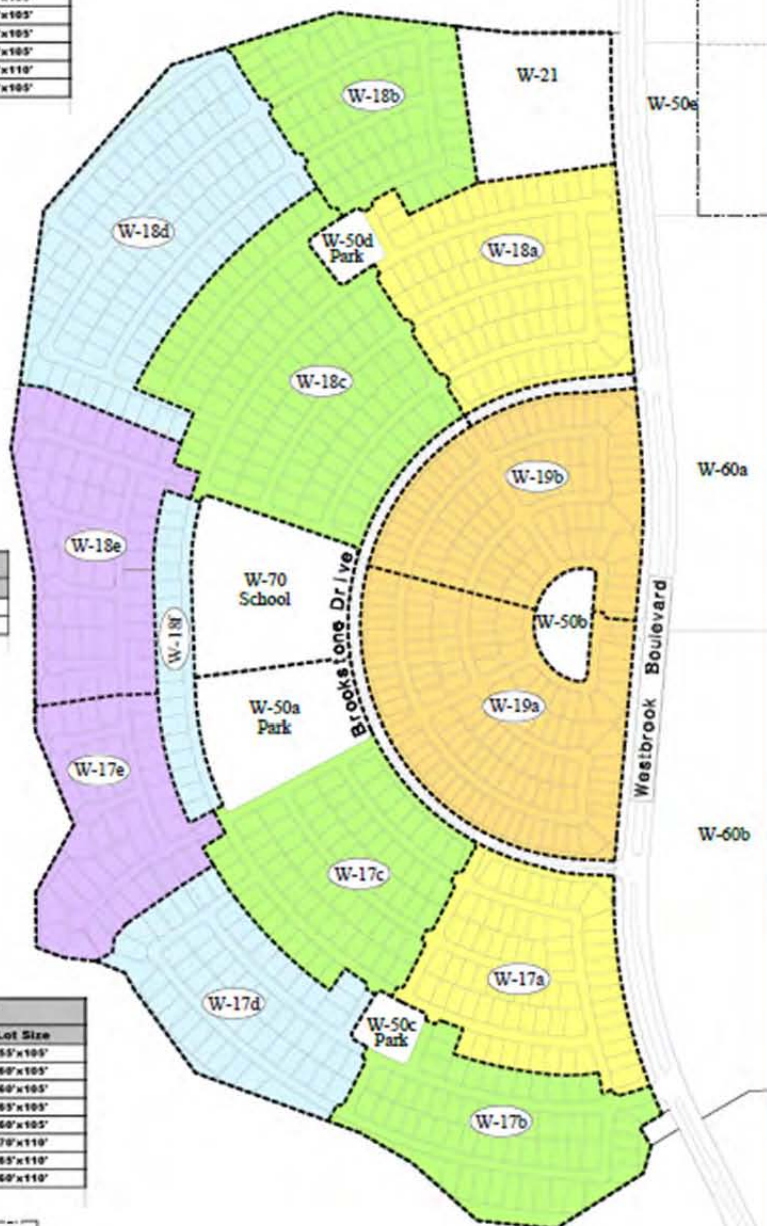
Phase 3 and 4 of the Westpark CFD underwent certain amendments since the inception of the district. Maps showing these amendments are presented below.



VILLAGE 18 SUMMARY			
Parcel	Units	Acres	Lot Size
W-18a	66	17.0	55'x105'
W-18b	56	12.6	60'x105'
	1		55'x105'
W-18c	102	13.0	60'x105'
W-18d	92	21.3	65'x105'
W-18e	52	14.4	70'x110'
W-18f	19	4.4	65'x105'
Total	408	82.7	

VILLAGE 19 SUMMARY			
Parcel	Units	Acres	Lot Size
W-19a	109	20.9	45'x105'
W-19b	85	16.6	45'x105'
Total	194	37.5	

VILLAGE 17 SUMMARY			
Parcel	Units	Acres	Lot Size
W-17a	66	14.3	55'x105'
W-17b	56	15.3	60'x105'
W-17c	69	21.5	60'x105'
W-17d	92	13.0	65'x105'
	1		60'x105'
W-17e	32	11.5	70'x110'
	8		85'x110'
	1		60'x110'
Total	285	75.6	



LOT SIZE LEGEND

	45'x105'
	55'x105'
	60'x105'
	65'x105'
	70'x110'

WestPark PHASE 4

Roseville, California



NORTH

DATE: March, 2013

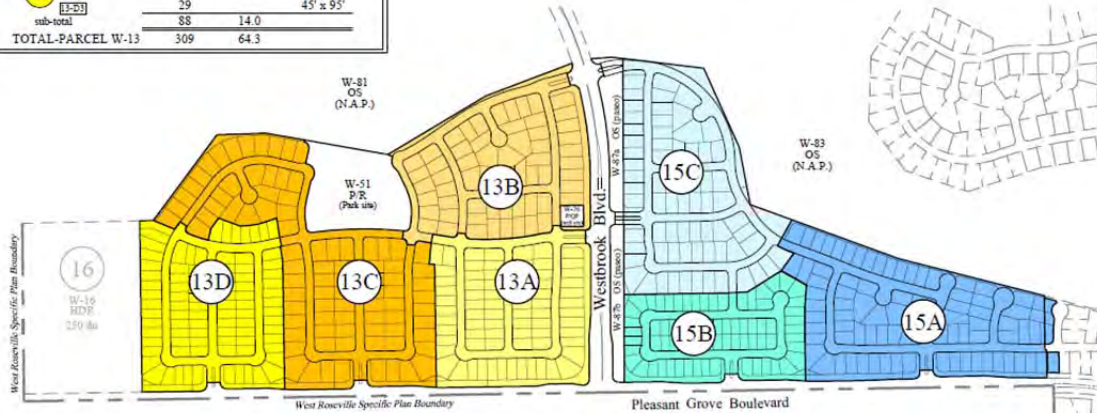


VILLAGE 13 SUMMARY

PARCEL W-13	UNITS	ACRES	LOT SIZE
13A [13-A1] [13-A2]	49		50' x 100'
	25		50' x 100'
sub-total	74	14.1	
13B [13-B1] [13-B2]	27		60' x 100'
	33		60' x 100'
sub-total	60	15.0	
13C [13-C1] [13-C2] [13-C3]	38		65' x 105'
	21		65' x 105'
	28		65' x 105'
sub-total	87	21.2	
13D [13-D1] [13-D2] [13-D3]	36		45' x 95'
	23		45' x 95'
	29		45' x 95'
sub-total	88	14.0	
TOTAL-PARCEL W-13	309	64.3	

VILLAGE 15 SUMMARY

PARCEL W-15	UNITS	ACRES	LOT SIZE
15A [15-A1] [15-A2]	38		55' x 100'
	45		55' x 100'
sub-total	83	17.4	
15B [15-B1] [15-B2]	34		45' x 80'
	38		45' x 80'
sub-total	72	10.1	
15C [15-C1] [15-C2]	39		60' x 105'
	30		60' x 105'
sub-total	69	17.4	
TOTAL-PARCEL W-15	224	44.9	



West Park PHASE 3

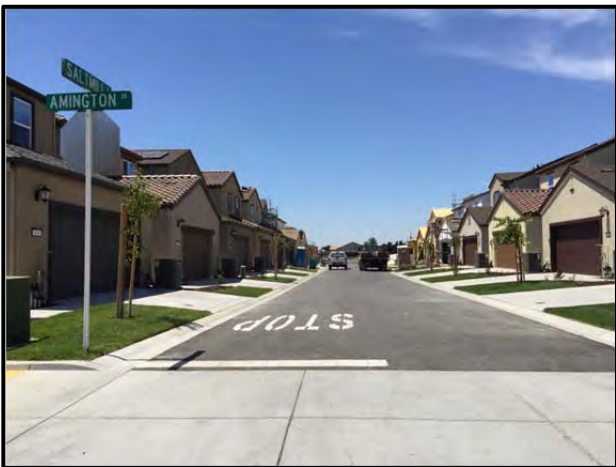
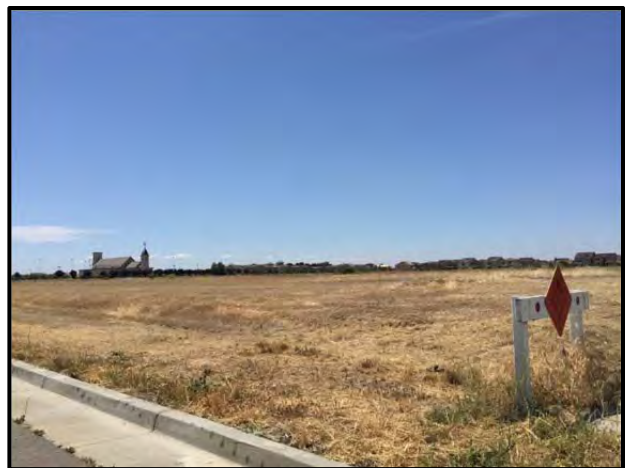
Roseville, California



SUBJECT PHOTOGRAPHS







SOUTH PLACER COUNTY

Introduction

South Placer County is the southernmost component of Placer County, commonly referred to as the Valley. The remainder of Placer County is divided into the Gold Country, where parts of Auburn and Colfax are located, and the High Country, which encompasses Tahoe City and Kings Beach along Lake Tahoe. South Placer is comprised of the cities of Auburn, Colfax, Lincoln, Rocklin and Roseville; the town of Loomis; and a number of unincorporated communities, such as Granite Bay, Foresthill, Penryn and Newcastle.

South Placer County encompasses approximately 260 square miles, from the Placer County line bordering Sacramento, Sutter and Yuba Counties to the city of Auburn. It lies in the north-central part of California, approximately 420 miles north of Los Angeles, 250 miles south of Oregon, 100 miles northeast of San Francisco, 80 miles west of Lake Tahoe, and 100 miles southwest of Reno. In the southern portion of the region is Roseville, the county's largest city, which encompasses about 31.6 square miles. Elevations range from 165 feet above sea level in Roseville to 10,000 feet above sea level at the summit of the Sierra Nevada Mountains.

South Placer is developed with a mix of urban and rural uses. The larger cities, namely Roseville and Rocklin, are mostly urban, while the smaller communities, such as Loomis and Newcastle, have remained rural. Auburn and Lincoln both exhibit a combination of urban and rural settings. However, in recent years the city of Lincoln has experienced dramatic growth and development, and has become one of the fastest-growing cities in California.

Population

South Placer County has experienced strong growth in the last decade. The primary points of origin for in-migration to the region are the Bay Area, other parts of the Sacramento region, and Southern California. The state's population data indicate a strong pattern of movement by residents from high-cost, high-density Bay Area counties to inland areas in Northern California.

Following is a table depicting the population change in Placer County and its component cities over the past few years.

POPULATION TRENDS							
City	2009	2010	2011	2012	2013	2014	%/Yr
Auburn	13,232	13,307	13,378	13,473	13,570	13,804	0.9%
Colfax	1,843	1,946	1,966	1,977	1,988	1,998	1.7%
Lincoln	41,787	42,589	43,144	43,587	44,231	45,206	1.6%
Loomis	6,416	6,427	6,460	6,502	6,554	6,608	0.6%
Rocklin	55,566	56,720	57,767	58,315	59,029	59,672	1.5%
Roseville	114,869	118,180	120,307	122,102	124,673	126,956	2.1%
Unincorporated	<u>107,282</u>	<u>107,964</u>	<u>108,441</u>	<u>109,494</u>	<u>110,757</u>	<u>111,871</u>	<u>0.9%</u>
Total	340,995	347,133	351,463	355,450	360,802	366,115	1.5%

Source: California Department of Finance

As indicated in the previous table, Placer County has experienced a strong average rate of annual growth of 1.5% over the past five years. The city of Roseville is the fastest growing part of the region. Auburn, Loomis and the unincorporated communities have had relatively little growth.

Over the past decade, Placer County has been the fastest-growing county within the four-county Sacramento MSA (which also includes Sacramento, El Dorado and Yolo Counties). It is projected this trend will continue for the near future.

Employment & Economy

The California Employment Development Department has reported the following employment data for Placer County over the past several years.

EMPLOYMENT TRENDS						
	2009	2010	2011	2012	2013	2014
Labor Force	179,800	173,200	173,700	175,300	175,900	176,600
Employment	161,100	153,100	154,900	158,900	162,300	165,500
Job Growth	(4,800)	(8,000)	1,800	4,000	3,400	3,200
Unemployment Rate	10.4%	11.6%	10.8%	9.4%	7.7%	6.3%

Source: California Employment Development Department

The unemployment rate in Placer County was 5.1% in March 2015, which compares to rates of 6.5% for California and 5.5% for the U.S. Most areas within the state and nation, including Placer County, saw declining unemployment rates in 2004 through 2006, increases from 2007 to 2010, and declines during 2011-2014.

Although many residents commute to employment centers in Sacramento, South Placer offers thousands of jobs and attracts workers from the local area as well as “reverse commuters” from Sacramento and residents of outlying areas such as Marysville/ Yuba City to the north. The largest

employers in the county, according to the Sacramento Business Journal Book of Lists 2013, are Kaiser Permanente (3,860 employees in the county), Hewlett-Packard (3,200), Sutter Health (2,299), Placer County (2,240), Thunder Valley Casino Resort (2,000), and Union Pacific Railroad (2,000).

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. In the year 2013 (most recent data available from the U.S. Census Bureau), Placer County's median household income was \$73,643, which was higher than the state of California's median income of \$60,185.

Transportation

A significant advantage of the South Placer area is its central location with respect to transportation systems. Interstate 80, State Highway 65 and State Highway 193 are the major routes traversing the region. Major urban arterials include Douglas Boulevard, Sierra College Boulevard, Roseville Parkway, Pleasant Grove Boulevard, Sunrise Avenue, Auburn-Folsom Road and Foothills Boulevard. In 2005, a major public improvement project was completed at the Douglas Boulevard/Sunrise Avenue/ Interstate 80 intersection. The project added new lanes, new on/off ramps and a tunnel that have greatly improved traffic flow in the area.

In addition to roadways within the county limits, South Placer enjoys proximity to many of the Sacramento region's freeways that provide access to the San Francisco Bay Area to the west, Central and Southern California to the south, Northern California and Oregon to the north, and Nevada to the east. South Placer is proximate to Sacramento International Airport, which is situated about 10 miles west of the county border. A smaller private airport, Lincoln Regional Airport, is located in the city of Lincoln. The region has good railroad service, including the transcontinental Union Pacific Railroad and Amtrak. The Capital Corridor system provides high-speed commuter rail service from Roseville to San Jose. Other modes of transportation in and out of South Placer include Greyhound bus lines and numerous trucking lines.

Recent growth in South Placer has fueled demand for a new transportation artery in the region. Plans are in the works for a four to six-lane expressway, referred to as Placer Parkway, which would extend from Highway 99 in the west to Highway 65 in the east, north of Roseville and south of Lincoln. This roadway is years away from being built, but is expected to eventually ease congestion on Interstate 80.

Recreation & Community Services

South Placer County has ample community services and recreational opportunities. The County, cities and various park districts operate numerous public parks, golf courses, aquatic centers, libraries and community centers. Many private golf courses are located in the region, and several ski resorts are located in the mountains. Within the county lies a portion of the Folsom Lake State Recreation Area, a boating, fishing, and swimming retreat.

In terms of higher education, South Placer County is home to Sierra College in Rocklin, a two-year community college offering a wide range of day and evening classes serving over 25,000 students. Heald College, a business and technology vocational school, is located in Roseville, as is an extension campus for Sierra College, located at the old Sutter Hospital on Sunrise Avenue. In 2004, William Jessup University, a private Christian college, moved from San Jose to a new facility in Rocklin.

South Placer County has an excellent network of health services, including hospitals and medical office facilities. Two hospitals are located in Roseville – the Sutter Roseville Medical Center and Kaiser Permanente, both of which have recent or current expansion projects. The city of Auburn is home to Sutter Auburn Faith Hospital, Sutter Medical Center-Auburn, UC Davis Medical Center, Foundation Medical Clinic and Heritage Medical Center Complex. The city of Lincoln contains medical offices/clinics operated by Sutter, UC Davis, Kaiser and Catholic Healthcare West. In addition to these institutional health care facilities, South Placer is home to a large and growing number of private physicians, dentists, clinics and other medical specialists.

The city of Roseville is South Placer's hub for fine dining and entertainment. Several upscale restaurants are situated along Eureka Road, Roseville Parkway and Galleria Boulevard. Roseville contains two multi-screen movie theatres on Eureka Road. Another theatre recently opened in Rocklin. Shopping centers are widespread, the largest of which is the Galleria at Roseville, a regional shopping mall that opened in 2000 and was expanded in 2008-2009. The mall is anchored by Nordstrom, Macy's, Sears and JC Penney.

Conclusion

South Placer County is a diverse area, with growing cities, small towns and rural areas, and an abundance of open space. The cities of Roseville, Rocklin and Lincoln have experienced strong growth in population and development over the past several years. Placer County is one of the most affluent in the greater Sacramento region in terms of household income levels. The area has a number of positive attributes, including seismic stability, a well-educated work force, good transportation systems, relative affordability and availability of housing compared to the Bay Area, and an excellent level of community services. The long-term outlook for the region is very good.

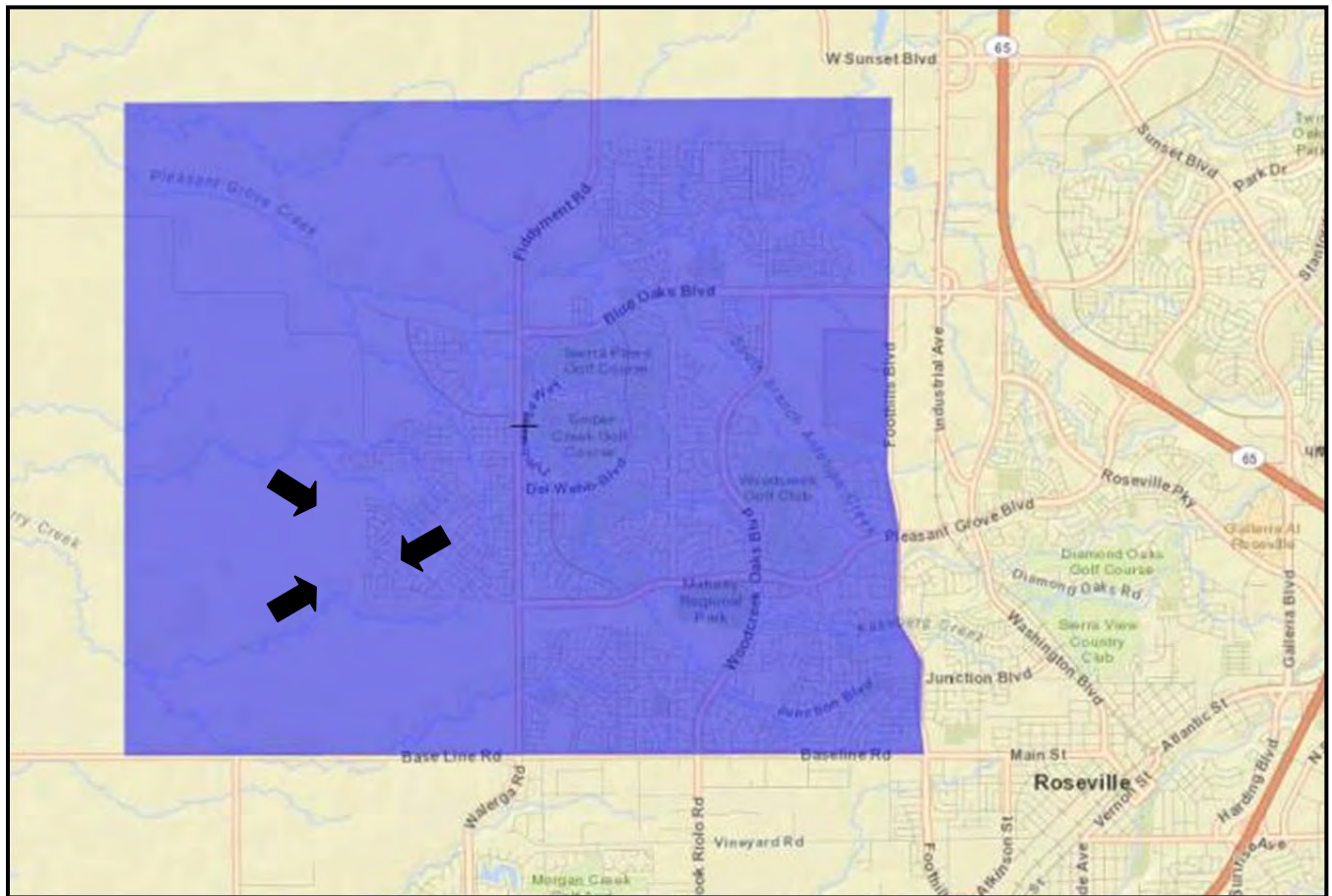
NEIGHBORHOOD

Introduction

This section of the report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings or business enterprises.”⁴

The boundaries of a neighborhood identify the physical area that influences the value of the subject property. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods. Roadways, waterways and changing elevations can also create neighborhood boundaries.

NEIGHBORHOOD MAP



⁴ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 133.

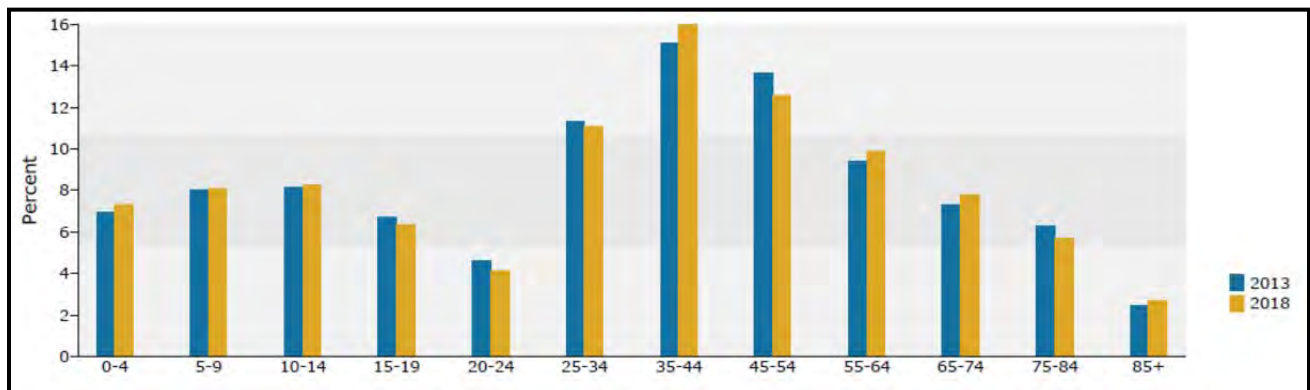
The subject property is located within the city of Roseville, Placer County, California. Specifically, the subject is situated in the west Roseville area. The subject’s neighborhood boundaries can generally be described as Foothills Boulevard to the east, Baseline Road to the south, and the city limits of Roseville to the west and north.

Demographics

According to the 2010 Census, the neighborhood boundaries (shaded area on the map) contained 45,033 people and 16,547 households, which equates to an average household size of 2.7. The median age is 38 years.

The three primary age groups are 35 to 44 years (15.5% of total), 45 to 54 (13.9% of total) and 55 to 64 years (8.8% of total). According to Site To Do Business Online (STDB), which makes projections based on Census, Department of Finance and other data sources, the 35 to 44 and 55 and older age groups are anticipated to comprise more households over the next five years.

PROJECTED POPULATION BY AGE



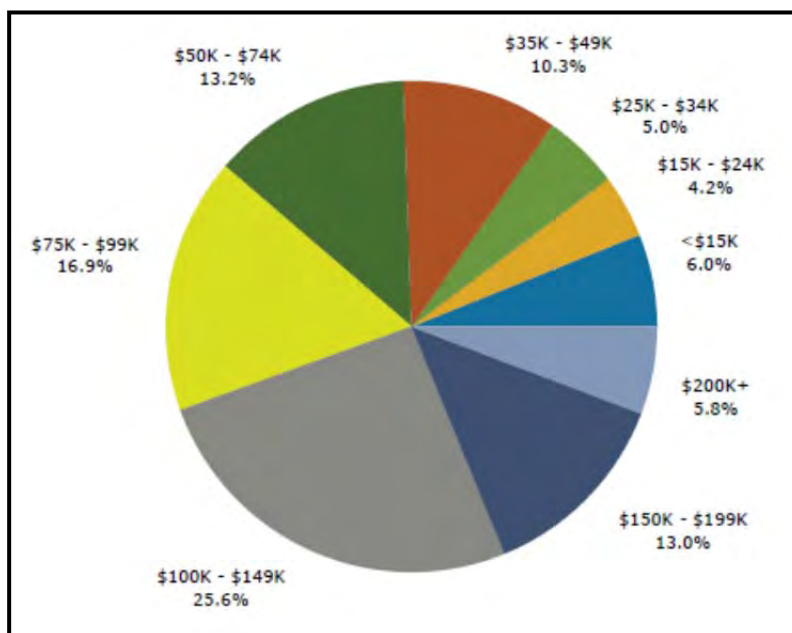
Source: Site To Do Business Online

According to the 2005-2009 American Community Survey, of the population at least 25 years of age, 96.2% have at least a high school diploma or equivalent, and 37.9% have a Bachelor’s degree or higher. Regarding travel time to work, 54.3% of workers have commute times of 24 minutes or less (reflecting local employment).

Approximately 65.8% of all households are married or unmarried partners households, and 40.6% of all households have children. Multigenerational households comprise 3.7% of total households.

STDB indicates the 2013 median household income for the neighborhood was \$89,991. Approximately 74.5% of households earn at least \$50,000 per year.

HOUSEHOLD INCOME



Source: Site To Do Business Online

In the *Residential Market Overview*, the latest sale data indicates that a new 2,500 SF home in the subject's area would have a sale price of approximately \$400,000 (interior lot, standard lot sizing). For this home price, the required annual household income using conventional financing would be approximately \$75,000. Thus, the demographic data for the neighborhood reflects a large percentage of households meet the affordability requirements for conventional financing at current price levels.

Ability to Pay in Price Range		
Home Price		\$400,000
Down Payment	20%	<u>(\$80,000)</u>
Loan Amount		\$320,000
Interest Rate	4.75%	
Term (years)	30	
Monthly Mortgage Payment		\$1,669
Taxes & Insurance as % of Price	1.5%	<u>\$500</u>
Total Monthly Housing Payment		\$2,169
Housing Payment as % of Income	35%	
Required Annual Household Income		\$74,375

Further, STDB estimates there are 19,275 housing units in the neighborhood as of 2013. Owners occupy 72.0% of the units and renters occupy 21.6%. The remaining units (6.4%) stand vacant or are unrented secondary residences. Of the total housing units, 88.4% are detached and 11.6% are attached. Housing units in the neighborhood by year built are summarized on the next page.

Year Built	Number	% of Total
Pre-1970	154	0.80%
1970-1979	209	1.08%
1980-1989	1,455	7.55%
1990-1999	7,130	36.99%
2000 thru 2010 Census	8,488	44.04%
2010 Census thru 2013	<u>1,839</u>	9.54%
Total	19,275	100.00%

Source: STDB Online; 2010 Census, 2005-2009 American Community Survey

Note that by the nature of drawing neighborhood map boundaries for demographic purposes, the demographic data reflects a minor amount of statistical error.

Transportation

The subject has primary access from Pleasant Grove Boulevard, which is a primary east-west connector that extends through the neighborhood and leads to State Highway 65. Other primary connectors in the neighborhood are Fiddlyment Road, Woodcreek Boulevard and Foothills Boulevard (which extend north-south) and Blue Oaks Boulevard (which extends east-west, and also leads to State Highway 65). State Highway 65 is a north-south route that provides access to Lincoln, Wheatland and Yuba City to the north and Interstate 80 to the south. Interstate 80 is a primary east-west corridor for the Sacramento Metropolitan Area that intersects with State Highway 65 to the east of the subject property.

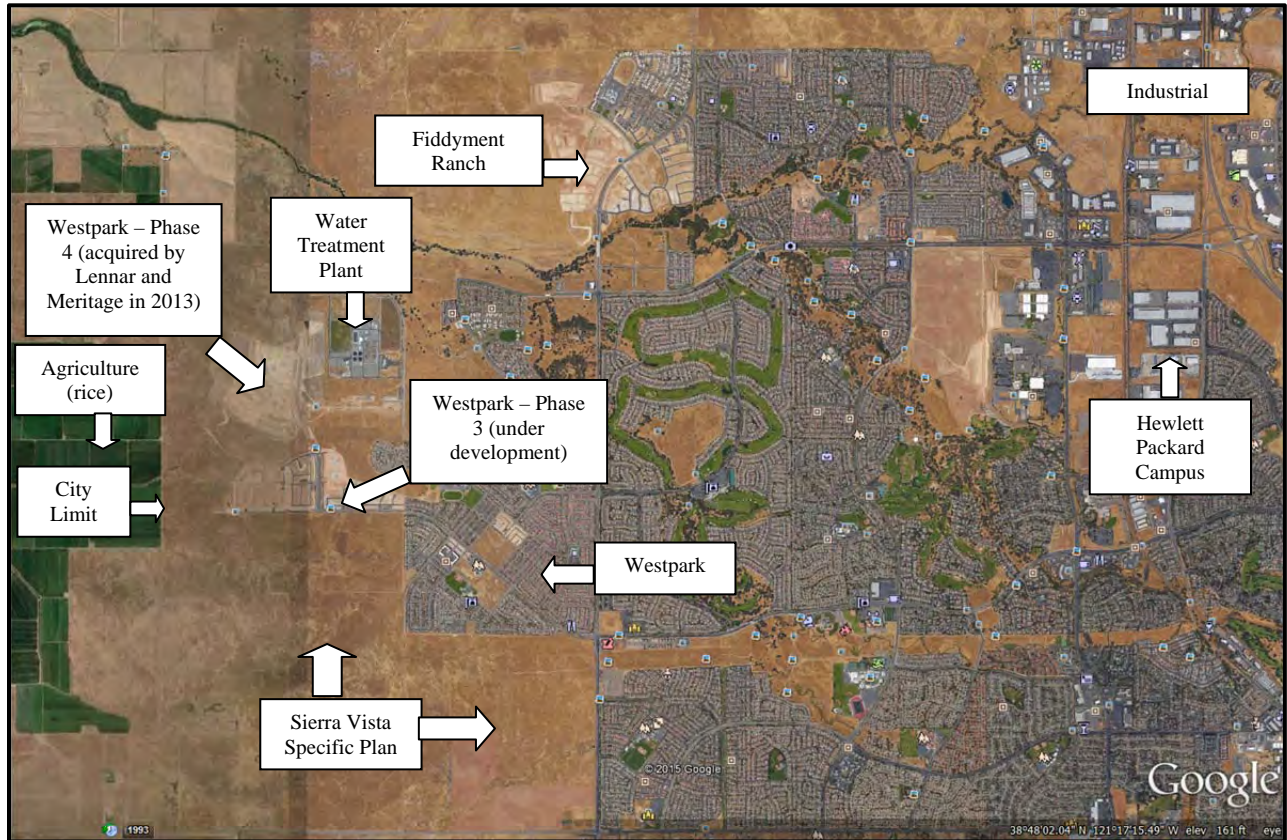
Traveling east, Interstate 80 provides access to the outlying portions of Placer County and continues toward Lake Tahoe and Reno, Nevada. To the west, Interstate 80 connects the subject neighborhood to Sacramento's Central Business District before continuing on towards Davis and San Francisco.

Roseville Transit provides public transportation for the area, which features fixed bus routes, commuter services and ride sharing minivans. Free transfers are also provided for the Placer County Transit and Sacramento Regional Transit.

Surrounding Land Uses

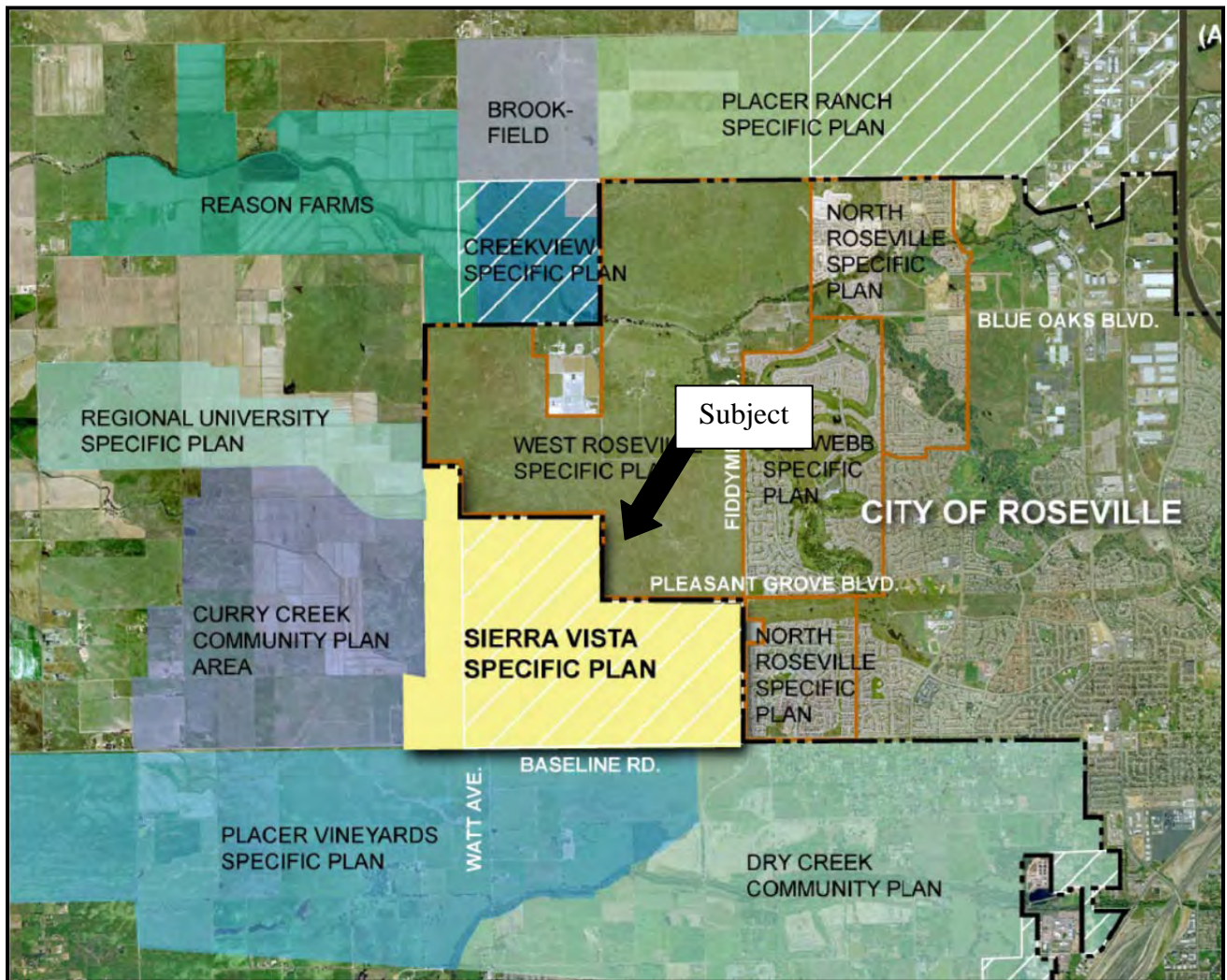
A map of land uses in the vicinity of the subject is provided below:

SURROUNDING LAND USES



West Roseville, LLC developed the subject property and has sold all of the single family villages within Westpark to merchant builders. Of note, in May 2013 the Developer sold 533 total unimproved lots (Westpark – Phase 3) to KB Home and Meritage Homes. North of this property is Westpark – Phase 4. In September 2013, West Roseville, LLC sold 887 unimproved lots within Westpark – Phase 4 to Pulte Homes and Lennar (which had first right of refusal from a prior agreement). Pulte Homes subsequently sold 250 of these lots to Meritage Homes.

Major Projects in the Area – A map and discussion of the projects proximate to the subject property is provided beginning on the following page.



Sierra Vista Specific Plan – The Sierra Vista Specific Plan contains 2,076± acres planned for 1,115 residential units, 259± commercial acres and 535 acres of open space and public/quasi public uses. The Westbrook CFD represents the first component of the Sierra Vista Specific Plan to be development. Backbone infrastructure is currently under construction for Westbrook.

West Roseville Specific Plan – This plan area includes the subject and contains approximately 3,100 acres. Two major master planned projects within this Specific Plan are under development: Westpark (*subject is a portion of*) and Fiddymant Ranch. Both of these projects are under development with active projects by merchant builders. Active projects in these competing projects are discussed in the next section of this report.

In total, the Westpark master planned community will eventually contain 3,566 single-family residential lots (including 704 age-restricted and 85 affordable housing units), three multifamily residential components, commercial and industrial sites, as well as three schools (elementary, middle and high school), a church and numerous neighborhood parks and open space.

The Fiddymment Ranch master planned community was developed by Signature Properties. The development encompasses 1,678± acres of land and, at completion, will include 3,165 single-family residences, 1,005 multifamily units, 31.0 acres of retail development, an office site containing 8.7 acres of land area, two schools, a fire station and several parks and open space areas. The project will be developed in three phases. Various merchant builders have purchased lots within the community, including Shea Homes, KB Homes, Meritage Homes, Christopherson Homes and Lennar Corporation. As will be shown in the *Residential Market Overview*, Fiddymment Ranch contains approximately 2,473 remaining lots, which were controlled by the master developer. Ownership of these lots was transferred to Wells Fargo Bank via foreclosure. Wells Fargo Bank has chosen to sell these lots in small groups (rather than in bulk) as warranted by market conditions.

Placer Vineyards Specific Plan – This 5,230-acre plan area is located immediately south of the Sierra Vista Specific Plan and is under the jurisdiction of the County of Placer, which approved the Specific Plan in 2007. No development has yet occurred in this area. The prior period of residential decline led to a fractured development group and numerous ownerships. This fact, coupled with a lack of infrastructure and a County location (as opposed to a more favorable Roseville location) have limited near term demand in this area. Market participants expect the first phases of this project may come online in 5 to 10 years.

Regional University Specific Plan – This plan area is located immediately west of the subject and is under the jurisdiction of the County of Placer, which approved the project in 2007. The project will be accessed by an extension of Pleasant Grove Boulevard. A university from England (University of Warwick) agreed in February 2015 to build a 6,000-student campus in this plan area. A timeline has yet to be set for completion.

Curry Creek Community Plan – West of the Sierra Vista Specific Plan and south of the Regional University Specific Plan, this plan area is under the jurisdiction of the County of Placer. The project contains 4,189 acres and has been identified as a future growth area. This plan area has not yet been planned for suburban development and there are no plans to develop this property in the near term.

Community Uses

There are several community uses in the neighborhood, such as schools, churches, medical facilities, parks, and recreational and cultural facilities. The most prominent recreational facility in the neighborhood is Mahany Park, a regional park at the southwest quadrant of Woodcreek Oaks Boulevard and Pleasant Grove Boulevard. This facility offers a softball complex and the neighboring Roseville Aquatics Complex and Roseville Sports Center. There are several golf courses in the neighborhood, including the public Woodcreek Oaks Golf Club and Diamond Oaks Municipal Golf

Course, as well as the private Sierra View Country Club and 27 holes in the Sun City Roseville development.

Woodcreek High School is located on the west line of Woodcreek Oaks Boulevard, south of Pleasant Grove Boulevard. The Placer County Fairgrounds is located at the intersection of Junction Boulevard and Washington Boulevard.

There are two main hospitals in Roseville, both of which are located in east Roseville, just south of Interstate 80 – Kaiser Permanente, located at the northeast corner of Rocky Ridge Drive and Douglas Boulevard, and Sutter Roseville Medical Center on Roseville Parkway. Kaiser completed a 750,000-square foot expansion at its Roseville site in early 2009. This expansion added a new women's and children's health center, expanded emergency department, parking garages and other medical buildings.

Conclusion

In conclusion, the subject is located in an expanding suburban area that should continue to experience adequate demand for various urban property uses. While the subject is located on the edge of its neighborhood and within an expanding area, the neighborhood overall offers a balanced mix of land uses. The area has good access to neighborhood thoroughfares. Households in the area have above-average income levels, and the community appeal is good. The characteristics of the neighborhood relative to other parts of the Sacramento region are desirable.

RESIDENTIAL MARKET

Market Definition

The subject property is located in the western part of the city of Roseville in Placer County. The surrounding area contains a significant amount of newer home construction and the neighborhood is characterized as a growing suburban area. Based on existing surrounding homes and new projects under development, the subject characteristics best support a project designed for a combination of entry-level and move-up home buyers. In this analysis of the residential market, we will analyze market trends within the regional area encompassing the South Placer County cities of Roseville, Rocklin and Lincoln, with a focus on west Roseville.

Single-Family Building Permits

Single-family building permits for Roseville, Rocklin and Lincoln are shown below.

SINGLE-FAMILY BUILDING PERMITS

Year	City of Roseville	City of Rocklin	City of Lincoln	Total	Percent Change
2001	1,456	1,071	1,448	3,975	-
2002	2,300	906	1,415	4,621	16.3%
2003	1,467	467	1,817	3,751	-18.8%
2004	1,025	461	2,099	3,585	-4.4%
2005	826	272	2,689	3,787	5.6%
2006	776	231	938	1,945	-48.6%
2007	1,050	251	379	1,680	-13.6%
2008	676	178	165	1,019	-39.3%
2009	602	180	122	904	-11.3%
2010	635	121	90	846	-6.4%
2011	411	82	92	585	-30.9%
2012	663	74	216	953	62.9%
2013	535	119	248	902	-5.4%
2014	645	297	286	1,228	36.1%
14 Year Totals:	13,067	4,710	12,004	29,781	
Average	933	336	857	2,127	
2015 Jan-Mar	200	92	42	334	8.8% (projected)

Source: SOCDS Building Permits Database. 2015 figures are preliminary.

The number of single-family permits for the regional area declined in years 2006 through 2011, and then increased significantly in 2012. A slight dip was seen in 2013, followed by a 36% increase in 2014. A slight increase is expected for the year 2015, based on year-to-date data for the first three months of the year.

Median Prices – New and Resale Prices Combined

As reported by CoreLogic (formerly DataQuick Information Services), the median home price (resale and new) within Placer County as of March 2015 was 4.2% higher than a year ago (March 2014). Although median prices vary each month, the general trend has been upward in recent quarters.

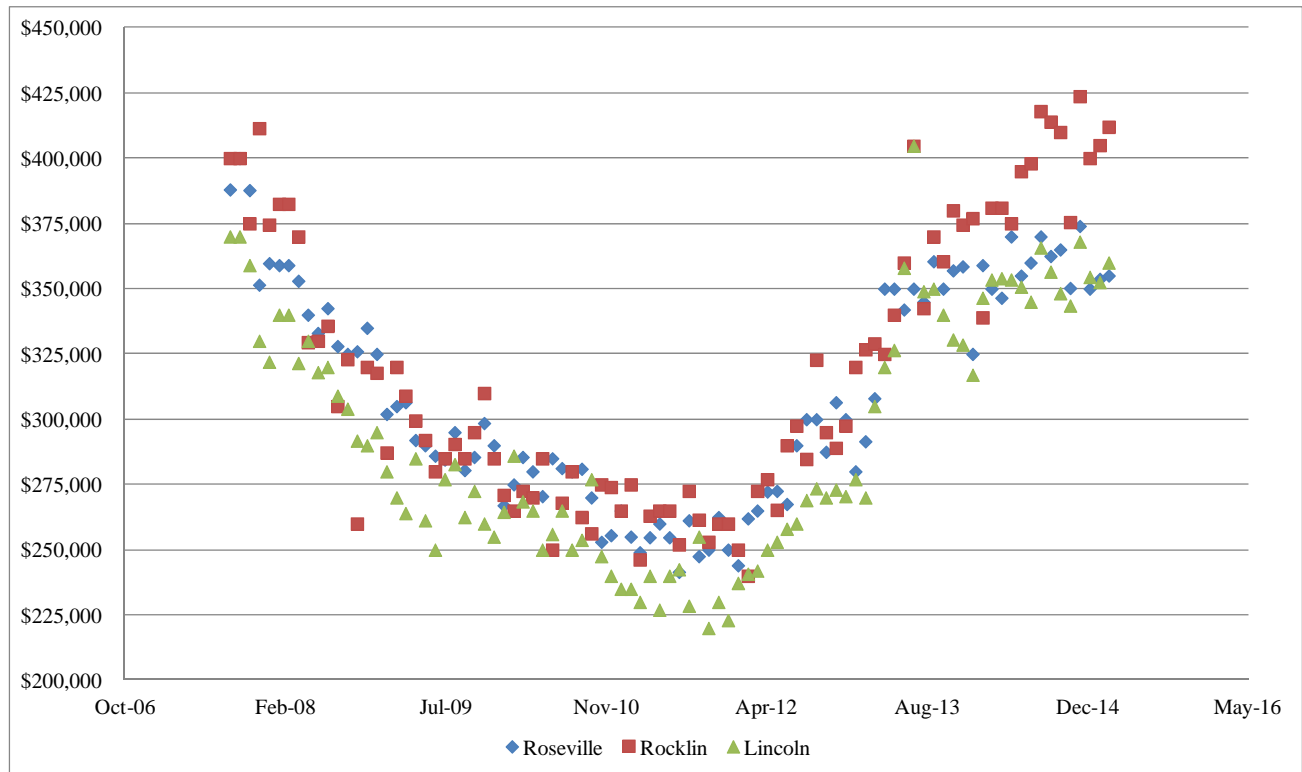
PLACER COUNTY – MEDIAN PRICES (NEW AND RESALE COMBINED)

Month	April 2013 Thru March 2014	April 2014 Thru March 2015	12 Month % Change	(per month)
April	\$342,000	\$360,750	5.5%	0.5%
May	\$340,000	\$375,000	10.3%	0.9%
June	\$362,500	\$385,000	6.2%	0.5%
July	\$362,000	\$374,000	3.3%	0.3%
August	\$353,500	\$387,550	9.6%	0.8%
September	\$363,500	\$390,000	7.3%	0.6%
October	\$355,750	\$395,000	11.0%	0.9%
November	\$359,000	\$365,000	1.7%	0.1%
December	\$358,800	\$396,250	10.4%	0.9%
January	\$342,750	\$369,500	7.8%	0.7%
February	\$363,250	\$370,500	2.0%	0.2%
March	\$360,000	\$375,000	4.2%	0.3%
6-Month % Change (per month)	-1.0%	-3.8%		-0.6%

Source: CoreLogic/DataQuick

Below we compare median prices in the cities of Roseville, Rocklin and Lincoln.

MEDIAN PRICES (NEW AND RESALE COMBINED)



Source: CoreLogic/DataQuick

Historical New Home Pricing and Sales

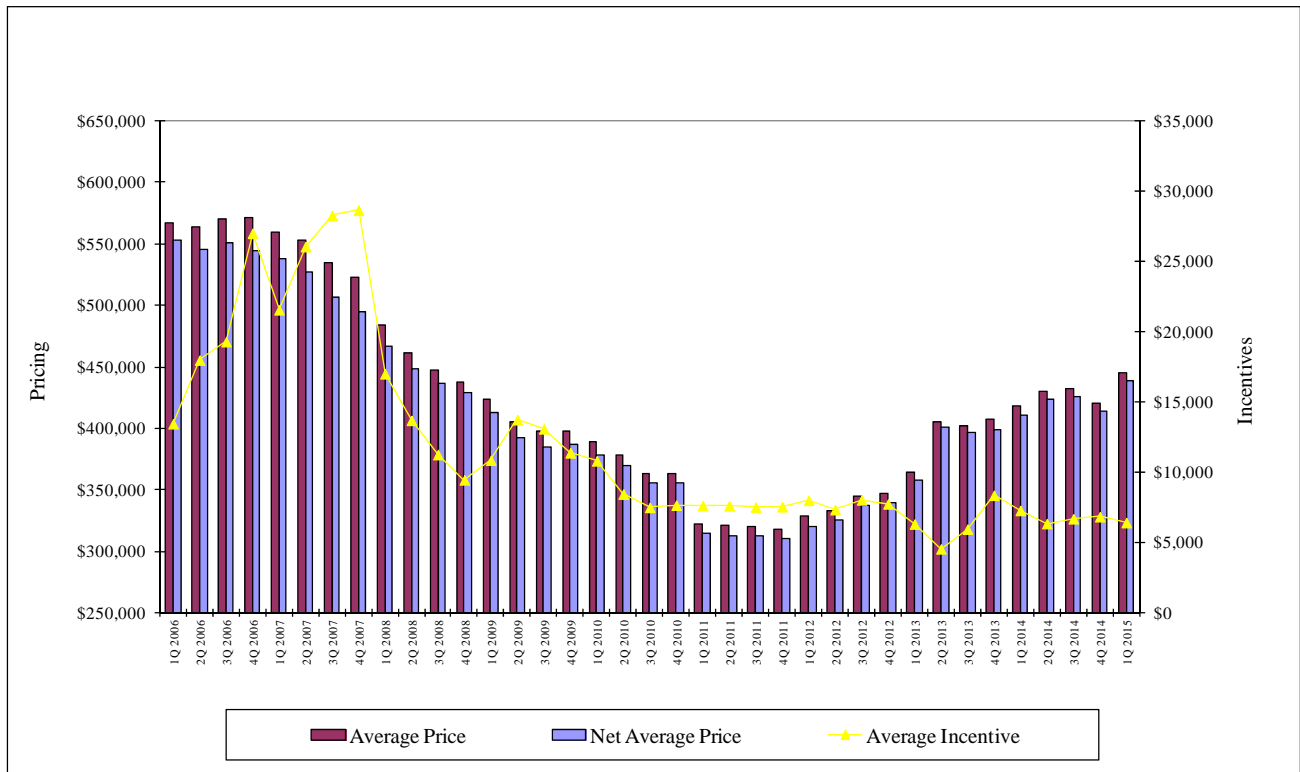
A table and chart depicting the average pricing for active single-family residential projects in the Roseville-Rocklin-Lincoln area since the First Quarter 2006 are provided on the following page. This data, like much of the data presented in this section of the report, was collected and reported by The Gregory Group, a firm that tracks new home prices and absorption statistics for areas of California.

**ROSEVILLE, ROCKLIN & LINCOLN
NEW HOME PRICING AND INCENTIVES**

<u>Quarter</u>	<u>Average Price</u>	<u>Net</u>		<u>% Change Net Average Price</u>	<u>% Change Net Average Price - 12 Month Moving Average</u>		<u>Number of Projects</u>
		<u>Average Price</u>	<u>Incentive</u>		<u>Home Size</u>	<u>Projects</u>	
1Q 2006	\$567,046	\$553,594	\$13,452	-3.9%		2,722	70
2Q 2006	\$563,326	\$545,337	\$17,989	-1.5%		2,720	70
3Q 2006	\$570,710	\$551,414	\$19,296	1.1%		2,781	71
4Q 2006	\$571,184	\$544,170	\$27,014	-1.3%	-1.4%	2,787	76
1Q 2007	\$559,600	\$538,032	\$21,568	-1.1%	-0.7%	2,749	80
2Q 2007	\$552,959	\$526,897	\$26,062	-2.1%	-0.8%	2,747	71
3Q 2007	\$534,652	\$506,373	\$28,279	-3.9%	-2.1%	2,714	69
4Q 2007	\$523,214	\$494,566	\$28,648	-2.3%	-2.4%	2,699	69
1Q 2008	\$484,229	\$467,216	\$17,013	-5.5%	-3.5%	2,707	66
2Q 2008	\$461,695	\$448,000	\$13,695	-4.1%	-4.0%	2,685	61
3Q 2008	\$447,731	\$436,468	\$11,263	-2.6%	-3.6%	2,673	55
4Q 2008	\$437,906	\$428,442	\$9,464	-1.8%	-3.5%	2,653	53
1Q 2009	\$423,458	\$412,598	\$10,860	-3.7%	-3.1%	2,667	47
2Q 2009	\$405,777	\$392,037	\$13,740	-5.0%	-3.3%	2,606	44
3Q 2009	\$397,768	\$384,680	\$13,088	-1.9%	-3.1%	2,603	42
4Q 2009	\$397,769	\$386,380	\$11,389	0.4%	-2.5%	2,566	40
1Q 2010	\$388,643	\$377,824	\$10,819	-2.2%	-2.2%	2,523	41
2Q 2010	\$378,617	\$370,168	\$8,449	-2.0%	-1.4%	2,436	40
3Q 2010	\$363,239	\$355,741	\$7,498	-3.9%	-1.9%	2,368	39
4Q 2010	\$363,410	\$355,756	\$7,654	0.0%	-2.0%	2,377	39
1Q 2011	\$322,065	\$314,438	\$7,627	-11.6%	-4.4%	2,291	37
2Q 2011	\$320,557	\$312,944	\$7,613	-0.5%	-4.0%	2,273	35
3Q 2011	\$319,851	\$312,332	\$7,519	-0.2%	-3.1%	2,298	36
4Q 2011	\$317,791	\$310,244	\$7,547	-0.7%	-3.2%	2,293	36
1Q 2012	\$328,501	\$320,496	\$8,005	3.3%	0.5%	2,338	32
2Q 2012	\$332,799	\$325,457	\$7,342	1.5%	1.0%	2,330	31
3Q 2012	\$344,841	\$336,804	\$8,037	3.5%	1.9%	2,314	29
4Q 2012	\$346,863	\$339,114	\$7,749	0.7%	2.3%	2,289	28
1Q 2013	\$364,167	\$357,847	\$6,320	5.5%	2.8%	2,269	26
2Q 2013	\$405,214	\$400,670	\$4,544	12.0%	5.4%	2,292	26
3Q 2013	\$402,512	\$396,557	\$5,955	-1.0%	4.3%	2,275	26
4Q 2013	\$407,325	\$398,964	\$8,361	0.6%	4.3%	2,359	25
1Q 2014	\$417,710	\$410,425	\$7,285	2.9%	3.6%	2,408	28
2Q 2014	\$429,794	\$423,450	\$6,344	3.2%	1.4%	2,493	35
3Q 2014	\$432,120	\$425,434	\$6,686	0.5%	1.8%	2,523	37
4Q 2014	\$420,865	\$414,028	\$6,837	-2.7%	1.0%	2,449	39
1Q 2015	\$444,741	\$438,322	\$6,419	5.9%	1.7%	2,551	43

Source: The Gregory Group

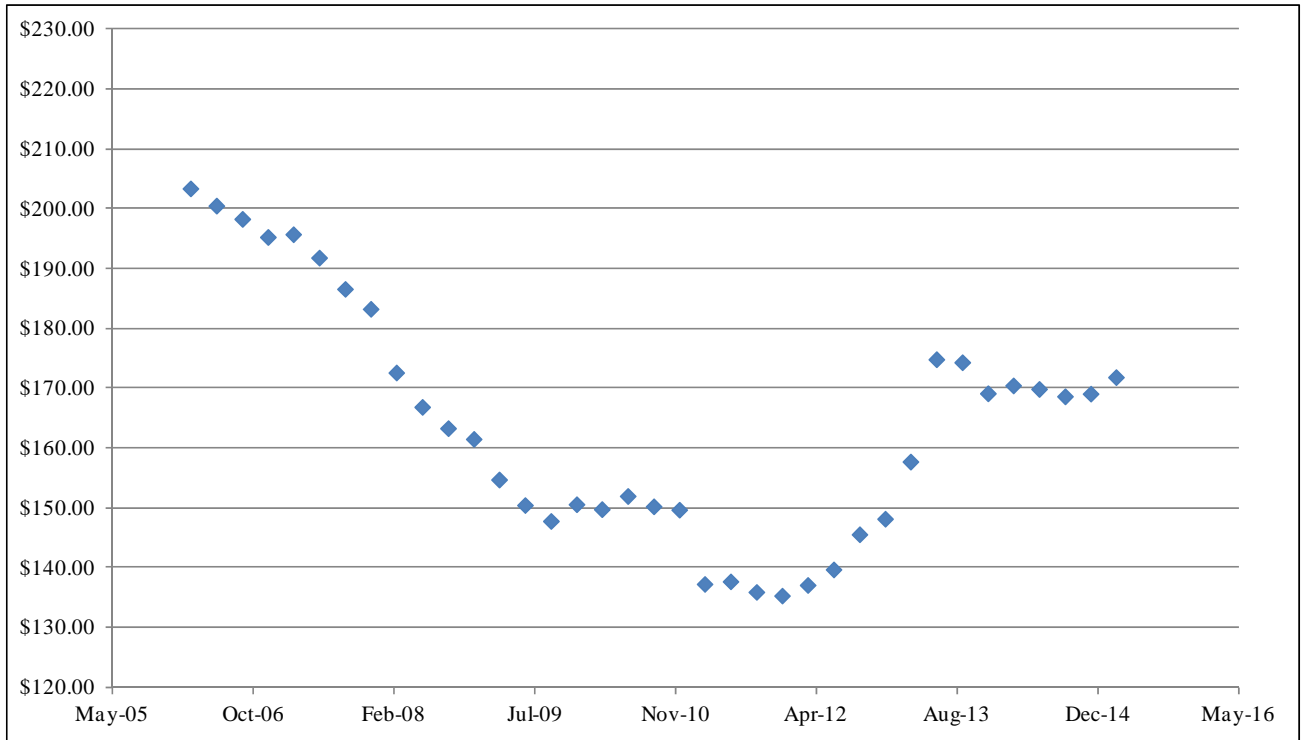
ROSEVILLE, ROCKLIN & LINCOLN NEW HOME PRICING AND INCENTIVES



Source: The Gregory Group

Net prices have been generally increasing since the First Quarter of 2012, and have increased in most quarters since. The average price dipped in the Fourth Quarter of 2014 but showed a strong increase in the First Quarter of 2015. In the following table we show the average net base price divided by the average home size. As shown, this indicator shows prices increased throughout 2012 and the first quarter of 2013, but have been fairly flat over the past two years.

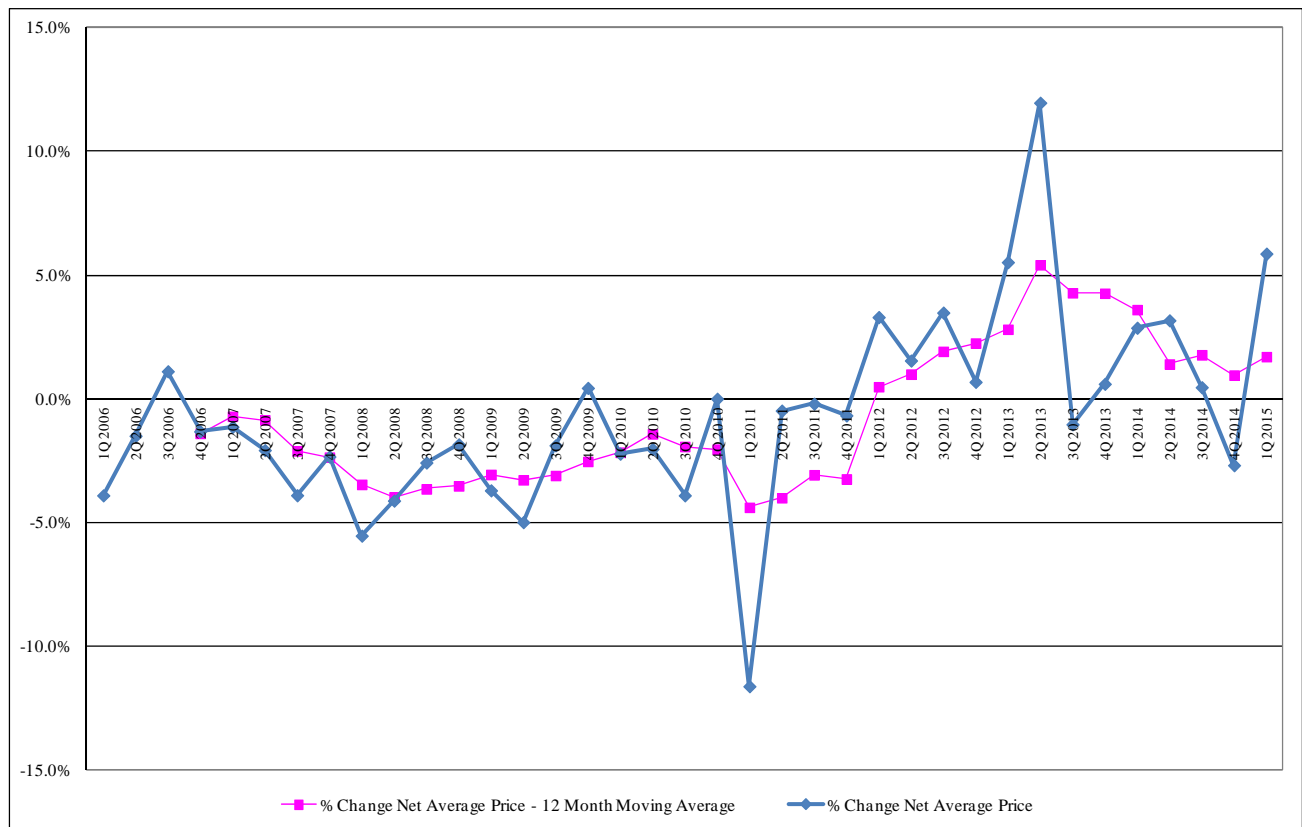
**ROSEVILLE, ROCKLIN & LINCOLN
AVG. NET BASE PRICE / AVG. HOME SIZE**



Source: The Gregory Group

The chart below shows the percentage change in the net base price since the First Quarter of 2006.

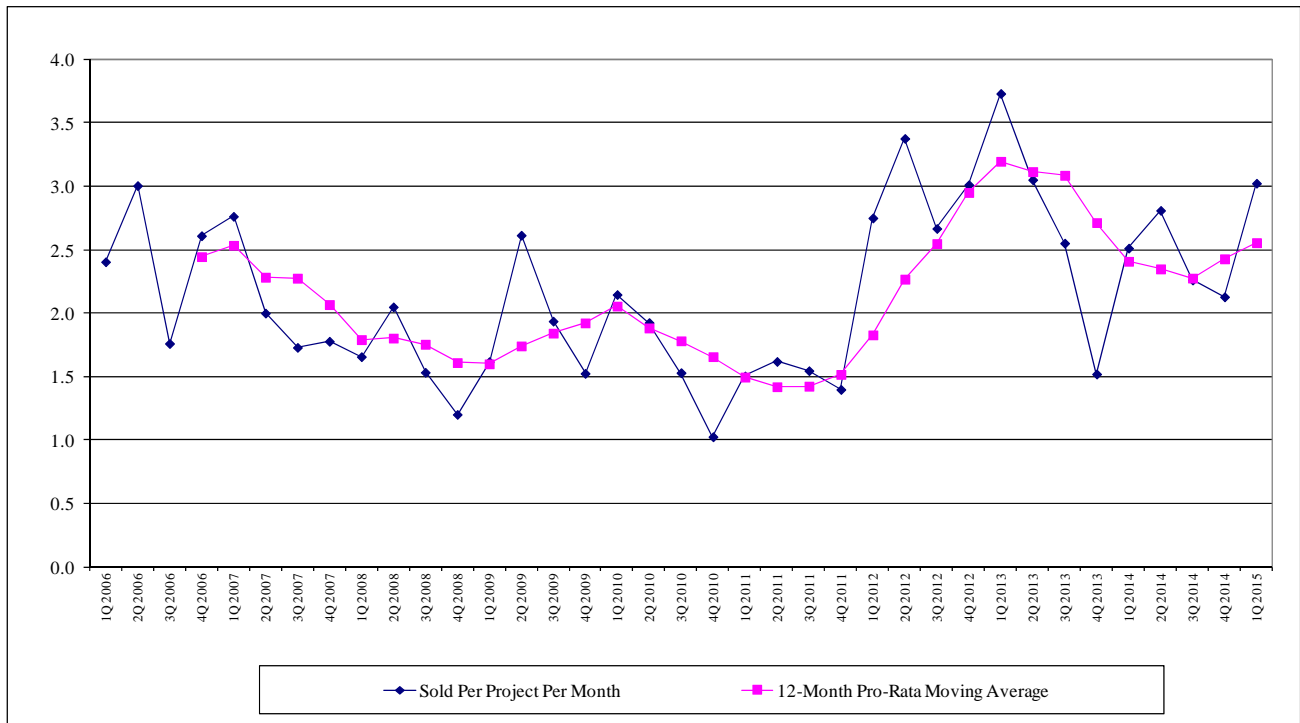
ROSEVILLE, ROCKLIN & LINCOLN PERCENTAGE CHANGE – NET BASE PRICE



Source: The Gregory Group

Another indicator of market conditions, the pro-rata absorption rate per project (total sales divided by total number of projects), which assumes each project captures its fair share of units, has been strong in recent months. Over the last 12 months, projects in Roseville, Rocklin and Lincoln averaged 2.6 sales per month, which was up slightly from the average for the prior 12-month period (2.4 units per month), despite the significant increase in the number of active, competing projects.

**ROSEVILLE, ROCKLIN & LINCOLN
PRO-RATA SALES (SALES PER PROJECT)**



Source: The Gregory Group

Active Projects, Current New Home Pricing and Absorption

There are 19 active projects in the west Roseville area, which includes the master-planned communities of Westpark, Fiddymnt Ranch, Crocker Ranch and Diamond Creek. The projects are summarized in the table on the following page, based on data from the First Quarter of 2015.

ACTIVE PROJECTS SUMMARY

Project	Master Plan	Builder	Avg. Base Price	Age. Home Size (SF)	Lot Size (SF)
Aria	Westpark	KB Home	\$434,875	3,091	4,950
Chateau	Diamond Creek	Lennar Homes	\$340,490	2,081	1,900
Eskaton Village	Diamond Creek	Silverado Homes	\$352,000	1,446	4,000
Legato	Westpark	KB Home	\$473,071	3,357	7,150
Marisol	Fiddymment Farm	Lennar Homes	\$498,990	2,931	6,300
Merrion Square	Westpark	Lennar Homes	\$331,240	2,102	2,508
Molly's Walk	Diamond Creek	Black Pine Communities	\$354,339	1,785	2,700
Paseo Del Norte	(None)	K Hovnanian Homes	\$342,212	2,285	2,475
Primrose	Westpark	Pulte Homes	\$438,490	2,859	4,500
Sierra Commons	Westpark	Meritage Homes	\$462,950	2,753	6,050
Sierra Crossings	Westpark	Meritage Homes	\$446,950	2,366	6,000
Sierra Glen	Westpark	Meritage Homes	\$414,350	2,231	4,050
Somerville	Fiddymment Farm	Lennar Homes	\$430,657	2,647	4,725
Stone Mill II	Fiddymment Farm	K Hovnanian Homes	\$466,490	3,460	8,500
Taylor Crossing	Westpark	Lennar Homes	\$307,240	1,422	2,100
The Reserve	Fiddymment Farm	JMC Homes	\$559,990	3,316	6,300
The Retreat	Fiddymment Farm	JMC Homes	\$458,323	2,213	7,700
The Village	Crocker Ranch	JMC Homes	\$385,657	1,871	4,275
The Woods	Fiddymment Farm	JMC Homes	\$582,490	3,467	12,000
Overall Minimum			\$307,240	1,422	\$216.06 /SF
Overall Maximum			\$582,490	3,467	\$168.01 /SF
Overall Average			\$425,305	2,510	\$169.47 /SF

Source: The Gregory Group

Absorption

Absorption rates at the competing projects over the last four quarters are summarized in the following table.

ACTIVE PROJECTS – RECENT ABSORPTION

Project	Builder	Avg. Home Price (1Q 2015)	Avg. Home Size (1Q 2015)	Open Date	1Q 2015	4Q 2014	3Q 2014	2Q 2014	12-Month Total	Avg. Per Quarter	Avg. Per Month
Aria	KB Home	\$434,875	3,091	Apr-14	14	6	6	0	26	6.5	2.2
Chateau	Lennar Homes	\$340,490	2,081	May-13	3	0	10	8	21	5.3	1.8
Eskaton Village	Silverado Homes	\$352,000	1,446	Jan-06	20	12	8	13	53	13.3	4.4
Legato	KB Home	\$473,071	3,357	Apr-14	8	5	4	6	23	5.8	1.9
Marisol	Lennar Homes	\$498,990	2,931	Nov-13	7	9	9	10	35	8.8	2.9
Merrion Square	Lennar Homes	\$331,240	2,102	Aug-14	2	6	0	--	N/A	2.7	0.9
Molly's Walk	Black Pine Communities	\$354,339	1,785	Jan-13	5	3	3	2	13	3.3	1.1
Paseo Del Norte	K Hovnanian Homes	\$342,212	2,285	Mar-14	18	6	10	12	46	11.5	3.8
Primrose	Pulte Homes	\$438,490	2,859	Sep-14	35	22	2	--	59	19.7	6.6
Sierra Commons	Meritage Homes	\$462,950	2,753	Apr-14	3	1	6	7	17	4.3	1.4
Sierra Crossings	Meritage Homes	\$446,950	2,366	Sep-14	4	10	2	--	N/A	5.3	1.8
Sierra Glen	Meritage Homes	\$414,350	2,231	Jun-14	0	0	0	0	0	0.0	0.0
Somerville	Lennar Homes	\$430,657	2,647	May-14	4	4	8	2	18	4.5	1.5
Stone Mill II	K Hovnanian Homes	\$466,490	3,460	Jan-12	-1	13	13	0	25	6.3	2.1
Taylor Crossing	Lennar Homes	\$307,240	1,422	Apr-13	16	-2	7	11	32	8.0	2.7
The Reserve	JMC Homes	\$559,990	3,316	Jun-14	8	2	4	1	15	3.8	1.3
The Retreat	JMC Homes	\$458,323	2,213	Oct-14	4	4	--	--	N/A	4.0	1.3
The Village	JMC Homes	\$385,657	1,871	May-12	15	7	12	4	38	9.5	3.2
The Woods	JMC Homes	\$582,490	3,467	Sep-11	2	--	--	--	N/A	2.0	0.7
Total					167	108	104	76			
No. of Projects					19	18	17	14			
Quarterly Sales per Project					8.8	6.0	6.1	5.4			
Monthly Sales per Project					2.9	2.0	2.0	1.8			
Average Monthly Sales per Project											2.2

Source: The Gregory Group

As shown in the preceding table, over the last four quarters the monthly absorption rate per project has ranged from 1.8 to 2.9 sales, with an average rate of 2.2 sales per project per month. The trend has been upward, with a strong increase seen in the most recent quarter.

Resale Pricing

We have analyzed recent trends in the resale market in addition to the preceding analysis of the new home market. Based on data from the local MLS, the following table shows resale prices for detached homes located in the Westpark area of Roseville, built in 2005 or later, from January 2015 to present.

RESALES - 2015

Address	Sale Date	Living Area (SF)	Sale Price	Last List Price	Sale Price/SF	Sale % of List	Days on Market	Lot Size
3152 Parkham Drive	2/26/15	1,829	\$336,000	\$339,000	\$184	99.1%	5	5,118
3224 Parkham Drive	5/4/15	1,829	\$350,000	\$339,000	\$191	103.2%	6	3,903
3145 Parkham Drive	4/7/15	2,180	\$355,000	\$359,000	\$163	98.9%	20	4,382
3193 Parkham Drive	4/3/15	2,155	\$355,000	\$369,900	\$165	96.0%	12	4,256
416 Leighton Court	1/20/15	2,025	\$360,000	\$365,000	\$178	98.6%	148	5,279
3330 Rainhill Loop	5/6/15	1,749	\$361,000	\$355,000	\$206	101.7%	32	7,044
3033 Morley Lane	4/20/15	1,952	\$383,000	\$389,900	\$196	98.2%	27	6,059
3017 Overton Way	2/13/15	2,068	\$384,500	\$384,500	\$186	100.0%	6	6,299
2265 Lockton Drive	3/19/15	1,995	\$386,000	\$386,000	\$193	100.0%	3	6,360
2201 Stansfield Drive	5/29/15	2,593	\$395,000	\$394,900	\$152	100.0%	91	5,915
2336 Lockton Drive	3/4/15	2,091	\$401,000	\$395,000	\$192	101.5%	9	6,591
2389 Staxton Circle	4/27/15	2,180	\$412,000	\$420,000	\$189	98.1%	12	6,386
1200 Kirkhill Drive	3/6/15	2,316	\$415,000	\$415,000	\$179	100.0%	12	6,599
3008 Hornby Lane	1/16/15	2,785	\$430,000	\$449,000	\$154	95.8%	30	8,803
1164 Horton Lane	4/7/15	2,415	\$430,000	\$440,000	\$178	97.7%	11	7,148
2649 Bickleigh Loop	5/8/15	2,806	\$443,900	\$443,900	\$158	100.0%	260	8,246
2001 Stansfield Drive	4/20/15	2,609	\$444,000	\$448,970	\$170	98.9%	13	6,277
2057 Stansfield Drive	5/22/15	3,603	\$459,000	\$459,000	\$127	100.0%	82	6,695
1181 Horton Lane	1/20/15	3,165	\$480,000	\$487,500	\$152	98.5%	160	8,560
2306 Dunsley Circle	5/29/15	2,816	\$480,000	\$474,900	\$170	101.1%	4	6,517
2734 Woodgate Way	2/9/15	4,042	\$619,500	\$630,000	\$153	98.3%	67	8,668
2816 Bickleigh Loop	5/21/15	4,367	\$675,000	\$675,000	\$155	100.0%	5	10,716
Total Sales	22	2,526	\$425,223	\$428,203	\$172	99.3%	46	6,434
		(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)

Source: MetroList MLS

The table on the next page shows historical information for re-sales of homes in Westpark since 2010 (built in 2005 and newer).

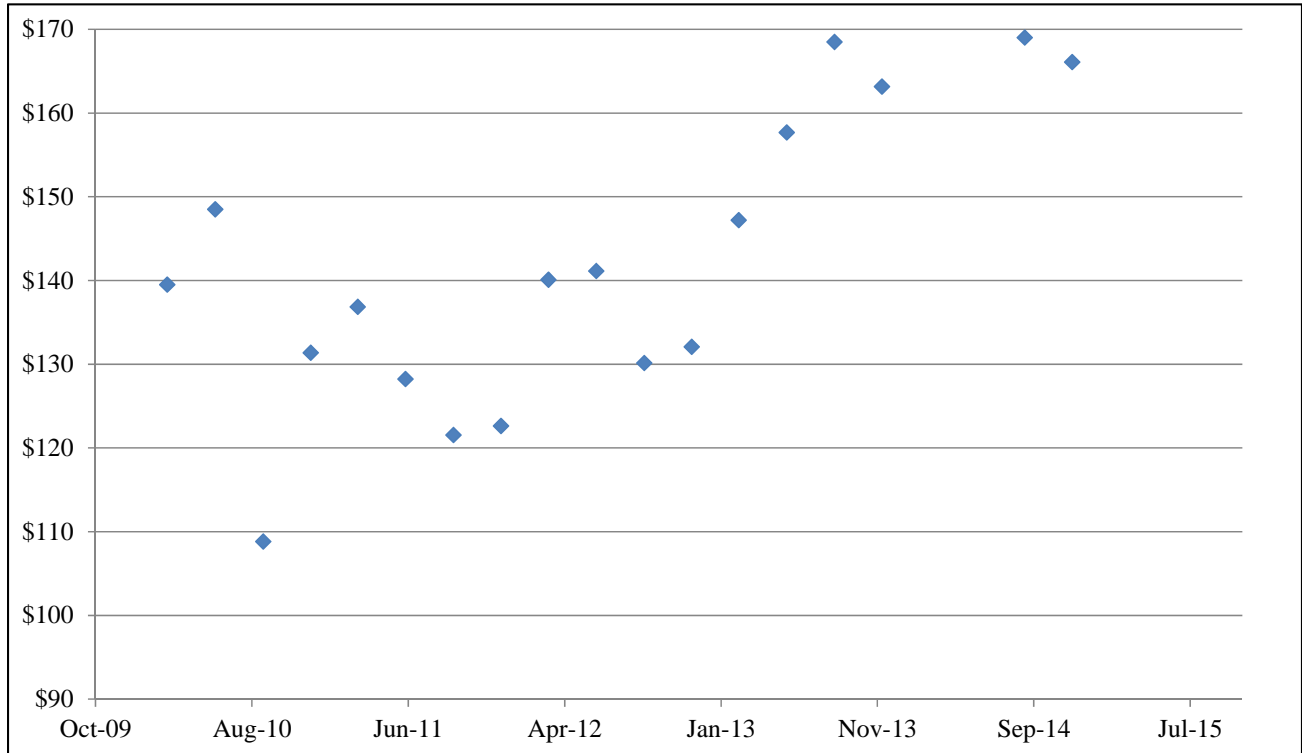
RESALE HISTORY

Quarter Ending	Total Sales	Avg. Home Size (SF)	Avg. Price	Avg. Price/ Avg. SF	Avg. Days on Market
Mar-10	6	2,332	\$325,250	\$139	141
Jun-10	1	1,919	\$284,900	\$148	65
Sep-10	1	4,367	\$475,000	\$109	21
Dec-10	1	3,388	\$445,000	\$131	53
Mar-11	2	2,505	\$342,750	\$137	3
Jun-11	5	2,498	\$320,190	\$128	45
Sep-11	3	2,761	\$335,500	\$122	81
Dec-11	6	2,548	\$312,333	\$123	116
Mar-12	4	1,917	\$268,450	\$140	68
Jun-12	9	2,646	\$373,319	\$141	160
Sep-12	8	2,799	\$364,109	\$130	91
Dec-12	12	2,572	\$339,613	\$132	76
Mar-13	10	2,681	\$394,570	\$147	65
Jun-13	18	2,411	\$380,069	\$158	40
Sep-13	17	2,297	\$386,941	\$168	19
Dec-13	14	2,324	\$379,107	\$163	25
Mar-14	9	2,224	\$381,042	\$171	26
Jun-14	20	2,105	\$386,845	\$184	33
Sep-14	22	2,421	\$409,068	\$169	49
Dec-14	12	2,614	\$434,075	\$166	44
Mar-15	9	2,480	\$423,556	\$171	49

Source: MetroList MLS

Over the past five years (since First Quarter 2010), MLS data show average resale prices have fluctuated between \$109 and \$184 per square foot. The average price per square foot reached (consistent) lows in 2012 and then trended upward over the past few years, with a few quarterly dips. The graph on the next page plots average price per square foot over time, and reflects the information in the table above. As shown, the general trend has been upward, indicating an improving re-sale market.

RESALES - AVERAGE PRICE / AVERAGE SF



Source: MetroList MLS

Market Participant Interviews

We frequently interview market participants about supply and demand conditions for land in the Sacramento region. Within the last few months we have interviewed multiple land brokers and builder land acquisition agents. The consensus is near-term land (predominantly improved and unimproved residential lots) pricing increased significantly from 2012, but since 2013 land prices for near-term development properties have pulled back. One participant referenced a project in the Sacramento region where one builder submitted an offer at \$85,000 per finished lot in mid-2013, but later, due to market changes, reduced its offer to \$65,000 per finished lot. This price is still higher than the price paid in 2012 for a similar property (\$45,000 per finished lot). The pullback in land prices is the result of a combination of factors, including slowing home sales, the doubling of mortgage insurance, seasonality, as well as the fact that builders have increased pricing. However, it should also be noted that in recent months land brokers have reported that a “re-set” in the market has occurred, whereby land prices have stabilized and a more “normal” rate of growth and appreciation is expected in the near and intermediate terms.

Conclusion

We have summarized some of the key points from this section as follows:

- Throughout the regional area, new and resale prices have trended upward over the past 3-4 years, with increases tempering as of late.
- In the Westpark resale market, the average price per square foot reached lows in 2012 and then showed strong increases over the past three years, except for a few quarterly dips.
- For new homes in the Roseville-Rocklin-Lincoln area, average prices have been increasing for about three years since early 2012. However, the average price per square foot has been relatively flat for about two years.
- Absorption rates in the Roseville-Rocklin-Lincoln area increased significantly in the year 2012 and have been fairly steady for the past couple of years.
- Among the active projects in west Roseville, the average absorption rate was 2.2 sales per project per month over the past year, and 2.9 in the most recent quarter, which is indicative of a stable market with good demand.
- Builders are acquiring unimproved lots at desirable locations for near-term site development and construction due to a limited supply of finished lots.
- Lot acquisitions by builders have increased moderated recently.

The inventory of available finished lots in the region at the most desirable locations is decreasing. In 2013 builders were looking for unimproved lots for near-term site development and home construction, and competition for lots was fierce while builders were speculating on home price increases in their land purchases in order to secure lot inventory. In 2014, land brokers reported a drastic slowdown in land transactions, as merchant builders reduced land acquisitions for fears of a residential market pullback. There has generally been a “re-set” in the market since, and transactions are once again occurring in the land market. Given market activity in recent months, home and lot prices are anticipated to be steady to increasing into the foreseeable future.

HIGHEST AND BEST USE

The term “highest and best use,” as used in this report, is defined as follows:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.⁵

Two analyses are typically required for highest and best use. The first analysis is highest and best use of the land as though vacant, and the second analysis is the highest and best use as improved (which is not applicable). Definitions of these terms are provided in the *Glossary of Terms* in the Appendix to this report.

Highest and Best Use as Vacant

In accordance with the definition of highest and best use, it is appropriate to analyze the subject property as though vacant as it relates to legal permissibility, physical possibility, financial feasibility and maximum productivity.

Legal Permissibility

The legal factors influencing the highest and best use of the subject property are primarily government regulations, such as zoning and building codes. The subject property is zoned and approved for single-family development (1,838 lots) and multifamily development (420 units), as well as 13.80 acres of land, divided between two parcels, that is slated for commercial use. Overall, the legally permissible uses are to develop the subject property in accordance with the existing entitlements and land use designations, which have undergone extensive planning and review. A rezone to any other land use is highly unlikely. Additionally, the above land uses are consistent with the City of Roseville General Plan and the West Roseville Specific Plan.

Physical Possibility

The physical characteristics of a site that affect its possible use(s) include, but are not limited to, location, street frontage, visibility, access, size, shape, topography, availability of utilities, offsite improvements, easements and soil and subsoil conditions. The legally permissible test has resulted in uses consistent with the existing entitlements (i.e., single- and multifamily development, as well as

⁵ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 93.

commercial uses); at this point the physical characteristics are examined to see if they are suited for the legally permissible use.

The physical characteristics of the subject property support development. The subject property has paved access, and public utilities are in proximity to the subject property. Upon completion of remaining site improvements, interior streets and utilities will be extended to each of the subject's lots. The subject is not located in an adverse earthquake or flood zone. Surrounding land uses are compatible and/or similar to the legally permissible uses. Development on adjacent properties provides support that soils are adequate for development.

It is noted, given the locational characteristics, the subject's commercial land is best suited for neighborhood retail designed to meet the needs of the residents in the immediate one-mile radius. In our opinion the commercial sites should be developed with retail shop space containing users such as a restaurant and/or café, convenience store, dry cleaner, salon, drug store and the like.

Financial Feasibility

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, in recent months merchant builders have acquired unimproved lots in South Placer County for near term construction, and there are multiple active projects in the area that demonstrate demand for new homes. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which indicates completion of site development is financially feasible. Strong land speculation by merchant builders has led to land prices that have outpaced current home prices, which reflects that builders, when making land purchase decisions, are speculating that home prices will continue to increase.

Regarding multifamily development, in general, while all real estate sectors experienced contraction between 2008 and 2011, the apartment market has since improved significantly and is currently regarded as one of the best performing property investment sectors. Vacancy in the subject's neighborhood is low, and rental rates have been increasing, indicating that there is good demand for multifamily residential housing. If the subject apartment sites were able to be developed with market-rate housing, it is our opinion multifamily development would be financially feasible and maximally productive. However, both of the multifamily sites have affordable housing deed restrictions. Specifically, parcel W-16A (APN 496-010-001) is required to have 23 very low income units and 138 low income units out of the total of the 250 units for which this site is approved. Further, parcel W-27 (APN 496-020-014) is restricted to 89 very low income units and 61 low income units out of a total of 170 units. Given apartment construction costs, combined with the restrictions on the rent that can be charged, it is our opinion development of the subject apartment sites with these affordable requirements is not financially feasible without the input of grant money, low to no interest rate loans and the like. Further, it is not uncommon in the subject's market area

for affordable multifamily developers to require a financial incentive from the land owners to take title to the property in order to proceed with development. This would indicate a market value below \$0. Therefore, the highest and best use of the multifamily properties is to hold for future affordable multi-family development. There is the potential for developers in the future to secure financial incentives from municipalities, non-profit organizations and/or Federal and State which could provide for construction feasibility.

Regarding development of the commercial sites, it is our opinion that construction on the commercial land is not financially feasible at this time. Commercial prices and rents are still negatively impacted by a number of factors (including bank-owned inventory, local unemployment and broader economic challenges). The general consensus is that many improved properties are transferring below replacement cost, indicating infeasibility of new construction. Thus, many developers that hold title to unimproved properties are holding for development until the market further stabilizes. There is limited to no demand to substantiate new commercial construction, especially given the lack of existing demand in the subject's immediate area. As construction of the subject's single-family homes are being completed and residents start moving in, the feasibility of the commercial site will eventually improve for new construction as the consumer demand in the immediate area grows. Overall, the timing of future commercial development depends on the build-out of the single-family residential component of Westpark and other nearby master-planned communities.

Maximum Productivity

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the subject property as vacant. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, the maximally productive use of the subject property, and its highest and best use as vacant, is for near term single-family residential development. The highest and best use as vacant for the multifamily and commercial land components are for an interim hold until demand warrants construction. The probable buyer of the subject, in bulk, is a land developer or production homebuilder intending to build a combination of entry-level and move-up homes (including the multifamily and commercial sites).

APPROACHES TO VALUE

The valuation process is a systematic procedure used in the valuation of real property.⁶ This process involves the investigation, organization and analysis of pertinent market data and other related factors that affect the market value of real estate. The market data is analyzed in terms of any one or all of the three traditional approaches to estimating real estate value. These are the cost, sales comparison and income capitalization approaches. An additional approach—discounted cash flow analysis—is also applicable. Each approach to value is briefly discussed and defined as follows:

Cost Approach

The cost approach is based on the premise that no prudent buyer would pay more for a particular property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility. Thus, this approach to value relates directly to the economic principle of substitution, as well as supply and demand. The cost approach is most applicable when valuing properties where the improvements are new or suffer only a minor amount of accrued depreciation, and is especially persuasive when the site value is well supported. The cost approach is also highly relevant when valuing special-purpose or specialty properties and other properties that are not frequently exchanged in the market. The definition of the cost approach is offered as follows:

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.⁷

Sales Comparison Approach

The sales comparison approach is based on the premise that the value of a property is directly related to the prices being generated for comparable, competitive properties in the marketplace. Similar to the cost approach, the economic principles of substitution, as well as supply and demand are basic to the sales comparison approach. This approach has broad applicability and is particularly persuasive when there has been an adequate volume of recent, reliable transactions of similar properties that indicate value patterns or trends in the market. When sufficient data are available, this approach is the most direct and systematic approach to value estimation. Typically, the sales comparison approach is most pertinent when valuing land, single-family homes and small, owner-occupied commercial and office properties. The definition of the sales comparison approach is offered as follows:

⁶ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 205.

⁷ The Dictionary of Real Estate Appraisal, 47.

The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.⁸

Income Capitalization Approach

The income capitalization approach is based on the premise that income-producing real estate is typically purchased as an investment. From an investor's point of view, the potential earning power of a property is the critical element affecting value. The concepts of anticipation and change, as they relate to supply and demand issues and substitution, are fundamental to this valuation approach. These concepts are important because the value of income-producing real estate is created by the expectation of benefits (income) to be derived in the future, which is subject to changes in market conditions. Value may be defined as the present worth of the rights to these future benefits. The validity of the income capitalization approach hinges upon the accuracy of which the income expectancy of a property can be measured.

Within the income capitalization approach there are two basic techniques that can be utilized to estimate market value. These techniques of valuation are direct capitalization and yield capitalization.

Direct Capitalization: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.⁹

Yield Capitalization: A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.¹⁰

The definition of the income capitalization approach is offered as follows:

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment.

⁸ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 175.

⁹ The Dictionary of Real Estate Appraisal, 58.

¹⁰ The Dictionary of Real Estate Appraisal, 211.

Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.¹¹

Discounted Cash Flow (DCF) Analysis

A discounted cash flow analysis is a procedure in which a discount rate is applied to a projected revenue stream generated from the sale of individual components of a project. In this method of valuation, the appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

¹¹ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 99.

BENCHMARK LOT VALUATION

We have identified three benchmark lot categories for the purpose of estimating the value of the subject residential lots (1. Larger Lots - $\geq 4,500$ SF, 2. Smaller Lots - $< 4,500$ SF and 3. Affordable Lots - $< 4,500$ SF). The following table presents all of the subject lots, from smallest to largest typical lot size and our benchmark lot conclusions.

LOT SIZES			
Larger Parcel Designation	Land Use	No. of Lots	Typical Lot Size (SF)
<u>Smaller Lots (< 4,500 SF)</u>			
W-25A	HDR	44	2,600
W-25B	HDR	12	2,600
W-25B	HDR	2	2,750
W-26	HDR	99	3,200
W-26	HDR	66	3,200
W-15B	LDR	72	3,600
W-24	MDR	122	3,780
W-22	MDR	5	3,780
W-13D	LDR	88	4,275
<u>Larger Lots ($\geq 4,500$ SF)</u>			
W-2A	LDR	27	4,500
W-1A	LDR	18	4,500
W-1B	LDR	5	4,500
W-1A	LDR	1	4,500
W-2A	LDR	9	4,500
W-2B	LDR	8	4,500
W-19A	LDR	109	4,725
W-19B	LDR	85	4,725
W-13A	LDR	74	5,000
W-15A	LDR	83	5,500
W-18A	LDR	86	5,775
W-17A	LDR	66	5,775
W-13B	LDR	60	6,000
W-17B	LDR	56	6,300
W-15C	LDR	69	6,300
W-18C	LDR	102	6,300
W-17C	LDR	69	6,300
W-18B	LDR	57	6,300
W-13C	LDR	87	6,825
W-18D	LDR	92	6,825
W-18F	LDR	19	6,825
W-17D	LDR	53	6,825
W-18E	LDR	28	7,700
W-18E	LDR	24	7,700
W-17E	LDR	41	7,700

= specific benchmark lots

Larger Lots ($\geq 4,500$ SF)

In this section of the report, we will utilize the sales comparison approach and the extraction technique to estimate the market value of the Larger Lots - $\geq 4,500$ square foot lot category. The estimate of value assumes the lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer. We have selected the Larger Parcel W-13B (KB Home) for the benchmark lot for the larger lot category. Larger Parcel W-13B consists of 60 finished lots with a typical lot size of 6,000 square feet (LDR - low density residential land use designation).

It is noted, this analysis is conducted on a finished lot basis. Later in this report, we apply a lot size adjustment factor to account for differing lot sizes, and deduct remaining site development costs (where applicable), to determine unimproved values for each larger parcel.

Sales Comparison Approach (Large Lots - $\geq 4,500$ SF)

This approach is based on the economic principle of substitution. According to *The Appraisal of Real Estate, 14th Edition* (Chicago: Appraisal Institute, 2013), “The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

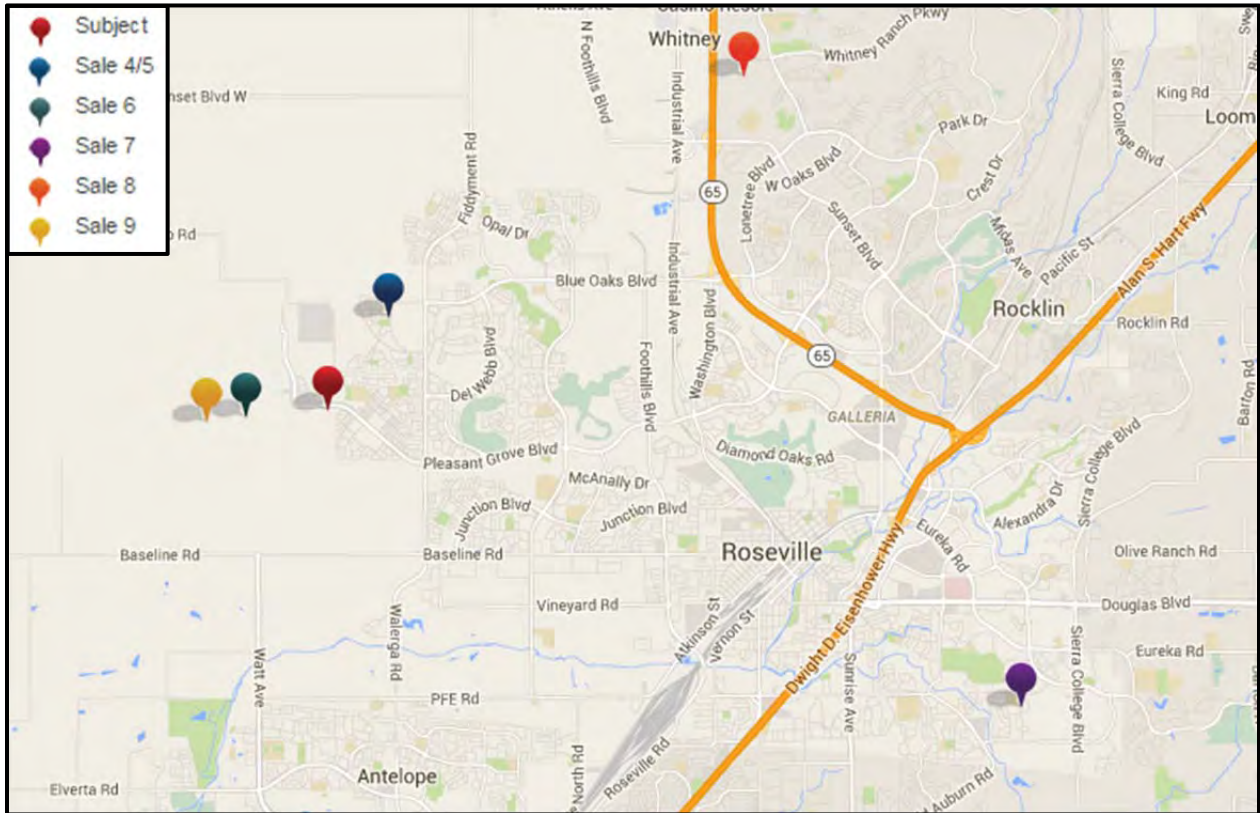
The proper application of this approach requires obtaining recent sales data for comparison with the subject property. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

On the following page, we have arrayed comparable sales that have occurred in South Placer County (Roseville, Rocklin). The summary table is accompanied by a map and followed by details of each comparable. The basis of analysis is price per lot. The comparable data includes finished and unimproved transactions (with adjustments for remaining site costs and profit applied to the unimproved transactions).

COMPARABLES SALES SUMMARY

No.	Location	Sale Date	Sale Price	Price Per Lot	No. of Lots	Typical Lot Size	Lot Condition
1	Confidential Confidential Competing Area	2nd Qtr. (pending)	Confidential	\$140,000	50 - 80	5,500	Finished
2	Confidential Confidential Competing Area	2nd Qtr. (pending)	Confidential	\$115,000 - \$120,000	90 - 120	4,500	Finished
3	Confidential Confidential Competing Area	2nd Qtr. (pending)	Confidential	\$163,000 - \$168,000	90 - 120	6,600	Finished
4	Fiddymment Ranch - Villages 9 and 19 (por.) Roseville Placer County	May-15	\$24,793,000	\$59,172	419	5,775	Unimproved
5	Fiddymment Ranch - Villages 9 and 19 (por.) Roseville Placer County	May-15	\$13,230,000	\$70,000	189	5,775	Unimproved
6	Westbrook - Village 5A and 5B Roseville Placer County	May-15	\$12,391,200	\$78,925	157	5,650 - 6,850	Unimproved
7	Old Auburn Ranch Roseville Placer County	Feb-15	\$1,751,000	\$54,719	32	6,809	Unimproved
8	Evergreen Lots Rocklin Placer County	Jan-15	\$11,880,000	\$54,000	220	3,150	Unimproved
9	Westbrook - Village 6, 7A, 7B, 24, 25 Roseville Placer County	Aug-14 (cancelled)	\$30,000,000	\$80,000	375	4,700 - 6,700	Unimproved

COMPARABLE SALES MAP



It is noted that due to the confidential nature of Comparables 1 through 3, they are not shown in the map above.

COMPARABLE 1

Property Identification

Project Name	Confidential
Location	Confidential
APN	Confidential
City	Confidential
County	Competing Area

Sale Data

Grantor	Confidential
Grantee	Pending (Confidential)
Contract Date	Confidential
Closing Date	Pending (Confidential)
Deed Book Page	Pending (Confidential)
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	Confidential
Annual Special Assessments per Lot	\$1,800 to \$1,900

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	50 – 80
Land Area (Acres)	Confidential
Density (Units per Acre)	Approximately 4.5
Development Status at Sale	Finished Lots
Typical Lot Size	5,500 SF

Indicators (per Lot)

Sale Price	\$140,000
Site Development Costs	\$0
Permits and Fees	\$42,398 (average)

Remarks

This comparable represents a confidential letter of intent by a single builder to purchase 50 to 80 finished single-family residential lots at \$140,000 per lot.

COMPARABLE 2

Property Identification

Project Name	Confidential
Location	Confidential
APN	Confidential
City	Confidential
County	Competing Area

Sale Data

Grantor	Confidential
Grantee	Pending (Confidential)
Contract Date	Confidential
Closing Date	Pending (Confidential)
Deed Book Page	Pending (Confidential)
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	Confidential
Annual Special Assessments per Lot	\$1,800 to \$1,900

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	90 to 120
Land Area (Acres)	Confidential
Density (Units per Acre)	Approximately 4.5
Development Status at Sale	Finished Lots
Typical Lot Size	4,500 SF

Indicators (per Lot)

Sale Price	\$115,000 – \$120,000 (see remarks)
Site Development Costs	\$0
Permits and Fees	\$42,398 (average)

Remarks

This comparable represents a confidential pending sale for 90 to 120 single-family residential lots. The lots will be delivered in finished condition in two take downs. The first take down is at a price of \$115,000 per lot, and the second take down will follow roughly 12 months later for \$120,000 per lot. Thus, the average price is about \$117,500 per lot, which is shown in our analysis grid.

COMPARABLE 3

Property Identification

Project Name	Confidential
Location	Confidential
APN	Confidential
City	Confidential
County	Competing Area

Sale Data

Grantor	Confidential
Grantee	Pending (Confidential)
Contract Date	Confidential
Closing Date	Pending (Confidential)
Deed Book Page	Pending (Confidential)
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	Confidential
Annual Special Assessments per Lot	\$1,800 to \$1,900

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	90 - 120
Land Area (Acres)	Confidential
Density (Units per Acre)	Approximately 3.0
Development Status at Sale	Finished Lots
Typical Lot Size	6,600 SF

Indicators (per Lot)

Sale Price	\$163,000 – \$168,000 (see remarks)
Site Development Costs	\$0
Permits and Fees	\$42,398 (average)

Remarks

This comparable represents a confidential pending sale of 90 to 120 single-family residential lots. The lots will be delivered in finished condition in two take downs. The first take down is at a price of \$163,000 per lot, and the second take down will follow roughly 12 months later for \$168,000 per lot. Thus, the average price is about \$165,500 per lot, which is shown in our analysis grid.

COMPARABLE 4

Property Identification

Project Name	Fiddymment Ranch – Villages 9 and 19 (por.)
Location	East side of Fiddymment Road, north of Blue Oaks Boulevard
APN	492-010-051 through -056
City	Roseville
County	Placer County

Sale Data

Grantor	ATC Realty One, LLC
Grantee	GBD Fiddymment Lands LP (doing business as Granite Bay Ventures)
Contract Date	Late August 2014
Closing Date	May 6, 2015
Deed Book Page	37171
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$24,793,000
Annual Special Assessments per Lot	\$1,600

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	419
Land Area (Acres)	77 (estimated)
Density (Units per Acre)	5.4 (estimated)
Development Status at Sale	Unimproved Lots
Typical Lot Size	5,775 SF

Indicators (per Lot)

Sale Price	\$59,172
Site Development Costs	\$40,000
Permits and Fees	\$58,000 (includes final map fees)

Remarks

This is a portion of Villages 9 and 19 within Fiddymment Ranch, a master planned community developed by Signature Properties. The development encompasses 1,678± acres of land and, at completion, will include 3,165 single-family residences, 1,005 multifamily units, 31 acres of retail development, an office site containing 8.7 acres of land area, two schools, a fire station and several parks and open space areas. After the contraction in the housing market, ownership of the developer's last remaining lots (2,473) transferred to Wells Fargo Bank via foreclosure. Wells Fargo Bank completed two bulk sales from this total in 2013. The seller in this transaction was a receiver for the bank. Reportedly the buyer made a non-refundable deposit of \$2.5 million in October 2014 on this purchase, and in order to be able to close on the purchase, the buyer concurrently sold 189 lots to a national builder (see Comparable 5). Negotiations began in July 2014, and the contract was executed in August 2014. The buyer passed through to the seller \$2,500,000 of the deposit as non-refundable in October 2014.

COMPARABLE 5

Property Identification

Project Name	Fiddymment Ranch – Villages 9 & 19 (portion)
Location	East side of Fiddymment Road, north of Blue Oaks Boulevard
APN	492-010-051 through 056 (ptn)
City	Roseville
County	Placer County

Sale Data

Grantor	GBD Fiddymment Lands LP (doing business as Granite Bay Ventures)
Grantee	Taylor Morrison of California, LLC
Contract Date	Early 2015
Closing Date	May 6, 2015
Deed Book Page	37185
Property Rights Conveyed	Fee Simple
Conditions of Sale	Seller motivation
Financing Terms	Cash Equivalent
Sale Price	\$13,230,000
Annual Special Assessments per Lot	\$1,600

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	189
Land Area (Acres)	77 (estimated)
Density (Units per Acre)	5.4 (estimated)
Development Status at Sale	Unimproved Lots
Typical Lot Size (SF)	5,775 SF, 5,250 SF and 6,300 SF

Indicators (per Lot)

Sale Price	\$70,000
Site Development Costs	\$40,000
Permits and Fees	\$58,000 (includes final map fees)

Remarks

This recent sale represents a portion of Villages 9 and 19 within the Fiddymment Ranch project. The seller acquired 419 lots in a concurrent transaction (see Comparable 4), and sold 189 lots to this buyer. Reportedly, the seller remains contractually obligated to deliver improved lots to the buyer at a not to exceed total cost of \$110,000 per lot. It is noted the seller may have been under some duress, as they were in danger of losing a \$2.5 million deposit on the purchase of Comparable 4. As such, an upward adjustment is applied for conditions of sale. We were not able to speak with parties directly involved in this transaction; the information was verified through our conversations with other local market participants who were aware of the transaction.

COMPARABLE 6

Property Identification

Project Name	Westbrook – Village 5A and 5B
Location	South side of Pleasant Grove Boulevard, east of Westbrook Boulevard (proposed extension)
APN	496-010-005, -006
City	Roseville
County	Placer County

Sale Data

Grantor	WP Development Company, LLC
Grantee	Woodside 05N, LP (doing business as Woodside Homes of Northern California)
Contract Date	August 2014
Closing Date	May 2015
Deed Book Page	36273
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$12,391,200
Annual Special Assessments per Lot	\$1,585 (anticipated)

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	157
Land Area (Acres)	30.5
Density (Units per Acre)	5.1
Development Status at Sale	Unimproved Lots
Typical Lot Size	5,650 to 6,850 SF (range of typical)

Indicators (per Lot)

Sale Price	\$78,925
Site Development Costs	\$38,000
Permits and Fees	\$57,646

Remarks

This comparable represents Villages 5A and 5B in the Westbrook master planned community in west Roseville. The seller has the right, but not the obligation, to assign some or all of various fee credits (associated with the construction of sections of Pleasant Grove Boulevard and Westbrook Boulevard) to the buyer after close of escrow, and the buyer agrees to accept the fee credits. However, the assigned credits shall not exceed the aggregate amount of the fees applicable to the property. The seller is to complete various improvements, including 1) mass grading improvements, 2) all backbone infrastructure improvements to support Villages 5A and 5B, 3) frontage improvements for these villages and 4) improvements associated with a well (identified as Village 61, APN 496-100-003).

COMPARABLE 7

Property Identification

Project Name	Old Auburn Ranch
Location	Old Auburn Road at South Cirby Way
APN	467-080-001-510; 467-090-002, -016
City	Roseville
County	Placer County

Sale Data

Grantor	City of Roseville
Grantee	TL Creekside, LP
Contract Date	August 2014
Closing Date	February 2015
Deed Book Page	13688
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,751,000
Annual Special Assessments per Lot	\$0

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	32
Land Area (Acres)	17.2
Density (Units per Acre)	1.9
Development Status at Sale	Unimproved Lots
Typical Lot Size (SF)	6,809

Indicators (per Lot)

Sale Price	\$54,719
Site Development Costs	\$35,707
Permits and Fees	\$45,920

Remarks

This comparable represents the sale of a 32-lot tentatively mapped subdivision in an older area of Roseville, considered an inferior location to that of the subject property. The property is zoned RS – small lot residential, while the General Plan designation is LDR-4.8 (low density residential, 4.8 units per acre). Lot sizes range from 4,500 to 14,708 square feet, with an average of 6,809 square feet. No Mello-Roos bonds are associated with the project. Anticipated lot development costs are \$35,180 per lot, which does not include wetland mitigation and tree mitigation costs. The tree mitigation cost is estimated at \$527 per lot; as such, the total site development costs are \$35,707 per lot. Wetland mitigation costs are unknown, but only 0.50 acres of wetland mitigation credits would need to be acquired from a mitigation bank.

COMPARABLE 8

Property Identification

Project Name	Evergreen lots
Location	South side of Whitney Ranch Parkway, between Wildcat Boulevard and Highway 65
APN	017-081-058, -059 (portion)
City	Rocklin
County	Placer County

Sale Data

Grantor	Evergreen of Rocklin Land Joint Venture
Grantee	Woodside
Contract Date	Late 2014
Closing Date	January 2015
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$11,880,000
Annual Special Assessments per Lot	\$0

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	220
Land Area (Acres)	15
Density (Units per Acre)	14.7
Development Status at Sale	Unimproved Lots
Typical Lot Size	3,150 SF

Indicators (per Lot)

Sale Price	\$54,000
Site Development Costs	\$50,000
Permits and Fees	\$64,000

Remarks

These lots are relatively small at 40x70 feet (2,800 SF) and 45x75 feet (3,375 SF). While development costs are expected to be higher than other local projects, due to rocky soil, Woodside expected to be into the finished lots at a basis of about \$95,000 to \$100,000 per lot. It is noted this transaction was verified with multiple sources with minor discrepancies between each source; the information reflected above is considered to be reliable.

COMPARABLE 9

Property Identification

Project Name	Westbrook – Village 6, 7A, 7B, 24 and 25
Location	South side of Pleasant Grove Boulevard, east of Westbrook Boulevard (proposed extension)
APN	496-100-007, -008, -009, -002, -001
City	Roseville
County	Placer County

Sale Data

Grantor	WestPark S V 400 LLC
Grantee	Taylor Morrison Homes
Contract Date	N/Av
Closing Date	August 2014 (canceled contract)
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Cancelled
Financing Terms	Cash Equivalent
Sale Price	\$30,000,000
Annual Special Assessments per Lot	LDR \$1,585 / MDR \$1,300 (anticipated); overall average of \$1,475

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	375
Land Area (Acres)	68.6
Density (Units per Acre)	5.5
Development Status at Sale	Unimproved Lots
Typical Lot Size	4,700 to 6,700 SF (range of typical)

Indicators (per Lot)

Sale Price	\$80,000 (see remarks)
Site Development Costs	\$36,000
Permits and Fees	\$56,400

Remarks

Like Comparable 6, this property is located in the Westbrook master planned community in west Roseville. This comparable represents a canceled sale contract for 375 unimproved lots. According to the property owner and broker, Taylor Morrison made the decision to cancel the contract because they had a sufficient inventory of lots for the near term. The developer reported the effective price was \$80,000 per paper lot, with the buyer accepting responsibility for the construction of all backbone infrastructure, as well as other improvements benefiting the seller. The seller would also retain the right to receive all bond proceeds as reimbursements for the public infrastructure to be completed by the buyer.

Adjustments and Conclusion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. For certain adjustments such as site development cost, permits and fees and Special Taxes, adjustments are made using actual or estimated (present value) dollar amounts. Other adjustments may be categories as either superior or inferior, with percentage adjustments applied accordingly. If a comparable has an attribute considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject. The adjustments are made in consideration of paired sales, the appraiser's experience and knowledge and interviews with market participants.

At a minimum, the appraiser considers the need to make adjustments for the following items:

- Expenditures after Sale (i.e. site development costs (if any), permits and fees, bond encumbrance and atypical carrying costs such as Homeowner's Association fees)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions (time)
- Location
- Physical features

A detailed analysis involving the adjustment factors is presented below.

Loaded Lot Analysis

Since each comparable has the same highest and best use as the subject property—near term single-family residential development—we apply adjustments for remaining site development costs (if any) and permits and fees on a dollar-for-dollar basis. That is, the comparables are analyzed on a loaded-lot-basis, where any remaining site development costs and permits and fees due at building permit are added to the lot price to yield a price that reflects the total consideration. After all other adjustments are applied (market conditions, physical characteristics, etc.), we deduct the subject's remaining permits and fees to determine the subject's finished lot value.

We consider the Special Taxes of the comparables and their remaining bond terms to estimate a remaining principal bond balance. While bond interest rates may vary somewhat, for approximation purposes, we utilize a 6% discount rate. The estimated bond encumbrances are added to the loaded lot prices on a dollar-for-dollar basis.

As HOA fees are associated with intrinsic benefits, such as community pools, services, etc., no adjustments for this item are applicable.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. As previously noted, the opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales were cash to the seller transactions and do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

Comparable 5 involved a level of seller motivation, as the seller would lose a significant deposit if they did not close the deal, which required funds from the simultaneous sale. As such, this comparable sale is adjusted upward. Conversely, Comparable 9 represents a cancelled contract

(buyer cancellation due to already having sufficient supply of lots in the area), and is adjusted downward for conditions of sale. The purchase price was considered to be above market. No other adjustments are warranted.

Market Conditions

Market conditions vary over time, but the date of this appraisal is for a specific point in time. In a dynamic economy – one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline – extra attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a city, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

All of the comparables transferred in August 2014 and later, during a period of stability in residential land prices, and no adjustments are warranted.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value include the following:

Location/Community Appeal

The subject property is located in West Roseville, which is considered an average to good location relative to other submarkets in South Placer County. Overall community appeal is also considered average to good. As observed by the number of transactions within the past 24 months, South Placer County is a highly desirable submarket for single-family residential lots. Comparable 8 is located in Rocklin, within an area of generally higher home prices and land values relative to West Roseville, and is adjusted downward. Comparables 1 through 3 are also adjusted downward for their superior location/community appeal, although due to confidentiality agreements, we are not able to disclose the locations of these properties. Conversely, Comparable 7 is located within the southeastern portion of Roseville, near the Sacramento County line, an inferior location relative to West Roseville; Comparable 7 is adjusted upward.

Number of Lots

The benchmark lot category analyzed in this section of the report contains 60 lots. Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater number of lots) achieve a lower price per lot. Generally variances in per lot prices, all else being equal, are not observed in transactions between 50 and 250 lots. The discernibly larger size of

the transfers represented by sales #4 and #9 warrant upward adjustments. No other adjustments are required.

Lot Size (Typical)

Adjustments for differences in lot size between the comparables and subject are estimated by applying lot size adjustment factors to difference in lot size. Those comparables with larger lot sizes relative to the subject's benchmark lot size of 6,000 square feet are adjusted upward, while those with smaller lot sizes are adjusted downward.

Topography/Utility

Differences in contour, drainage, soil conditions, as well as project design, can affect the utility and, therefore, the market value of the properties. The subject property and most of the comparables exhibit similar site utility. Comparable 7 is affected by some wetland areas and is adjusted upward for its inferior site utility. No other adjustments are applied.

Lot Premiums

The subject and comparables are anticipated to achieve a similar level of lot premiums (cul-de-sac, corner, inverted corner). None of the comparables benefit from view or significant open space premiums. Adjustments for this factor do not apply.

Zoning and Entitlements

The subject and comparables have either approved tentative subdivision maps or recorded final maps. Adjustments for this factor do not apply.

Other - Lot Condition

Builders are willing to pay more for finished lots than for the combined sum of unimproved lots and site development costs due to the time, risk, carrying cost and profit associated with completing site development. The subject and comparables represent finished, unimproved or partially improved (including blue-top condition) lots.

For this section of our analysis, we are working towards a conclusion of finished lot value. Some of the comparable sales are unimproved and require slight upward adjustments.

Deductions for Remaining Permits – Finished Lot Indicator

As stated, the comparables are analyzed on a loaded lot basis. After applying all adjustments, we deduct the subject's permits and fees due at building permit (\$60,000 per lot for non-age-restricted lots) to yield an estimated lot value reflective of finished lots. After concluding a finished lot value, later in this report we apply additional deductions for remaining development costs, where applicable.

Adjustment Grid

The grid on the following page reflects the adjustments discussed above.

LARGER LOTS (≥4,500 SF) ADJUSTMENT GRID

Site Characteristics	Subject	Comp. 1	Comp. 2	Comp. 3	Comp. 4	Comp. 5	Comp. 6	Comp. 7	Comp. 8	Comp. 9
Lot Price		\$140,000	\$117,500	\$165,500	\$59,172	\$70,000	\$78,925	\$54,719	\$54,000	\$80,000
Remaining Site Development Costs		\$0	\$0	\$0	\$40,000	\$40,000	\$38,000	\$35,707	\$50,000	\$36,000
Permits and Fees		\$42,398	\$42,398	\$42,398	\$58,000	\$58,000	\$57,646	\$45,920	\$64,000	\$56,400
Loaded Lot Price		\$182,398	\$159,898	\$207,898	\$157,172	\$168,000	\$174,571	\$136,346	\$168,000	\$172,400
Special Taxes		\$1,850	\$1,850	\$1,850	\$1,600	\$1,600	\$1,585	\$0	\$0	\$1,475
Years to Bond Expiration		20	20	20	21	21	30	0	0	30
Bond Encumbrance (Present Value at 6%)		\$21,219	\$21,219	\$21,219	\$18,823	\$18,823	\$21,817	\$0	\$0	\$20,303
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Homeowner's Association Carrying Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anticipated Home Building Period	0	0	0	0	0	0	0	0	0	0
Total HOA Carrying Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Elements of Comparison										
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment										
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Financing Terms	Cash Equiv.	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment										
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Sale Conditions	Market	Pending/Mkt	Pending/Mkt	Pending/Mkt	Market	Seller Mot.	Market	Market	Market	Cancelled
Adjustment						↑				↓
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Market Conditions	May-15 (Appraisal)	May-15	May-15	May-15	May-15	May-15	May-15	May-15	Feb-15	Jan-15
Adjustment										
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Physical Characteristics										
Location/Community Appeal	W. Roseville	Confidential	Confidential	Confidential	W. Roseville	W. Roseville	W. Roseville	SE Roseville	Rocklin	W. Roseville
Adjustment	Avg/Good	↓	↓	↓			↑	↓		
Number of Lots	60	50 - 80	90 - 120	90 - 120	419	189	157	32	220	375
Adjustment					↑					↑
Lot Size (Typical)	6,000	5,500	4,500	6,600	5,775	5,775	6,250	6,809	3,150	5,700
Adjustment		↑	↑	↓	↑	↑	↓	↓	↑	↑
Topography/Utility	Average	Similar	Similar	Similar	Similar	Similar	Similar	Inferior	Similar	Similar
Adjustment								↑		
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment										
Zoning/Entitlements	Approved	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment										
Other - Lot Condition	Finished	Finished	Finished	Finished	Unimproved	Unimproved	Unimproved	Unimproved	Unimproved	Unimproved
Adjustment					↑	↑	↑	↑	↑	↑
Net Adjustment:		↓	-	↓	↑	↑	-	↑↑	↑	↓
Adjusted Loaded Lot Value:		<\$203,617	=\$181,117	<\$229,117	>\$175,994	>\$186,823	=\$196,388	>>\$136,346	>\$168,000	<\$192,703
Concluded Loaded Lot Value		\$190,000								
Less: Permits and Fees		(\$60,000)								
Less: Remaining Site Development Costs		\$0								
Estimated Finished Lot Indicator		\$130,000								

Conclusion of Value (per lot) – Sales Comparison Approach (Larger Lots - \geq 4,500 SF)

The market data set consists of various sales that are considered reasonable indicators of market value for the fee simple interest in the larger benchmark lot category (\geq 4,500 SF) of the subject property. Prior to adjusting for differences between the comparables and the subject property, the data set reflects an unadjusted range of \$136,346 to \$229,117 per lot (after accounting for site development costs, permits and fees and special tax obligations).

Utilizing the elements of comparison described on the preceding pages, we have arrayed a qualitative ranking of the comparables in the table below, based on the loaded lot price.

	Loaded Lot	
Property	Price Per Lot	Overall Similarity
Comparable 7	\$136,346	Sig. Inferior
Comparable 8	\$168,000	Inferior
Comparable 4	\$175,994	Inferior
Comparable 5	\$186,823	Inferior
Comparable 2	\$181,117	Similar
SUBJECT	\$190,000	-
Comparable 6	\$196,388	Similar
Comparable 9	\$192,703	Superior
Comparable 1	\$203,617	Superior
Comparable 3	\$229,117	Superior

Based upon our analysis, a market value conclusion of \$190,000 per loaded lot is concluded for the benchmark lot category (Larger Parcel 13B, KB Home, 60 lots with typical lot size of 6,000 square feet). **As shown in the grid, after deducting \$60,000 for permits and fees, the finished lot indicator is \$130,000.** The next section of the report will be an extraction analysis.

Extraction Analysis (Larger Lots - \geq 4,500 SF)

As support for the estimate of finished lot value concluded in the sales comparison approach for the larger lot category, we utilize an extraction (residual) analysis that takes into account home prices, direct and indirect construction costs, accrued depreciation and developer's incentive in order to arrive at an estimate of finished lot value. The elements of the extraction technique are discussed below.

Revenue

The benchmark lot category was determined to be lots within the KB Home Larger Parcel 13B, with a typical lot size of 6,000 square feet. KB Home offers various floor plans within their two communities in Westpark, with an average home size of 3,200 square feet and an average base price of \$480,000, inclusive of bonds. The product line is generally considered average/typical for the WestPark community in general. We interviewed the on-site listing agents at these communities, who indicated that the most popular floor plans for buyers are The Oliver (2,606 SF) and The Orlando Plus (4,357 SF) at Legato at WestPark, and The Audrey (3,418 SF) and The Aiden (3,413 SF) at Aria at WestPark. Overall, it appears that the average home size of 3,200 square feet is generally within the range of preferred/most typical floor plan sold, and will be utilized in the extraction analysis.

With regard to the small lot category, we will utilize the lots within Larger Parcel W-26, which have a typical lot size of 3,200 square feet. Lennar Corporation is actively marketing home on these lots (Taylor Crossing). The four floor plans offered range in size from 1,210 to 1,658 square feet, with an average of 1,423 square feet. Based on our analysis, a 1,400 square foot house on a 3,200 square foot lot would achieve a price point of \$316,000, inclusive of bonds.

Expense Projections

General and Administrative

These expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees and copying or publication costs. This expense category typically ranges from 2.5% to 4.0%, depending on length of project and if all of the categories are included in a builder's budget. We have used 3.0% for general and administrative expenses.

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject's market area is 5.0%

to 6.5%. A figure of 6.0%, or 3.0% for marketing and 3.0% for sales, is estimated in the marketing and sales expense category.

Direct and Indirect Construction Costs

Construction costs are generally classified into direct and indirect costs. Direct costs reflect the cost of labor and materials to build the project. Direct costs generally are lower per square foot for larger floor plans, all else being equal, due to economies of scale. Indirect items are the carrying costs and fees incurred in developing the project and during the construction cycle.

Construction quality and market-segment are significant factors that affect direct construction costs. In addition, national/public builders, which are able to achieve lower costs due to the larger scale in which orders are placed, routinely achieve lower direct costs.

Various direct cost comparables from projects throughout the Sacramento region are profiled in the table below.

Project Location	Effective Date	Floor Plan (SF)	Direct Costs per SF
Rocklin	2014	2,265	\$66.29
		3,341	\$55.72
		4,000	\$54.13
Dixon	2013	1,951	\$56.00
		2,215	\$55.00
		2,296	\$55.00
		3,204	\$50.00
		3,506	\$50.00
Lincoln	2013	1,915	\$63.14
		2,075	\$61.08
		2,797	\$56.69
		2,866	\$54.20
		3,927	\$52.79
Roseville	2012	1,331	\$62.07
		1,526	\$57.01
		1,624	\$55.59
		1,996	\$50.23
Elk Grove	2012	1,948	\$53.41
		2,350	\$54.00
		2,050	\$53.68
		2,204	\$53.81
West Sacramento	2012	1,660	\$62.51
		2,013	\$60.24
		2,355	\$55.95
Fair Oaks	2012	1,067	\$67.50
		1,350	\$65.00

Based on the cost comparables, and considering the assumed average quality product line for the benchmark lots, a direct cost estimate of \$55 per square foot is applied to the 3,200 square foot home, and an estimate of \$75 per square foot is applied to the 1,400 square foot home, given the principle of economies of scale.

Regarding indirect costs, the following list itemizes some of the typical components that generally comprise indirect costs:

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies
- Appraisal, consulting, accounting and legal fees
- The cost of carrying the investment in land and contract payments during construction. If the property is financed, the points, fees or service charges and interest on construction loans are considered
- All-risk insurance
- The cost of carrying the investment in the property after construction is complete, but before sell-out is achieved
- Developer fee earned by the project coordinator
- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 12% is considered reasonable for the subject.

Permits and Fees

As noted, permits and fees due at building permit are projected to total \$60,000 per lot, on average, for a typical 3,200 square foot home on a 6,000 square foot lot, and \$52,000 per lot, on average, for a typical 1,400 square foot home on a 3,200 square foot lot.

Accrued Depreciation

For new construction on the subject, an allocation for depreciation (physical, functional, or economic) is not applicable.

Developer's Incentive

According to industry sources, developer's incentive (profit) historically has ranged anywhere from 5% to 25%. With a predominate range of 5% to 15%. Profit is based on the perceived risk associated with the development. Low profit expectations are typical for projects focused on more affordable product with faster sales rates. Higher profit expectations are common in projects with more risk such as developments where sales rates are slower, project size produces an extended holding period or the product type is considered weak or untested.

Elements affecting profit include location, supply/demand, anticipated risk, construction time frame and project type. Another element considered in profit expectations is for the development stage of a project. First phases typically generate a lower profit margin due to cautious or conservative pricing, as new subdivisions in competitive areas must become established to generate a fair market share. Additionally, up front development costs on first phases can produce lower profit margins.

Positive attributes of the subject property include:

- Approved entitlements and completed site development.
- Desirable location (South Placer County, West Roseville)
- Good transportation linkages
- Recent price increases and steady yearly absorption

There are generally few “negative” attributes associated with the subject property, other than the potential for deterioration in market conditions in the residential sector that would result from a change in macroeconomic factors (e.g., unemployment rates, interest rates, etc.).

A survey of profit expectations is presented below:

Data Source	Profit Expectations
Lance Goulette - Mission Peak Co. (2015)	10% net profit is the target for any residential development, which typically is geared towards move-up homebuyers with a Bay Area concentration
Josh Roden - Meritage (2013)	8% to 10% net profit, regardless of product type, market area or lot condition
Jeb Elmore - Lewis Operating Corp (2013)	8% to 10%, with better located projects with less uncertainty regarding pricing and absorption at the lower end of the range and higher risk projects nearer the high end of the range.
Dustin Barker - Lennar (2011)	10% to 15%
Greg Ackerman - Pulte (2010)	9% profit, 18+% gross margin (5% for marketing/sales, 4% for G&A)
Steve Schnable - JMC Homes (2008)	15% line item profit expectation with two to three home sales per month at current home prices
Tulare Windmill Ventures, LLC (2007)	15% typical profit factor for single-family subdivisions
Mike Grant - Premier Homes (2007)	12% static profit
John Bacigalupi - Beazer Homes (2007)	Static profit expectation was 20% during the period of expansion (2000-2005), but it is now 10% to 15% given the recent moderation/stabilization in the residential market
David Jacobsen - Ridgcrest Homes (2007)	10% for typical single-family projects, up to a maximum of 35%
Mike Winn - Reynen & Bardis (2005)	12% to 25% profit pre-tax; typical development timeline of 5 to 8 years
Doug Eikenbary - William Lyon Homes (2005)	8% to 10% target profit for both single-family subdivisions and master-planned communities; typical development timeline of 1 to 2 years

Based on the preceding discussion and developer surveys, we have concluded an estimate of 8.0% for developer’s incentive.

Conclusion

Our estimate of finished lot value for the larger lot category via the extraction analysis is presented on the following page.

EXTRACTION ANALYSIS – 3,200 SF HOME ON A 6,000 SF LOT

Revenue		
Average Floor Plan Size	3,200 SF	
Typical Home Price		\$480,000
Expense Projections		
G & A Cost @	3.0% of Retail Value	\$14,400
Marketing/Sales @	6.0% of Retail Value	\$28,800
Average Direct Costs @	\$55.00 /SF	\$176,000
Indirect Cost @	12.0% of Direct Cost	\$21,120
Permits and Fees Due at BP	\$60,000 Per Lot	\$60,000
Developer's Incentive	8% of home price	\$38,400
		<u>\$338,720</u>
	Residual Finished Lot Value:	\$141,280
	Rd.	\$140,000

Smaller Lots (< 4,500 SF)

Given the lack of comparable bulk lot sales with typical lot sizes under 4,500 square feet, a sales comparison approach is not performed in the valuation of the smaller benchmark lot category. We will solely rely upon the extraction technique. We have selected the Larger Parcel W-26 (Lennar Corporation) for the smaller lot category benchmark lot. Larger Parcel W-26 consists of 165 finished lots with a typical lot size of 3,200 square feet (HDR - high density residential land use designation). This analysis is presented below.

EXTRACTION ANALYSIS – 1,400 SF HOME ON A 3,200 SF LOT

Revenue		
Average Floor Plan Size	1,400 SF	
Typical Home Price		\$316,000
Expense Projections		
G & A Cost @	3.0% of Retail Value	\$9,480
Marketing/Sales @	6.0% of Retail Value	\$18,960
Average Direct Costs @	\$75.00 /SF	\$105,000
Indirect Cost @	12.0% of Direct Cost	\$12,600
Permits and Fees Due at BP	\$52,000 Per Lot	\$52,000
Developer's Incentive	8% of home price	\$25,280
		<u>\$223,320</u>
	Residual Finished Lot Value:	\$92,680
	Rd.	\$93,000

Affordable Lots (Smaller Lots - < 4,500 SF)

Two of the subject's detached residential larger parcels are encumbered with affordable housing requirements. Villages W-25 and W-26 have 4 and 5 lots, respectively, which must be set aside for affordable housing. Village W-26 offers a typical lot size of 3,200 square feet, which is similar to the patio home project by Lennar (Taylor Crossing) in Westpark, and which was previously used as the benchmark lot size for the smaller lot category. As part of our analysis of the impact of the affordable housing requirement for the subject, we considered the market rate price for homes currently offered at Taylor Crossing, which averages about \$316,000

Based on the affordable housing formulas provided by the City of Roseville, a market rate home sale of \$316,000 equates to an affordable price of approximately \$300,000. In order to quantify the impact of the affordable housing requirements for W-25 and W-26, the extraction method will once again be performed, which is shown below.

EXTRACTION ANALYSIS (affordable) – 1,400 SF HOME ON A 3,200 SF LOT

Revenue			
Average Floor Plan Size	1,400	SF	
Typical Home Price			\$300,000
Expense Projections			
G & A Cost @	3.0%	of Retail Value	\$9,000
Marketing/Sales @	6.0%	of Retail Value	\$18,000
Average Direct Costs @	\$75.00	/SF	\$105,000
Indirect Cost @	12.0%	of Direct Cost	\$12,600
Permits and Fees Due at BP	\$52,000	Per Lot	\$52,000
Developer's Incentive	8%	of home price	\$24,000
			<u>\$220,600</u>
		Residual Finished Lot Value:	\$79,400
		Rd.	\$80,000

Final Conclusion of Benchmark Finished Lot Values

For the larger lot benchmark ($\geq 4,500$ square feet), the sales comparison approach indicated \$130,000 per finished lot, while the extraction technique was within 8%, or \$140,000 per lot. In our opinion the extraction analysis is primarily a supportive indicator for the results of sales comparison approach. We will rely on the indication of the sales comparison approach and conclude **\$130,000 per lot** for the larger lot category.

With regard to the finished lot value for the smaller lot category, our sole method of valuation was the extraction method, which yielded a value conclusion of **\$93,000 per lot**.

For the affordable lot category, our sole method of valuation was the extraction method, which yielded a value conclusion of **\$80,000 per lot**.

It is noted the subject also includes 22 lots within an age-restricted component of Westpark. However, based upon our market observations and discussions with local market participants, the value of age-restricted homes is equal to or greater than the value of non-age-restricted homes. Consistent with the premise of this appraisal (a not-less-than valuation), the estimates of value of the age-restricted lots are considered equal to the values of the non-age-restricted parcels.

RESIDENTIAL LOT REVENUE BY OWNERSHIP

In this section of the report we will present the total residential lot revenue, by ownership group. As a starting point we will use the benchmark lot valuations previously presented. To value the residential lot holdings of each ownership group we will use the pertinent benchmark lot value and make adjustments for lot size, entitlements, in-tract costs and remaining backbone infrastructure costs accordingly. The results will be summed to arrive at the total residential lot revenue, by ownership group.

Benchmark Lot Values

We have set three benchmark lot values based on lot size and the affordability requirement for nine lots located in W-25 and W-26. The specific benchmark lot sizes are 6,000 square feet and 3,200 square feet and are used in the valuation of subject components with larger lots ($\geq 4,500$ square feet), smaller lots ($<4,500$ square feet) and the nine affordable lots ($<4,500$ square feet). As previously estimated, the benchmark lot value for the larger lots is \$130,000 per lot, while the smaller benchmark is \$93,000 per lot and the affordable benchmark is \$80,000 per lot.

Lot Size Adjustment

We have estimated a lot size adjustment factor of \$5.00 per square foot for lots greater than and smaller than the benchmark lots.

Entitlement Adjustment

As previously discussed, the owner of the larger parcel W-24 (Lennar) recently submitted a map for tentative approval. To recognize this parcel's lack of approved entitlements, we have applied a downward adjustment to these lots of \$20,000. This cost includes fees due at recordation of final map, as well as other entitlement costs.

In-tract/On-site Cost Adjustment

In the *Site Description* section we concluded in-tract costs of \$36,000 per lot for the subject's larger lots ($\geq 4,500$ square feet) and \$35,000 per lot for the subject's smaller lots ($< 4,500$ square feet). \$35,000 will also be used as the cost estimate to complete the in-tract improvements for the HDR "for sale" projects.

Remaining Backbone Infrastructure

It was noted in the *Site Description* section that there is approximately \$6,000,000 remaining in backbone infrastructure costs. This remaining work is to be completed within the next six months with the cost shared by two of the subject property owners (Pulte Homes and Lennar Corporation). The reported cost sharing structure indicates Pulte is responsible for 68% of the costs and Lennar is responsible for 32%. The \$6,000,000 in remaining costs will be divided as noted above and applied to the lots held by each of these ownership entities (Pulte - 421 lots @ \$9,691 per lot and Lennar – 612 lots @ \$3,137 per lot). These per lot downward adjustments are only applied to the lots owned by Pulte and Lennar.

Residential Lot Revenue by Ownership

Based on the preceding analysis and discussions, the total residential lot revenue by ownership is presented as follows:

KB HOME									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-13D	4,275	\$93,000	\$5,375	\$0	(\$35,000)	\$0	\$63,375	88	\$ 5,577,000
W-13A	5,000	\$130,000	(\$5,000)	\$0	\$0	\$0	\$125,000	74	\$ 9,250,000
W-13C	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	87	\$ 8,536,875
W-13B	6,000	\$130,000	\$0	\$0	\$0	\$0	\$130,000	60	\$ 7,800,000
Total:								309	\$ 31,163,875

MERITAGE HOMES CORPORATION									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-18D	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	92	\$ 9,027,500
W-17B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	56	\$ 5,348,000
W-15B	3,600	\$93,000	\$2,000	\$0	\$0	\$0	\$95,000	72	\$ 6,840,000
W-15C	6,300	\$130,000	\$1,500	\$0	\$0	\$0	\$131,500	69	\$ 9,073,500
W-15A	5,500	\$130,000	(\$2,500)	\$0	\$0	\$0	\$127,500	83	\$ 10,582,500
W-18C	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	102	\$ 9,741,000
Total:								474	\$ 50,612,500

LENNAR CORPORATION

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-24	3,780	\$93,000	\$2,900	(\$20,000)	(\$35,000)	(\$3,137)	\$37,763	122	\$ 4,607,086
W-26(1)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	99	\$ 8,896,437
W-26(2)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	62	\$ 5,571,506
W-26(3)	3,200	\$80,000	\$0	\$0	\$0	(\$3,137)	\$76,863	4	\$ 307,452
W-25A	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	39	\$ 3,387,657
W-25A(1)	2,600	\$80,000	(\$3,000)	\$0	\$0	(\$3,137)	\$73,863	5	\$ 369,315
W-25B	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	12	\$ 1,042,356
W-18A	5,775	\$130,000	(\$1,125)	\$0	(\$36,000)	(\$3,137)	\$89,738	86	\$ 7,717,468
W-17A	5,775	\$130,000	(\$1,125)	\$0	\$0	(\$3,137)	\$125,738	66	\$ 8,298,708
W-18F	6,825	\$130,000	\$4,125	\$0	\$0	(\$3,137)	\$130,988	19	\$ 2,488,772
W-18E(1)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	28	\$ 2,782,164
W-18E(2)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	24	\$ 2,384,712
W-17E	7,700	\$130,000	\$8,500	\$0	\$0	(\$3,137)	\$135,363	41	\$ 5,549,883
W-22	3,780	\$93,000	\$2,900	\$0	\$0	(\$3,137)	\$92,763	5	\$ 463,815
Total:								612	\$ 53,867,331

PULTE HOMES, Inc.

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-19A	4,725	\$130,000	(\$6,375)	\$0	\$0	(\$9,691)	\$113,934	109	\$ 12,418,806
W-19B	4,725	\$130,000	(\$6,375)	\$0	(\$36,000)	(\$9,691)	\$77,934	85	\$ 6,624,390
W-17C	6,300	\$130,000	\$1,500	\$0	\$0	(\$9,691)	\$121,809	69	\$ 8,404,821
W-17D	6,825	\$130,000	\$4,125	\$0	\$0	(\$9,691)	\$124,434	53	\$ 6,595,002
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	25	\$ 2,820,225
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	18	\$ 2,030,562
W-1B	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	5	\$ 564,045
W-18B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	(\$9,691)	\$85,809	57	\$ 4,891,113
Total:								421	\$ 44,348,964

INDIVIDUAL OWNERS

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Permits and Fees Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	1	\$ 122,500
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	11	\$ 1,347,500
W-2B	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	8	\$ 980,000
W-25B	2,750	\$93,000	(\$2,250)	\$0	\$0	\$0	\$0	\$90,750	2	\$ 181,500
Total:								22	\$ 2,631,500	

COMMERCIAL LAND VALUATION

Sales Comparison Approach

In the sales comparison approach, the market value of the fee simple interest in the subject property will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

This approach is based on the economic principle of substitution. According to *The Appraisal of Real Estate, 14th Edition* (Chicago: Appraisal Institute, 2013), “The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

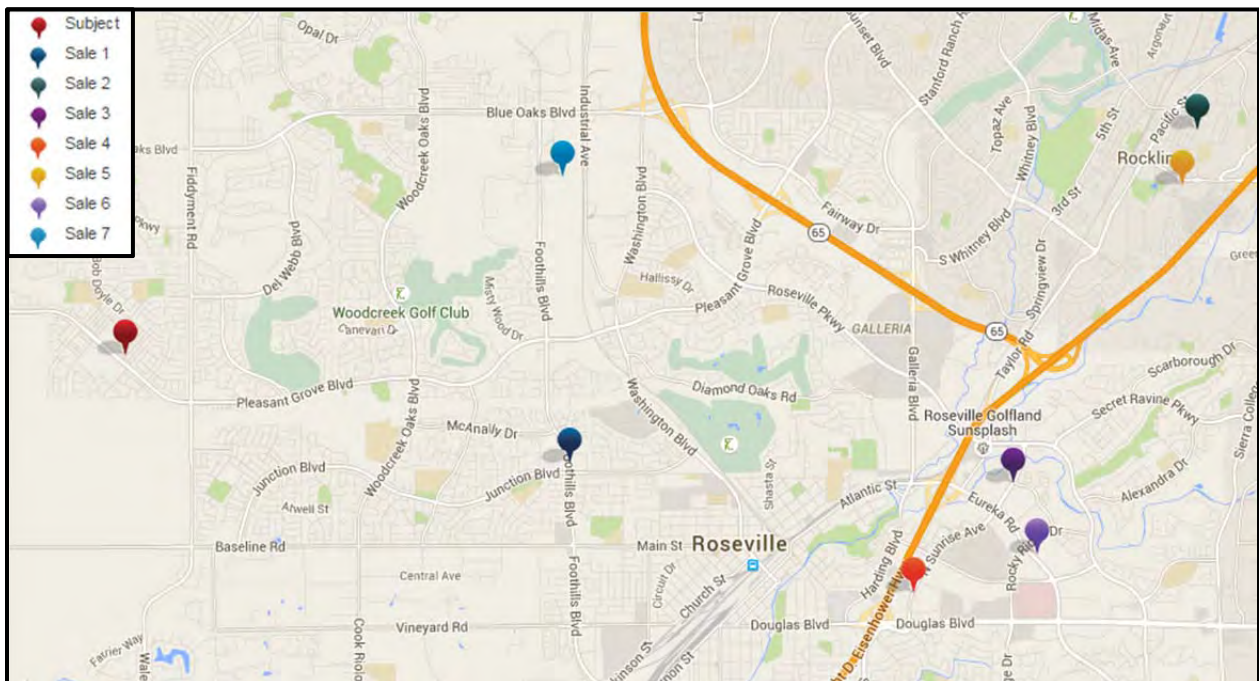
The proper application of this approach requires obtaining sale data for comparison with the subject. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

In the analysis of the subject property, we searched various sources for gathering of relevant data. In the sales comparison approach, we searched for data in our internal database, CoStar Property, Loopnet (for closed sales and active listings), and the Multiple Listing Service (MLS). We confirmed details of the transactions with parties directly involved (e.g. brokers, buyers/sellers) and/or public records.

On the following pages, we will present and analyze several comparable properties. We will begin by presenting a summary tabulation and location map, followed by detailed sales sheets, a discussion of necessary adjustments, and our conclusion of market value via this approach. These sales are the most recent transactions considered reasonably similar to the subject property.

LAND SALES SUMMARY

Sale No.	Location	Sale Date	Sale Price	Land Area (Acre/SF)	Sale Price/SF	PV of Bonds/SF	Zoning / Land Use
1	5010 Foothills Boulevard Roseville APN: 476-190-005	May-15	\$750,000	<u>1.20</u> 52,272	\$14.35	\$0.58	CC
2	W/S Wildcat Blvd., S/O Whitney Ranch Pkawy., Rocklin APN: 017-171-013	Nov-13	\$1,600,000	<u>7.40</u> 322,344	\$4.96	\$0.62	PD-C
3	580 N. Sunrise Avenue Roseville APN: 015-450-085	Nov-14	\$700,000	<u>1.30</u> 56,628	\$12.36	\$0.24	BP/SA-NE
4	150 N. Sunrise Avenue Roseville APN: 013-213-031	Apr-14	\$2,859,500	<u>5.90</u> 257,004	\$11.13	\$0.00	CC
5	NWQ Twelve Bridges Drive & E. Joiner Parkway, Lincoln APN: 329-010-029 & 030	Jul-13	\$1,200,000	<u>7.10</u> 309,276	\$3.88	\$0.69	C
6	1513-1521 Eureka Road Roseville APN: 048-010-067, -070	May-13	\$1,895,000	<u>5.69</u> 247,856	\$7.65	\$0.32	CC/SA/NE
7	8035 Foothills Boulevard Roseville APN: 017-230-068 (portion)	Listing	\$1,195,725 - \$1,862,190	<u>3.66 - 5.70</u> 159,430 - 248,292	\$7.50	\$0.00	NC

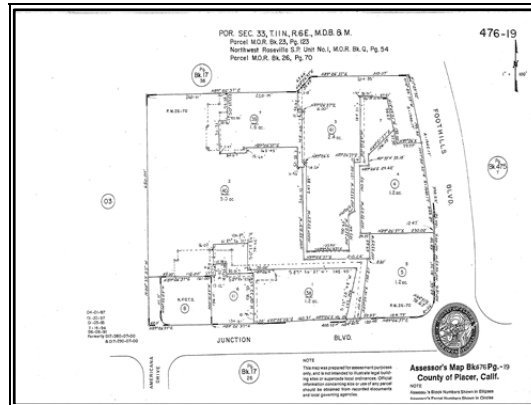


LAND SALE 1

Property Identification

5010 Foothills Boulevard
Roseville, CA 95747
Placer County

APN: 476-190-005



Sale Data

Grantor	Sahota Enterprises, Inc
Grantee	Roseville D LLC
Sale Date	05/21/2015
Deed Book Page	42225
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$750,000
PV of Bonds	\$30,144

Land Data

Land Area (SF)	52,272
Land Area (Acres)	1.20
Zoning	CC - Community Commercial
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Foothills Boulevard and Junction Boulevard
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$14.35
PV Bonds per SF	\$0.58

Remarks

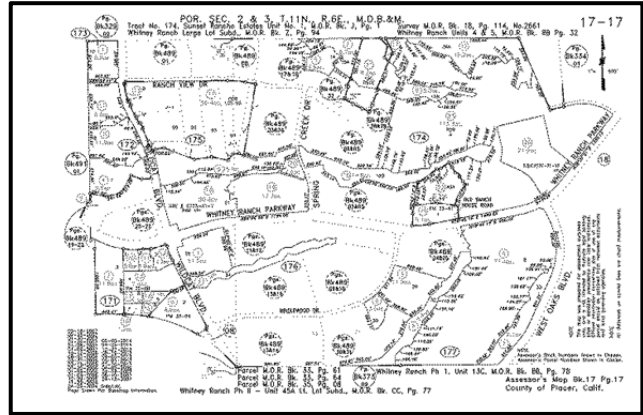
This property represents the sale of a 1.2 acre parcel located at the southwest corner of Foothills Boulevard and Junction Boulevard in Roseville. The property is located adjacent to a CVS and Savemart-anchored shopping center.

LAND SALE 2

Property Identification
Commercial Land

West side of Wildcat Boulevard, south of
Whitney Ranch Parkway
Rocklin, CA 95765
Placer County

APN: 017-171-013



Sale Data

Grantor	Shehadeh/Taylor LLC
Grantee	Wildcat Whitney Ranch 100 LLC
Sale Date	11/18/2013
Deed Book Page	107831
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,600,000
PV of Bonds	\$198,901

Land Data

Land Area (SF)	322,344
Land Area (Acres)	7.40
Zoning	PD-C, Planned Development, Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Wildcat Boulevard
Topography	Generally level
Offsite Improvements	In place
Onsite Improvements	None

Indicators

Sale Price per SF	\$4.96
PV of Bonds per SF	\$0.62

Remarks

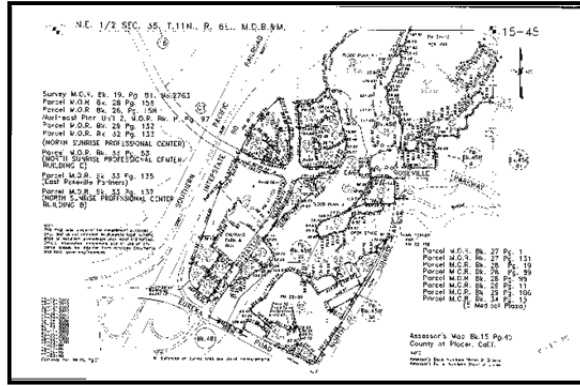
Although this site is zoned commercial, the buyer plans to map the site for single-family residential development.

LAND SALE 3

Property Identification

580 N. Sunrise Avenue
Roseville, CA 95661
Placer County

APN: 015-450-085



Sale Data

Grantor	N G Alexander Real Estate LLC
Grantee	Roseville Medical and Dental
Sale Date	11/26/2014
Deed Book Page	085812
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$700,000
PV of Bonds	\$13,591

Land Data

Land Area (SF)	56,628
Land Area (Acres)	1.30
Zoning	BP/SA-NE – Business Professional, Northeast Roseville Special Planning Area
Shape	Irregular
Corner Orientation	No
Street Frontage	N. Sunrise Avenue
Topography	Level to rolling
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$12.36
PV Bonds per SF	\$0.24

Remarks

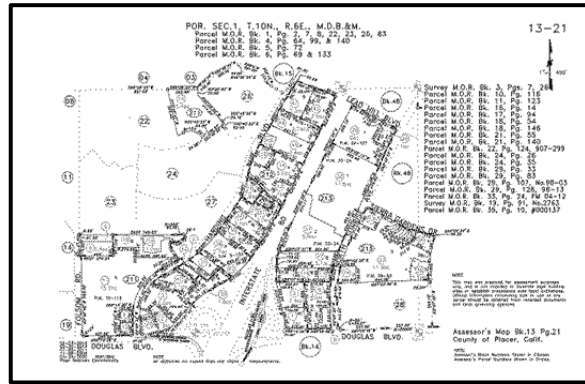
The seller for this property indicated that the buyer was an orthodontic group seeking to construct a new building for their practice. The property has some rolling/sloping areas that require additional site work beyond what a level site would require. The site is located near substantial office and retail development in East Roseville, as well as the Sutter Medical Center.

LAND SALE 4

Property Identification

150 N. Sunrise Boulevard
Roseville, CA 95661
Placer County

APN: 013-213-031



Sale Data

Grantor	I Think I Can, LP
Grantee	Pingree 2000 Real Estate Corporation
Sale Date	04/25/2014
Deed Book Page	026316
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$2,859,500
PV of Bonds	\$0

Land Data

Land Area (SF)	257,004
Land Area (Acres)	5.90
Zoning	CC - Community Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	N. Sunrise Avenue
Topography	Generally level
Offsite Improvements	All to site
Onsite Improvements	None

Indicators

Sale Price per SF	\$11.13
PV of Bonds per SF	\$0.00

Remarks

This comparable represents a vacant parcel located along N. Sunrise Boulevard, north of Douglas Boulevard. There were no brokers involved in the transaction and we were not able to confirm the details of this sale with a party directly related to this transaction. Sale information above was provided by CoStar and confirmed with public records. The property has visibility from Interstate 80.

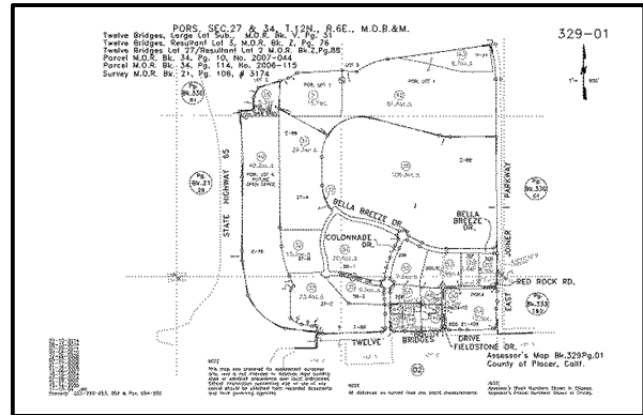
LAND SALE 5

Property Identification

Commercial Land

NWQ Twelve Bridges Drive & E. Joiner
Parkway
Lincoln, CA 95648
Placer County

APN: 329-010-029 & -030



Sale Data

Grantor	Terra Cotta Investors Group, LLC
Grantee	FCM Capital Partners, LLC
Sale Date	07/01/2013
Deed Book Page	065396
Property Rights	Fee Simple
Conditions of Sale	Short Sale/Market
Financing Terms	Cash Equivalent
Sale Price	\$1,200,000
PV of Bonds	\$213,400

Land Data

Land Area (SF)	309,276
Land Area (Acres)	7.10
Zoning	C, Commercial
Shape	Nearly rectangular
Corner Orientation	Yes
Street Frontage	E. Joiner Parkway and Bella Breeze Drive
Topography	Level to rolling
Offsite Improvements	Partial
Onsite Improvements	None

Indicators

Sale Price per SF	\$3.88
PV of Bonds per SF	\$0.69

Remarks

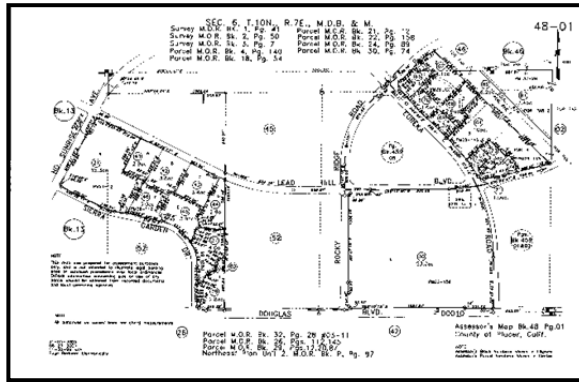
The listing broker for this property reported that 7.10 acres of commercial land sold for approximately \$1.2 million in July 2013; however, we were not able to find the sale in public records, potentially due to lot line adjustments since the date of the transaction. The broker's reported price is approximate. Although this was a short sale, the broker reported that the price was at market, which appears to be reasonable based upon our observation of other similar sales in the area. Nearly all off-site improvements were in place, with the exception of some paving work needed to be completed for an access road on the south side of the property. It is noted that CoStar Property reports a re-sale of this property in July 2014 at \$1,250,000, but the broker of the July 2013 sale believes that the July 2014 sale is non arms-length between two related parties (we were not able to reach parties involved in the July 2014 sale).

LAND SALE 6

Property Identification

1513-1521 Eureka Road
Roseville, CA 95661
Placer County

APN: 048-010-067, -070



Sale Data

Grantor	Pacific Mercantile Bancorp
Grantee	Pappas Gateway LP
Sale Date	05/11/2013
Deed Book Page	048398
Property Rights	Fee Simple
Conditions of Sale	REO at Market
Financing Terms	Cash Equivalent
Sale Price	\$1,895,000
PV of Bonds	\$79,314

Land Data

Land Area (SF)	247,856
Land Area (Acres)	5.69
Zoning	CC/SA/NE - Community Commercial, Northeast Roseville Special Planning Area
Shape	Irregular
Corner Orientation	No
Street Frontage	Eureka Road, Rocky Ridge Road
Topography	Level to rolling
Off-Site Improvements	All to site
On-Site Improvements	See comments (power lines)

Indicators

Sale Price per SF	\$7.65
PV Bonds per SF	\$0.32

Remarks

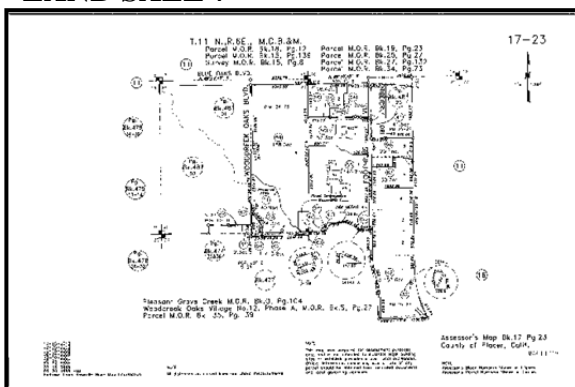
The northern parcel has power lines running over it, but this could be used for parking. The listing agent reported that there is significant lava rock that would need removal for development, at an estimated cost of \$1.00 per square foot of total land area. The buyer plans to hold for future office development. This is an REO sale that is at market pricing.

LAND SALE 7

Property Identification

8035 Foothills Boulevard
Roseville, CA 95747
Placer County

APN: 017-230-068 (portion)



Sale Data

Grantor	Clearview 8035 Foothills Boulevard LLC
Grantee	Listing
Sale Date	Listing
Deed Book Page	Listing
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,195,725 to \$1,862,190
PV of Bonds	\$0

Land Data

Land Area (SF)	159,430 to 248,292
Land Area (Acres)	3.66 to 5.70
Zoning	NC – Neighborhood Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Foothills Boulevard
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$7.50
PV Bonds per SF	\$0.00

Remarks

This represents an active listing for two portions of a larger parcel. A lot line adjustment would be required in order to create legally transferrable parcels. The other two portions of the larger that are available for sale are zoned light industrial.

Adjustment Discussion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. For certain adjustments such as site development cost, permits and fees and Special Taxes, adjustments are made using actual or estimated (present value) dollar amounts. Other adjustments may be categories as either superior or inferior, with percentage adjustments applied accordingly. If a comparable has an attribute considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject. The adjustments are made in consideration of paired sales, the appraiser's experience and knowledge and interviews with market participants.

At a minimum, the appraiser considers the need to make adjustments for the following items:

- Expenditures after Sale (i.e. site development costs (if any), permits and fees, bond encumbrance and atypical carrying costs such as Homeowner's Association fees)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions (time)
- Location
- Physical features

A detailed analysis involving the adjustment factors is presented below.

Present Value of Bonds

The subject property is encumbered by a Community Facilities District Bond (Westpark CFD #1, expiration in 2036-2037 tax year). Since we are appraising the subject property inclusive of bond debt, the present value of the future bond payments of the comparables is added to their respective sale prices, per square foot. The present value of the bond debt of the comparables was calculated using an interest rate of 6%, over the remaining term of the bond. The present value of bonds is added to the price paid for the comparables (per square foot) on a dollar-for-dollar basis.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants

and restrictions (CC&Rs). All of the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. All of the comparable sales represented cash to the seller transactions and, therefore, do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

Sale 5 was a short sale and Sale 6 was an REO sale, but both purchase prices were considered to be at market, and these sales are not adjusted. Sale 7 is an active listing and is adjusted downward to reflect typical buyer negotiations in the market.

Expenditures after Sale

This category includes all costs required after the transaction. The listing broker involved with Sale 6 indicated this site would require extensive lava rock removal, at a cost of about \$1.00 per square foot of total parcel area. This comparable sale is adjusted upward, and no other adjustments are warranted.

Market Conditions

Market conditions generally change over time, but the date of value is for a specific point in time. Therefore, in an unstable economy, one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline, extra attention needs to be paid to assess changing market conditions. Significant changes in price levels can occur in several areas of a municipality, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

In evaluating market conditions, changes between the comparable sales date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required. Market conditions have generally stabilized and improved for commercial land in the last 18-24 months. While development is still generally not financially feasible unless in certain build-to-suit deals, most brokers have reported at least a modest level of appreciation in land values over the past few years. Sales 2, 5 and 6 transferred in 2013 and are adjusted slightly upward for the improvement in market conditions since the date of these transactions. No other adjustments are warranted.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value are discussed as follows:

Location

The subject is located in the western portion of the city of Roseville, within an area almost exclusively developed with residential uses. Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values. Sales 1 through 4 and 6 are located within more high identity commercial corridors with better synergy of retail and/or office uses, and are adjusted downward for their superior locations. No other adjustments are warranted in this category.

Visibility/Accessibility

The visibility and accessibility of a property can have a direct impact on value. For example, a property with limited access is considered to be an inferior position compared to a property with open accessibility. Conversely, if a property has freeway visibility, or is situated in proximity to major linkages, this is considered to be a superior site amenity in comparison to a property with limited visibility and positioning.

The subject property has average visibility/accessibility for a vacant commercial site. Sales 1, 4 and 6 have visibility/accessibility along more well-traveled streets, and/or have better freeway access, and are adjusted downward in this category. It is noted that Sale 4 has visibility from Interstate 80, and is adjusted to the greatest degree.

Land Area

The market generally exhibits an inverse relationship between parcel area and price per square foot such that larger parcels sell for a lower price per square foot than smaller parcels, all else being equal. The subject parcels contain 6.8 and 7.0 acres of land area. Those comparable sales that are larger than the subject are adjusted upward, while those that are smaller are adjusted downward, to reflect the principle of economies of scale.

Off-Site Improvements

The subject property and most of the comparable sales have all off-site improvements in place for development. Sale 5 only had partial off-site improvements in place and thus an upward adjustment was warranted.

On-Site Improvements

All sales represent vacant sites, and no adjustments are warranted in this category.

Site Utility

The subject parcels are generally L-shaped, with relatively longer and narrower access points off of Pleasant Grove Boulevard, which widen into larger rectangular areas at the northern sides of the parcels. Most of the comparable sales have superior utility with regard to parcel shape/configuration and are adjusted downward. Sale 3 has some sloping areas that would require additional grading. As such, the site utility of Sales 3 is considered generally similar to that of the subject, given the off-setting factors. No other adjustments are applied.

Zoning/Highest and Best Use

The subject property is zoned Community Commercial (CC), which allows for a variety of retail and office development. The highest and best use of the site is consistent with the zoning (retail and/or office). All of the comparable sales are considered to have similar zoning designations/highest and best uses as the subject, and no adjustments are warranted.

Adjustment Grid

During our investigation, we identified several land sales located throughout the subject's market area that were analyzed to estimate the market value of the fee simple interest in the subject property. The adjustment grid on the following page details the unadjusted and adjusted value ranges presented by the comparable sales.

COMMERCIAL LAND ADJUSTMENT GRID

Elements of Comparison	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Price per SF (Unadjusted)		\$14.35	\$4.96	\$12.36	\$11.13	\$3.88	\$7.65	\$7.50
PV of Bonds per SF		\$0.58	\$0.62	\$0.24	\$0.00	\$0.69	\$0.32	\$0.00
<i>Adjustment</i>		<u>\$0.58</u>	<u>\$0.62</u>	<u>\$0.24</u>	<u>\$0.00</u>	<u>\$0.69</u>	<u>\$0.32</u>	<u>\$0.00</u>
Adjusted Value		\$14.93	\$5.58	\$12.60	\$11.13	\$4.57	\$7.97	\$7.50
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Adjustment</i>								
Financing Terms	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
<i>Adjustment</i>								
Conditions of Sale	Market	Market	Market	Market	Market	Sh. Sale/Mkt.	REO/Mkt.	Listing
<i>Adjustment</i>								↓
Expenditures After Sale	None	Similar	Similar	Similar	Similar	Similar	Yes	Similar
<i>Adjustment</i>							↑	
Market Conditions	May-15	May-15	Nov-13	Nov-14	Apr-14	Jul-13	May-13	May-15
			↑			↑	↑	
Physical Characteristics								
Location	West Roseville	Superior	Sl. Superior	Superior	Superior	Similar	Superior	Similar
<i>Adjustment</i>		↓	↓	↓	↓		↓	
Visibility / Accessibility	Average	Superior	Similar	Similar	Superior	Similar	Superior	Similar
<i>Adjustment</i>		↓			↓↓		↓	
Land Area (Acres)	6.8 - 7.0	1.20	7.40	1.30	5.90	7.10	5.69	3.66 - 5.70
<i>Adjustment</i>		↓↓		↓↓				
Off-Site Improvements	Available	Similar	Similar	Similar	Similar	Inferior	Similar	Similar
<i>Adjustment</i>						↑		
On-Site Improvements	None	Similar	Similar	Similar	Similar	Similar	Similar	Similar
<i>Adjustment</i>								
Site Utility	Average	Sl. Superior	Sl. Superior	Similar	Sl. Superior	Sl. Superior	Sl. Superior	Similar
<i>Adjustment</i>		↓	↓		↓	↓	↓	
Zoning/HBU	CC/ Commercial	CC	PD-C	BP/SA-NE	CC	C	CC/SA/NE	NC
<i>Adjustment</i>								
Net Adjustment:		↓↓	±	↓↓	↓↓	↑	↓	↓
Adjusted Price per SF		<< \$14.93	± \$5.58	<< \$12.60	<< \$11.13	> \$4.57	< \$7.97	< \$7.50
Concluded Value per SF	\$5.75							

Note: "↓" symbol connotes a "Superior" element of comparison to the subject property warranting a downward adjustment, "↑" symbol connotes an "Inferior" element of comparison warranting an upward adjustment.

Commercial Parcels Market Value Conclusion – Sales Comparison Approach

The adjustment grid on the preceding page illustrates the quantitative adjustments applied to the market data in order to equate with the subject. After accounting for bonds, the data set reflects an unadjusted range of \$5.58 to \$14.93 per square foot of land area.

As shown in the summary chart below, Comparables 2, 5 and 7 were adjusted the least and are considered to provide reasonable indications of market value for the fee simple interest in the subject's two commercial sites.

Indicator	Total Price per SF	Overall Comparison
Comparable 1	\$14.93	Sig. Superior
Comparable 3	\$12.60	Sig. Superior
Comparable 4	\$11.13	Sig. Superior
Comparable 6	\$7.97	Sl. Superior
Comparable 7	\$7.50	Sl. Superior
SUBJECT	\$5.75	
Comparable 2	\$5.58	Similar
Comparable 5	\$4.57	Inferior

It should be noted that most of the comparable sales have superior locations within areas of greater retail/office synergy, and/or have superior levels of visibility/accessibility. The subject sites are located within a predominantly residential area with few supporting commercial uses, and have generally average visibility/accessibility for commercial sites. Additionally, as noted, the subject's shape/configuration is inferior to most of the comparable sales.

Given the analysis and discussion above, a market value of \$5.75 per square foot of land area is concluded for both of the subject commercial parcels. Applying this unit indicator to the subject's parcels results in the following estimates of market value via the sales comparison approach:

APN	Land Area (Acres)	Land Area (Square Feet)		Conclusion (psf)		Value Conclusion	Rounded
017-150-074	6.8	296,208	x	\$5.75	=	\$1,703,196	\$1,700,000
017-150-076	7.0	304,920	x	\$5.75	=	\$1,753,290	\$1,750,000

MULTIFAMILY LAND VALUATION

The subject property includes two multifamily sites. Specifically, parcel W-16A (APN 496-010-001) is required to have 23 very low income units and 138 low income units out of the total of the 250 units for which this site is approved. Further, parcel W-27 (APN 496-020-014) is restricted to 89 very low income units and 61 low income units out of a total of 170 units. These two properties are held by West Roseville, LLC and Pulte Homes, Inc., respectively.

As noted in the *Highest and Best Use* section, the apartment market has improved significantly since the market downturn that began in 2008. Currently, the multifamily market is regarded as one of the best performing property investment sectors. Vacancy in the subject’s neighborhood is low, and rental rates have been increasing, indicating that there is good demand for multifamily residential housing. If the subject apartment sites were able to be developed with market-rate housing, it is our opinion multifamily development would be financially feasible and maximally productive. However, both of the multifamily have affordable housing deed restrictions. Given apartment construction costs, combined with the restrictions on the rent that can be charged, it is our opinion development of the subject apartment sites with affordable requirements is not financially feasible without the input of grant money, low to no interest rate loans and the like. Further, it has been reported that one affordable multifamily site in the subject’s market area required a financial incentive from the seller in order for the buyer to take title to the property. This would indicate a market value below \$0. Therefore, for the purpose of this analysis, we will assign no value contribution to the multifamily portion of the subject property.

MULTIFAMILY PARCELS						
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Lot Size (SF)	Market Value
W-16A	HDR (affordable - multi-family)	250	496-010-001	Unimproved	12.20± acres	\$0.00
W-27	HDR (affordable - multi-family)	170	496-020-014	Unimproved	7.92± acres	\$0.00

BULK MARKET VALUES BY OWNERSHIP

To this point in the analysis we have estimated the market value of the various components of the subject property, ranging from one to 12 components (per ownership group) and including single family residential lots (paper and improved), commercial land and multifamily land. In this section of the report we will estimate the bulk market value of the subject property by ownership. We will employ four discounted cash flow analyses to estimate the bulk market values of the four ownership groups with significant holdings. For the individually owned sites and the West Roseville, LLC multifamily site, no discounting is necessary given the size of the holdings. The six bulk market valuation analyses, by ownership, are presented as follows:

WEST ROSEVILLE, LLC

West Roseville, LLC represents the master developer. The only remaining property held by this ownership group is W-16A (APN 496-010-001). This parcel is a 250 unit, multifamily site, with a deed restriction dictating the property is to include 23 very low income units, 139 low income units and 88 market rate units. As previously noted, we will assign no value contribution to the subject property with respect to this parcel (**\$0.00**).

INDIVIDUAL OWNERS

A portion of the subject property is represented by 22 lots owned by 22 individual property owners; however, these parcels have no assessed vertical improvement value. Therefore, based on this stipulations for this appraisal assignment, they are included as part of the subject property. Given the low number of lots represented, the value contribution of these parcels is simply the summation of the market value of these parcels. The bulk market value of this portion of the subject is presented as follows:

INDIVIDUAL OWNERS											
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Permits and Fees Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue	
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	1	\$ 122,500	
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	11	\$ 1,347,500	
W-2B	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	8	\$ 980,000	
W-25B	2,750	\$93,000	(\$2,250)	\$0	\$0	\$0	\$0	\$90,750	2	\$ 181,500	
Total:									22	\$ 2,631,500	
										Rd. \$ 2,630,000	

KB HOME, MERITAGE HOMES, LENNAR CORPORATION & PULTE HOMES, Inc.

In light of the number of lots held by KB Home, Meritage Homes, Lennar Corporation and Pulte Homes, a discounted cash flow analysis (subdivision development method) is the most appropriate technique of arriving at the bulk market value these ownership entities.

Discounted Cash Flow Analysis

A discounted cash flow analysis is a procedure in which a discount rate is applied to a projected revenue stream generated from the sale of individual components of a project. In this method of valuation, the appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

The four main components of a discounted cash flow analysis are listed as follows:

- Revenue* – the total gross income derived from the disposition of the subject's land components.
- *Absorption Analysis* – the time frame required to sell-off the components. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).
- *Expenses* – the expenses associated with the sell-off of the components are calculated in this section – including administration, marketing and commission costs and property taxes.
- *Discount Rate* – the appropriate discount rate is derived by employing a variety of data.

Discussions of these four concepts begin below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The revenue portion of this analysis is based on the conclusions of market value of this portion of the subject's various components (finished single family residential lots, unimproved single family residential lots, as well as multifamily land and commercial land). Our revenue estimates for each of the ownership groups noted above are displayed in the following tables.

KB HOME									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-13D	4,275	\$93,000	\$5,375	\$0	(\$35,000)	\$0	\$63,375	88	\$ 5,577,000
W-13A	5,000	\$130,000	(\$5,000)	\$0	\$0	\$0	\$125,000	74	\$ 9,250,000
W-13C	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	87	\$ 8,536,875
W-13B	6,000	\$130,000	\$0	\$0	\$0	\$0	\$130,000	60	\$ 7,800,000
Total:								309	\$ 31,163,875

MERITAGE HOMES CORPORATION									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-18D	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	92	\$ 9,027,500
W-17B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	56	\$ 5,348,000
W-15B	3,600	\$93,000	\$2,000	\$0	\$0	\$0	\$95,000	72	\$ 6,840,000
W-15C	6,300	\$130,000	\$1,500	\$0	\$0	\$0	\$131,500	69	\$ 9,073,500
W-15A	5,500	\$130,000	(\$2,500)	\$0	\$0	\$0	\$127,500	83	\$ 10,582,500
W-18C	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	102	\$ 9,741,000
Total:								474	\$ 50,612,500

LENNAR CORPORATION									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-24	3,780	\$93,000	\$2,900	(\$20,000)	(\$35,000)	(\$3,137)	\$37,763	122	\$ 4,607,086
W-26(1)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	99	\$ 8,896,437
W-26(2)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	62	\$ 5,571,506
W-26(3)	3,200	\$80,000	\$0	\$0	\$0	(\$3,137)	\$76,863	4	\$ 307,452
W-25A	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	39	\$ 3,387,657
W-25A(1)	2,600	\$80,000	(\$3,000)	\$0	\$0	(\$3,137)	\$73,863	5	\$ 369,315
W-25B	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	12	\$ 1,042,356
W-18A	5,775	\$130,000	(\$1,125)	\$0	(\$36,000)	(\$3,137)	\$89,738	86	\$ 7,717,468
W-17A	5,775	\$130,000	(\$1,125)	\$0	\$0	(\$3,137)	\$125,738	66	\$ 8,298,708
W-18F	6,825	\$130,000	\$4,125	\$0	\$0	(\$3,137)	\$130,988	19	\$ 2,488,772
W-18E(1)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	28	\$ 2,782,164
W-18E(2)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	24	\$ 2,384,712
W-17E	7,700	\$130,000	\$8,500	\$0	\$0	(\$3,137)	\$135,363	41	\$ 5,549,883
W-22	3,780	\$93,000	\$2,900	\$0	\$0	(\$3,137)	\$92,763	5	\$ 463,815
Total:								612	\$ 53,867,331

PULTE HOMES, Inc.

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone		No. of Lots	Revenue
						Infrastructure	Lot Value		
W-32	6.8± Ac.	n/a	n/a	n/a	n/a	n/a	n/a	1	\$ 1,700,000
W-33	7.0± Ac.	n/a	n/a	n/a	n/a	n/a	n/a	1	\$ 1,750,000
W-19A	4,725	\$130,000	(\$6,375)	\$0	\$0	(\$9,691)	\$113,934	109	\$ 12,418,806
W-19B	4,725	\$130,000	(\$6,375)	\$0	(\$36,000)	(\$9,691)	\$77,934	85	\$ 6,624,390
W-17C	6,300	\$130,000	\$1,500	\$0	\$0	(\$9,691)	\$121,809	69	\$ 8,404,821
W-17D	6,825	\$130,000	\$4,125	\$0	\$0	(\$9,691)	\$124,434	53	\$ 6,595,002
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	25	\$ 2,820,225
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	18	\$ 2,030,562
W-1B	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	5	\$ 564,045
W-18B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	(\$9,691)	\$85,809	57	\$ 4,891,113
W-27	7.9± Ac.	n/a	n/a	n/a	n/a	n/a	n/a	1	\$ -
Total:								424	\$ 47,798,964

Absorption

Absorption rates are best measured by looking at historic absorption rates for similar properties in the region. In developing an appropriate absorption period for the disposition of the subject's components, we have considered historic absorption rates for similar properties and also attempted to consider the impacts of present market conditions, as well as the anticipated changes in the market. Real estate is cyclical in nature, and it is difficult to accurately forecast specific demand over a projected absorption period. In light of this, when estimating absorption, it is important to give significant weight to the past experience of parties marketing similar projects for sale.

In attempting to estimate the exposure time required for the disposition of the residential land component of the subject, both the historical exposure times and projected economic conditions have been considered. For any master planned community it is common to segment the product to allow it to appeal to the broadest spectrum of potential users offering a wide range of price points. While there is a correlation between the sell-off of the end product (roof tops) and the sell-off of the land components, the relationship may not be readily apparent. Generally, the higher priced end products are expected to experience slower absorption rates than the lower priced end products, which are driven by the size of the respective buying pools. Thus, you could sell two land use components that will not compete with each other, due to product and price point differences, at similar times in the development process without jeopardizing absorption. A master developer's goal, and the goal of any respective builder, would be to avoid saturating the market with product. By the use of segmenting the range of product and diversifying the type of product, a development can maximize the return to the land by hastening the disposition time necessary to sell off the land.

A number of assumptions are made in the discounted cash flow analysis, not the least of which is the forecast of absorption, or disposition, of the various land use components comprising the subject property. It is common for surveys of market participants to reveal different estimations of anticipated absorption periods for the sell-off of multiple components comprising a master planned development, with some developers preferring to hasten the holding period in favor of mitigating exposures to fluctuations in market conditions; whereas, other developers prefer to manage the sell-off of the property over an extended period of time so as to minimize direct competition of product within the master planned project.

In light of the relative strength of the residential market in the West Roseville area, it is anticipated the disposition of the residential land could occur over an 18-month time period. This programmed sell-off of the lots will allow the developers greater control over the ultimate build-out of the communities and capture anticipated market appreciation in lot (and home) prices, as well as manage any market contractions. It is noted that we do not estimate an exact sequencing of absorption of the residential parcels, given that such an attempt would be considered highly speculative. As such, we average the revenues for each ownership group evenly over the respective absorption periods.

It is noted that while the subject includes a multifamily residential component (Larger Parcel W-27, Pulte Homes), as discussed earlier in this report, this is an affordable housing site with no value. However, this parcel is subject to direct levy charges. For the purposes of this analysis, it is assumed the parcel would be sold within the first year of the analysis (Period 4).

The subject also includes two parcels of commercial land (owned by Pulte Homes). While these sites are expected to receive adequate interest from the market, development of the sites will likely be driven by the completion and sale of single-family homes, prompting demand for supporting commercial services. It is our opinion the commercial sites will likely sell at the end of Year 2 of the absorption period as rooftops are completed.

Market conditions in the area have been experiencing recovery in some segments as discussed throughout this report. Consequently, it is appropriate to consider an appreciation rate for the land components during the absorption period. In light of current and past economic conditions, an appreciation rate of 5% per year will be applied to the revenue components in this analysis.

Expenses

Changes in Expenses (Expense Increases or Decreases)

Market participants widely expect expenses to increase either from inflation or labor increases (as workers become less willing to accept lower pay as more sources of work become available).

General and administrative and marketing and sale expenses are calculated in this section as a fixed

percentage of revenue (not including future growth reimbursements). Property tax expenses are trended upward, as will be discussed in a later section.

General and Administrative Expenses

General and administrative expenses would include management of project entitlements and Community Facilities District financing, as well as coordination with others. This expense category typically ranges from 2.0% to 4.0%, depending on length of the project and if all of the categories are included in a builder's budget. For purposes of this analysis, we have estimated this expense at 2.0% of revenue, which is spread evenly over the sell-off period.

Marketing and Sale

Based on the total revenue, we have estimated an expense of 2.0% for sales, which is within market parameters. For the sell-off of residential parcels (Units) to builders, marketing costs would be negligible, since master developers often contact builders directly and indicate lots are available, rather than openly list properties and have marketing costs.

Property Taxes and Assessments

Ad valorem real estate taxes are estimated based on a 1.106682% tax rate applied to the estimated market value, in bulk, conclusion, which is then allocated between the residential lots and commercial acreages. As the lots and land are sold, taxes are reduced on a pro-rata basis in the analysis. Ad valorem tax estimates are appreciated at a rate of 2.0% per year.

For the reader's reference, the ad valorem tax table shown in the analysis reflects annual taxes per residential lot and annual taxes per commercial acre. First, we calculated the total ad valorem tax payment by multiplying 1.106682% (tax rate) by the total bulk value to arrive at a total ad valorem tax payment for all components. For the Pulte property we estimated the total aggregate revenue allocation between the residential and commercial component, then we multiplied each allocation percentage by the total tax obligation, and then divided this number by the number of lots or total commercial acreage to arrive at estimates of annual tax obligations for each component. Ad valorem taxes are expected to decrease as lots are sold, as they are paid on total existing inventory.

With regard to the direct charges, on the following page we array the annual total maximum special tax payments by ownership group, as provided by the bond administrator.

Total Annual Maximum Special Tax by Ownership*		
Property Owner	CFD No 1	CFD No. 2
KB Home	\$489,670	\$218,635
Lennar Corporation	\$672,621	\$314,320
Meritage Homes	\$751,144	\$335,382
PL Roseville LLC (Commercial)	\$87,768	\$14,920
Pulte Homes Inc. (SFR)	\$651,618	\$298,013
Pulte Home Corporation et. al. (HDR)	<u>\$28,746</u>	<u>\$22,899</u>
Subtotal - Pulte Holdings	\$768,132	\$335,833
West Roseville, LLC	\$71,516	\$33,676
Totals	\$2,753,084	\$1,237,845

* Note: Excludes "Individual Owners"

It is noted that Westpark CFD #1 has an annual maximum escalation of 2%, while Westpark CFD #2 has a maximum escalation of 4% per year. Westpark CFD #3 is not applicable to the subject property, as this tax obligation is only in effect when building permits are pulled.

Discount Rate

The project yield rate is the rate of return on the total un-leveraged investment in a development, including both equity and debt. The leveraged yield rate is the rate of return to the “base” equity position when a portion of the development is financed. The “base” equity position represents the total equity contribution. The developer/builder may have funded all of the equity contribution, or a consortium of investors/builders as in a joint venture may fund it. Most surveys indicate that the threshold project yield requirement is about 20% to 30% for new home type projects. Instances in which project yields may be less than 20% often involve profit participation arrangements in master planned communities where the master developer limits the number of competing tracts.

According to a leading publication within the appraisal industry, the PwC Real Estate Investor Survey¹², discount rates for land development projects ranged from 10.00% to 25.00%, with an average of 16.75% during the Fourth Quarter 2014, which is down 140 basis points (18.15%) from the Second Quarter 2014 (land survey completed every six months). These rates are free-and-clear of financing, are inclusive of developer's profit, and assume entitlements are in place. Without entitlements in place, the PwC survey indicates certain investors increase the discount rate between 400 and 1,500 basis points (an average increase of 1,040 basis points).

According to the data presented in the survey prepared by PwC, the majority of those respondents who use the discounted cash flow (DCF) method do so free and clear of financing. Additionally, the participants reflect a preference in including the developer's profit in the discount rate, versus a separate line item for this factor. As such, the range of rates presented above is inclusive of the developer's profit projection.

The discount rates are based on a survey that includes residential, office, retail and industrial developments. Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate they expect slightly lower returns when approvals/entitlements are already in place.

Excerpts from recent PwC surveys are copied below:

Looking ahead over the next 12 months, surveyed investors unanimously forecast property values in the national development land market to increase. Expected appreciation ranges up to 15.0% and average 5.0%. (Fourth Quarter 2014)

As both the U.S. economy and the commercial real estate (CRE) industry's fundamentals show continued signs of improvement, interest in CRE development has picked up across each main property sector – office, retail, industrial, apartments, and lodging. As a result, certain investors in the national development land market are looking to acquire new parcels, finish entitling owned tracts, and/or convert parcels into readied sites... For the first time in quite a while, our surveyed investors are unanimous in their expectations that values for development land will increase over the next 12 months... Appreciation ranges up to 10.0% and averages 3.6% – up quite a bit from six months ago when the average was 2.6%. (Second Quarter 2014)

Survey results suggest that investors anticipate commercial real estate (CRE) fundamentals to continue to improve, opening up diverse development land opportunities across all property types... The outlook for development improved for the second straight year. In addition, and perhaps more importantly, the average outlook for development is considered "fair" – an improvement from two years ago when the average outlook was "modestly poor..." The improvement in the development outlook does not mean that the CRE industry will be flooded with new supply in the near future and that vast opportunities exist for development land

¹² PwC Real Estate Investor Survey, PricewaterhouseCoopers, 4th Quarter 2014, Volume 27, Number 4.

investors. “Some markets still have a significant inventory of land with entitlements and some with partial infrastructure that will move forward with development first, so we still need to be patient,” says an investor, who suggests looking for opportunities in metros where sustainable job growth exists. Another strategizes to “find the right land location and then wait for buyers to show up.” (Fourth Quarter 2013)

Improvements to the U.S. housing market and domestic economy have sparked increased interest in commercial real estate (CRE) development as many investors note that a growing number of developers are talking about and planning new projects. “The market is certainly improving in specific areas and specific submarkets,” says an investor. Nevertheless, patience is a key word among many development land investors since the recovery in the CRE industry is occurring very slowly in many areas. “It’s all about timing, and you need to be in the right market at the right time,” shares another. (Second Quarter 2013)

Although there are signs of improvements in this property sector, investors stress that it mostly relates to the amount of activity rather than improvements in pricing. “It is still a buyers’ market,” says a participant. For now, some development land investors advise owners to “hold onto their land and wait for markets to really come back...” A growing interest in new development caused both the average and high and low ranges of the discount rate to decline for the national land development market over the past six months. (Fourth Quarter 2012)

Information for a developing in-house database of project yield rates is presented in the table below:

Data Source	Yield / IRR Expectations (Inclusive of Profit)
PwC Real Estate Investor Survey - Fourth Quarter 2014 (updated semi-annually)	Range of 10.0% to 25.0%, with an average of 16.75%, inclusive of profit and assuming entitlements in place, for land development (national average)
Josh Roden - Meritage (2013)	20% to 25% for entitled lots
Jeb Elmore - Lewis Operating Corp (2013)	18% to 25%. Longer term, higher risk projects on higher side of the range, shorter term, lower risk projects on the lower side of the range. Long term speculation properties (10 to 20 years out) often closer to 30%.
Greg Ackerman - Pulte (2010)	18% minimum, 20% target
Chris Downey - Hon Development	Minimum IRR of 20-25%; for an 8 to 10 year cash flow, mid to upper 20% range
Gary Gorian - Dale Poe Development	25% IRR for land development is typical (no entitlements); slightly higher for properties with significant infrastructure costs
David Pitts - Newhall Land and Farming	20% to 30% IRR for land development deals on an unleveraged basis
Mark Palkowitsh - MSP California, LLC	35% for large land deals from raw unentitled to tentative map stage, unleveraged or leveraged. 25% to 30% from tentative map to pad sales to merchant builders, unleveraged
Rick Nieman - GFC	18% to 22% for land with some entitlements, unleveraged. 30% for raw unentitled
Lin Stinson - Providence Realty Group	Low 20% range yield rate required to attract capital to longer-term land holdings
Dan Boyd - ESE Land Company	Merchant builder yield requirements in the 20% range for traditionally financed tract developments. Larger land holdings would require 25% to 30%. Environmentally challenged or politically risky development could well run in excess of 35%.
Tulare Windmill Ventures, LLC	10% discount rate excluding profit for single-family subdivisions
David Jacobsen - Ridgecrest Homes	10% to 40% for single-family residential subdivisions with 1-2 year development timelines
Mike Grant - Premier Homes	15% to 20% IRR
Lyle McCullogh - California Pacific Homes	No less than 20% IRR for land development, either entitled or unentitled
Roy Robertson - Ekotec	20% to 30% for an unentitled property; the lower end of the range would reflect those properties close to tentative maps
Gordon MacKenzie - Brookfield Development	No less than 30% when typical entitlement risk exists

It is noted the preceding survey related to production home developments at the land stage. Even so, the respondents reflect the expectations of market participants in the residential sector.

There are several positive attributes associated with the subject property that we consider in our selection of a discount rate, including (but not necessarily limited to):

- Location within the West Roseville area, which is one of the most desirable communities for new home construction and new home purchases in the Sacramento region
- Entitlement status of the subject property as tentatively mapped and final mapped lots
- Substantial completion of in-tract site development (finished lot stage) and supporting backbone infrastructure
- Recent momentum in bulk lot purchases by regional and/or national builders in the West Roseville area

Even though much of the entitlement risk has been mitigated, there is risk associated with estimating the timing that the subject components will be sold off, especially when the market is transitioning from declining to expansion. In addition, there is risk associated with unforeseen factors such as broad economic declines and job losses. Considering these factors, and the positive and negative characteristics previously described, we estimate a discount rate of **14%**.

Conclusion

The four discounted cash flow analyses for the subject property held by KB Home, Meritage Homes Corporation, Lennar Corporation and Pulte Homes are presented on the following pages, the results of which reflect the bulk market value of these ownership entities.

SUBDIVISION DEVELOPMENT METHOD – KB HOME

ASSUMPTIONS

Number of SFR Lots	309			
Total SFR Revenue	\$31,163,875			
Total SFR Revenue per Lot	\$100,854			
Revenue Appreciation	5%	annual		
General & Administrative	2.0%			
Marketing and Commissions	2.0%			
Ad Valorem (Per Lot Per Year)	\$938	2%	escalation	
Westpark CFD #1 Direct Charge	\$1,585	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$708	per lot per year	4%	max. escalation

REVENUE, EXPENSES AND VALUATION

REVENUE	Quarter:	1	2	3	4	5	6	Total
Sales (Lots):		52	52	52	52	52	49	309
End of Period Inventory		257	205	153	101	49	0	
Total Period Inventory		309	257	205	153	101	49	
SFR Revenue Unappreciated	\$	5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 4,941,844	\$ 31,163,875
SFR Revenue Appreciated	\$	5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,506,626	\$ 5,188,936	\$ 31,673,188
EXPENSES								
General & Administrative	\$	(105,577)	\$ (105,577)	\$ (105,577)	\$ (105,577)	\$ (105,577)	\$ (105,577)	\$ (633,464)
Marketing/Commissions	\$	(104,888)	\$ (104,888)	\$ (104,888)	\$ (104,888)	\$ (110,133)	\$ (103,779)	\$ (633,464)
SFR Ad Valorem	\$	(72,488)	\$ (60,289)	\$ (48,091)	\$ (35,892)	\$ (24,167)	\$ (11,725)	\$ (252,651)
Westpark CFD #1 Direct Charge	\$	(122,418)	\$ (101,817)	\$ (81,216)	\$ (60,614)	\$ (40,814)	\$ (19,801)	\$ (426,679)
Westpark CFD #2 Direct Charge	\$	(54,659)	\$ (45,461)	\$ (36,262)	\$ (27,064)	\$ (18,580)	\$ (9,014)	\$ (191,040)
TOTAL EXPENSES	\$	<u>(460,029)</u>	<u>\$ (418,032)</u>	<u>\$ (376,034)</u>	<u>\$ (334,036)</u>	<u>\$ (299,271)</u>	<u>\$ (249,896)</u>	<u>\$ (2,137,298)</u>
	\$	4,784,377	\$ 4,826,375	\$ 4,868,372	\$ 4,910,370	\$ 5,207,355	\$ 4,939,041	\$ 29,535,890
PRESENT VALUE FACTOR @ 14.00%		<u>0.96618</u>	<u>0.93351</u>	<u>0.90194</u>	<u>0.87144</u>	<u>0.84197</u>	<u>0.81350</u>	
DISCOUNTED CASH FLOW	\$	4,622,586	\$ 4,505,472	\$ 4,390,993	\$ 4,279,104	\$ 4,384,453	\$ 4,017,913	\$ 26,200,522
NET PRESENT VALUE	\$	26,200,522						

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 26,200,000

SUBDIVISION DEVELOPMENT METHOD – MERITAGE

ASSUMPTIONS

Number of SFR Lots	474			
Total SFR Revenue	\$50,612,500			
Total SFR Revenue per Lot	\$106,777			
Revenue Appreciation	5%	annual		
General & Administrative	2.0%			
Marketing and Commissions	2.0%			
Ad Valorem (Per Lot Per Year)	\$994	2%	escalation	
Westpark CFD #1 Direct Charge	\$1,585	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$708	per lot per year	4%	max. escalation

REVENUE, EXPENSES AND VALUATION

REVENUE	Quarter:	1	2	3	4	5	6	Total
Sales (Lots):		79	79	79	79	79	79	474
End of Period Inventory		395	316	237	158	79	0	
Total Period Inventory		474	395	316	237	158	79	
SFR Revenue Unappreciated	\$	8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 50,612,500
SFR Revenue Appreciated	\$	8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,857,188	\$ 8,857,188	\$ 51,456,042
EXPENSES								
General & Administrative	\$	(171,520)	\$ (171,520)	\$ (171,520)	\$ (171,520)	\$ (171,520)	\$ (171,520)	\$ (1,029,121)
Marketing/Commissions	\$	(168,708)	\$ (168,708)	\$ (168,708)	\$ (168,708)	\$ (177,144)	\$ (177,144)	\$ (1,029,121)
SFR Ad Valorem	\$	(117,779)	\$ (98,149)	\$ (78,519)	\$ (58,889)	\$ (40,045)	\$ (20,022)	\$ (413,403)
Westpark CFD #1 Direct Charge	\$	(187,786)	\$ (156,488)	\$ (125,191)	\$ (93,893)	\$ (63,847)	\$ (31,924)	\$ (659,129)
Westpark CFD #2 Direct Charge	\$	(83,845)	\$ (69,871)	\$ (55,897)	\$ (41,923)	\$ (29,066)	\$ (14,533)	\$ (295,136)
TOTAL EXPENSES	\$	<u>(729,639)</u>	<u>\$ (664,737)</u>	<u>\$ (599,835)</u>	<u>\$ (534,934)</u>	<u>\$ (481,622)</u>	<u>\$ (415,143)</u>	<u>\$ (3,425,910)</u>
	\$	7,705,778	\$ 7,770,680	\$ 7,835,581	\$ 7,900,483	\$ 8,375,565	\$ 8,442,044	\$ 48,030,132
PRESENT VALUE FACTOR @ 14.00%		<u>0.96618</u>	<u>0.93351</u>	<u>0.90194</u>	<u>0.87144</u>	<u>0.84197</u>	<u>0.81350</u>	
DISCOUNTED CASH FLOW	\$	7,445,196	\$ 7,254,013	\$ 7,067,245	\$ 6,884,815	\$ 7,052,001	\$ 6,867,609	\$ 42,570,879
NET PRESENT VALUE	\$	42,570,879						

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 42,570,000

SUBDIVISION DEVELOPMENT METHOD – LENNAR

ASSUMPTIONS

Number of SFR Lots	612				
Total SFR Revenue	\$53,867,331				
Total SFR Revenue per Lot	\$88,019				
Revenue Appreciation	5%	annual			
General & Administrative	2.0%				
Marketing and Commissions	2.0%				
Ad Valorem (Per Lot Per Year)	\$822	2%	escalation		
Westpark CFD #1 Direct Charge	\$1,099	per lot per year	2%	max. escalation	
Westpark CFD #2 Direct Charge	\$514	per lot per year	4%	max. escalation	

REVENUE, EXPENSES AND VALUATION

REVENUE	Quarter:	1	2	3	4	5	6	Total
Sales (Lots):		102	102	102	102	102	102	612
End of Period Inventory		510	408	306	204	102	0	
Total Period Inventory		612	510	408	306	204	102	
SFR Revenue Unappreciated	\$	8,977,889	8,977,889	8,977,889	8,977,889	8,977,889	8,977,889	\$ 53,867,331
SFR Revenue Appreciated	\$	8,977,889	8,977,889	8,977,889	8,977,889	9,426,783	9,426,783	\$ 54,765,120
EXPENSES								
General & Administrative	\$	(182,550)	(182,550)	(182,550)	(182,550)	(182,550)	(182,550)	\$ (1,095,302)
Marketing/Commissions	\$	(179,558)	(179,558)	(179,558)	(179,558)	(188,536)	(188,536)	\$ (1,095,302)
SFR Ad Valorem	\$	(125,719)	(104,766)	(83,813)	(62,860)	(42,744)	(21,372)	\$ (441,274)
Westpark CFD #1 Direct Charge	\$	(168,155)	(140,129)	(112,104)	(84,078)	(57,173)	(28,586)	\$ (590,225)
Westpark CFD #2 Direct Charge	\$	(78,580)	(65,483)	(52,387)	(39,290)	(27,241)	(13,621)	\$ (276,601)
TOTAL EXPENSES	\$	(734,562)	(672,487)	(610,411)	(548,335)	(498,244)	(434,665)	\$ (3,498,705)
NET INCOME	\$	8,243,326	8,305,402	8,367,478	8,429,553	8,928,539	8,992,118	\$ 51,266,415
PRESENT VALUE FACTOR @ 14.00%		<u>0.96618</u>	<u>0.93351</u>	<u>0.90194</u>	<u>0.87144</u>	<u>0.84197</u>	<u>0.81350</u>	
DISCOUNTED CASH FLOW	\$	7,964,566	7,753,181	7,546,985	7,345,869	7,517,590	7,315,094	\$ 45,443,285
NET PRESENT VALUE	\$	45,443,285						

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 45,440,000

SUBDIVISION DEVELOPMENT METHOD – PULTE

ASSUMPTIONS

Number of SFR Lots	421
Total SFR Revenue	\$44,348,964
Total SFR Revenue per Lot	\$105,342

<u>Ad Valorem Tax Table</u>	
Annual Increase in Property Taxes	2%
First Year Annual Taxes/Residential Lot	\$ 967
First Year Annual Taxes per Commercial Acre	\$ 2,370

Number of Commercial Lots	2
Commercial Acreage	13.8
Total Commercial Revenue	\$3,450,000
Total Commercial Revenue per Acre	\$250,000

Number of HDR (Afford.) Lots	170
Total HDR (Afford.) Revenue	\$0

Revenue Appreciation	5%	annual
General & Administrative	2.0%	
Marketing and Commissions	2.0%	

Residential Lots

Westpark CFD #1 Direct Charge	\$1,548	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$708	per lot per year	4%	max. escalation

Commercial Lots

Westpark CFD #1 Direct Charge	\$43,884	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$1,081	per acre per year	4%	max. escalation

HDR (Affordable) Lots

Westpark CFD #1 Direct Charge	\$169	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$135	per lot per year	4%	max. escalation

REVENUE, EXPENSES AND VALUATION

SFR REVENUE	Quarter:	1	2	3	4	5	6	7	8	Total
Sales (Lots):		70	70	70	70	70	71	0	0	421
End of Period Inventory		351	281	211	141	71	0	0	0	
Total Period Inventory		421	351	281	211	141	71	0	0	
SFR Revenue Unappreciated		\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,479,279	\$ -	\$ -	\$ 44,348,964
SFR Revenue Appreciated		\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,742,634	\$ 7,853,243	\$ -	\$ -	\$ 45,091,625
COMMERCIAL REVENUE										
Sales (Acres)		0	0	0	0	0	0	6.9	6.9	13.8
End of Period Inventory		13.8	13.8	13.8	13.8	13.8	13.8	6.9	0.0	
Total Period Inventory (acres)		13.8	13.8	13.8	13.8	13.8	13.8	13.8	6.9	
Total Period Inventory (lots)		2	2	2	2	2	2	2	1	
Commercial Revenue Unappreciated		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,725,000	\$ 1,725,000	\$ 3,450,000
Commercial Revenue Appreciated		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,811,250	\$ 1,811,250	\$ 3,622,500
Total Revenue		\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,742,634	\$ 7,853,243	\$ 1,811,250	\$ 1,811,250	\$ 48,714,125
EXPENSES										
<u>All Categories</u>										
General & Administrative		\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (974,282)
Marketing/Commissions		\$ (147,479)	\$ (147,479)	\$ (147,479)	\$ (147,479)	\$ (154,853)	\$ (157,065)	\$ (36,225)	\$ (36,225)	\$ (974,282)
<u>Residential Only</u>										
Ad Valorem Taxes		\$ (101,773)	\$ (84,851)	\$ (67,929)	\$ (51,007)	\$ (34,767)	\$ (17,507)	\$ -	\$ -	\$ (357,834)
Westpark CFD #1 Direct Charge		\$ (162,905)	\$ (135,818)	\$ (108,732)	\$ (81,646)	\$ (55,651)	\$ (28,023)	\$ -	\$ -	\$ (572,774)
Westpark CFD #2 Direct Charge		\$ (74,503)	\$ (62,116)	\$ (49,728)	\$ (37,340)	\$ (25,951)	\$ (13,067)	\$ -	\$ -	\$ (262,705)
<u>Commercial Only</u>										
Ad Valorem Taxes		\$ (8,176)	\$ (8,176)	\$ (8,176)	\$ (8,176)	\$ (8,340)	\$ (8,340)	\$ (8,340)	\$ (4,170)	\$ (61,893)
Westpark CFD #1 Direct Charge		\$ (21,942)	\$ (21,942)	\$ (21,942)	\$ (21,942)	\$ (22,381)	\$ (22,381)	\$ (22,381)	\$ (11,190)	\$ (166,100)
Westpark CFD #2 Direct Charge		\$ (3,730)	\$ (3,730)	\$ (3,730)	\$ (3,730)	\$ (3,879)	\$ (3,879)	\$ (3,879)	\$ (1,940)	\$ (28,497)
<u>HDR Lots (Affordable)</u>										
Westpark CFD #1 Direct Charge		\$ (7,187)	\$ (7,187)	\$ (7,187)	\$ (7,187)	\$ -	\$ -	\$ -	\$ -	\$ (28,746)
Westpark CFD #2 Direct Charge		\$ (5,725)	\$ (5,725)	\$ (5,725)	\$ (5,725)	\$ -	\$ -	\$ -	\$ -	\$ (22,899)
TOTAL EXPENSES		<u>\$ (655,204)</u>	<u>\$ (598,808)</u>	<u>\$ (542,412)</u>	<u>\$ (486,017)</u>	<u>\$ (427,606)</u>	<u>\$ (372,047)</u>	<u>\$ (192,610)</u>	<u>\$ (175,310)</u>	<u>\$ (3,450,014)</u>
NET INCOME		\$ 6,718,733	\$ 6,775,129	\$ 6,831,525	\$ 6,887,920	\$ 7,315,028	\$ 7,481,196	\$ 1,618,640	\$ 1,635,940	\$ 45,264,111
PRESENT VALUE FACTOR @ 14.00%		0.96618	0.93351	0.90194	0.87144	0.84197	0.81350	0.78599	0.75941	
DISCOUNTED CASH FLOW		\$ 6,491,529	\$ 6,324,655	\$ 6,161,644	\$ 6,002,425	\$ 6,159,057	\$ 6,085,958	\$ 1,272,237	\$ 1,242,352	\$ 39,739,857
NET PRESENT VALUE		\$ 39,739,857								

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 39,740,000

FINAL CONCLUSION OF AGGREGATE VALUE

As a result of our analysis, it is our opinion the aggregate value of the subject property, in accordance with the general assumptions and limiting conditions set forth herein (pages 8 through 10), and based on an effective date of value of May 29, 2015, which was our date of inspection, is as follows:

Ownership	Description	Value by Ownership
Lennar	376 Improved Lots* & 236 Paper Lots	\$ 45,440,000
KB Home	134 Improved Lots & 175 Paper Lots	\$ 26,200,000
Meritage Homes	224 Improved Lots* & 250 Paper Lots	\$ 42,570,000
Pulte Homes, Inc.	279 Improved Lots*, 142 Paper Lots, (2) Commercial Sites & (1) Multifamily Site	\$ 39,740,000
West Roseville, LLC	(1) Multifamily Site	\$ -
Individual Owners	22 Improved Lots*	\$ 2,630,000
Aggregate Value		\$ 156,580,000

* Includes some completed homes and/or model homes and/or homes under construction

Note: *The estimate of aggregate value above represents a “not-less-than” value due to the fact numerous lots are improved with completed homes, model homes and homes under construction. As requested, our valuation does not capture any increment of value associated with vertical improvements.*

The market value conclusions noted above are subject to the Extraordinary Assumptions and Significant Factors, as well as the General Assumptions and Limiting Conditions referenced on pages 8 through 10 of this report. No Hypothetical Conditions were part of this valuation analysis.

APPENDIX

**A – WESTPARK PROPERTY LIST –
WILLDAN FINANCIAL SERVICES**

DISTRICT	APN/FMT	1415 OWNER.NAME	1415 AV LAND	1415 AV STRUCTURE	1415 AV TOTAL
Westpark CFD 1	490-290-072-000	ADDILLA SAM TR	39,930	-	39,930
Westpark CFD 1	490-290-041-000	BARNETT CARMELLA L TR	39,930	-	39,930
Westpark CFD 1	490-290-062-000	BOJORQUES ROBERT GEAN TR	39,930	-	39,930
Westpark CFD 1	017-150-057-000	CENTEX HOMES	1,244,829	-	1,244,829
Westpark CFD 1	490-290-071-000	CRAVENS CLAUDIA W	39,930	-	39,930
Westpark CFD 1	490-290-051-000	DEMETER DAVID G & DEMETER JANE M	39,930	-	39,930
Westpark CFD 1	490-300-071-000	GILFILLAN KEVIN ROBERT	14,063	-	14,063
Westpark CFD 1	490-290-056-000	GOUD SHOBHA K TR	39,930	-	39,930
Westpark CFD 1	490-290-024-000	HATFIELD HARLAN N & HATFIELD CARO	39,930	-	39,930
Westpark CFD 1	490-290-070-000	IRWIN ELIZABETH B & IRWIN DAVID S	39,930	-	39,930
Westpark CFD 1	490-290-063-000	JASKOWIAK THOMAS TR	39,930	-	39,930
Westpark CFD 1	496-010-002-000	KB HOME SACRAMENTO INC	7,466,301	-	7,466,301
Westpark CFD 1	496-010-014-000	KB HOME SACRAMENTO INC	6,884,112	-	6,884,112
Westpark CFD 1	496-010-012-000	KB HOME SACRAMENTO INC	11,120,257	-	11,120,257
Westpark CFD 1	496-060-001-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-002-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-003-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-004-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-005-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-006-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-007-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-008-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-009-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-010-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-011-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-012-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-016-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-017-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-018-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-019-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-020-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-021-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-022-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-023-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-024-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-025-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-026-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-027-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-028-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-029-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-030-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-031-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-032-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-033-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-034-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-035-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-036-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-037-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-038-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-039-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-040-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-041-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-042-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-043-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-045-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-046-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-047-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-048-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-049-000	KB HOME SACRAMENTO INC	142,644	-	142,644

Westpark CFD 1	496-040-037-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-045-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-046-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-054-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-070-000	MERITAGE HOMES OF CALIFORNIA INC	103,467	-	103,467
Westpark CFD 1	496-040-071-000	MERITAGE HOMES OF CALIFORNIA INC	103,467	-	103,467
Westpark CFD 1	496-040-072-000	MERITAGE HOMES OF CALIFORNIA INC	104,137	-	104,137
Westpark CFD 1	496-010-010-000	MERITAGE HOMES OF CALIFORNIA INC	7,534,050	-	7,534,050
Westpark CFD 1	496-020-025-000	MERITAGE HOMES OF CALIFORNIA INC	513,688	-	513,688
Westpark CFD 1	490-290-034-000	MILLER MARK	39,930	-	39,930
Westpark CFD 1	490-160-019-000	MOHR LINDA SIBLEY & MOHR CARL	105,883	-	105,883
Westpark CFD 1	490-290-025-000	PACHECO TONI L	39,930	-	39,930
Westpark CFD 1	490-290-059-000	PESHKOFF RUTH G	39,930	-	39,930
Westpark CFD 1	017-150-074-000	PL ROSEVILLE LLC	1,800,000	-	1,800,000
Westpark CFD 1	017-150-076-000	PL ROSEVILLE LLC	1,800,000	-	1,800,000
Westpark CFD 1	496-020-030-000	PULTE HOME CORPORATION	453,348	-	453,348
Westpark CFD 1	496-020-028-000	PULTE HOME CORPORATION	370,675	-	370,675
Westpark CFD 1	496-020-021-000	PULTE HOME CORPORATION	332,703	-	332,703
Westpark CFD 1	496-030-006-000	PULTE HOME CORPORATION	292,522	-	292,522
Westpark CFD 1	490-290-004-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-005-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-010-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-037-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-040-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-044-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-047-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-050-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-052-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-053-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-055-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-057-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-058-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-073-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-075-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-077-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-006-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-007-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-008-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-009-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-042-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-043-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-048-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-049-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-065-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-035-000	PULTE HOME CORPORATION	39,930	16,000	55,930
Westpark CFD 1	490-290-036-000	PULTE HOME CORPORATION	39,930	16,000	55,930
Westpark CFD 1	490-170-019-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-170-020-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-130-001-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-130-002-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-130-003-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-130-004-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-016-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-017-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-018-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-015-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-020-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-021-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-060-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-061-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-062-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-063-000	PULTE HOME CORPORATION	105,883	-	105,883

Westpark CFD 1	490-160-064-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-170-002-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-170-018-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-170-021-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-160-013-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-014-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-130-005-000	PULTE HOME CORPORATION	109,250	-	109,250
Westpark CFD 1	490-170-001-000	PULTE HOME CORPORATION	105,883	152,690	258,573
Westpark CFD 1	490-130-006-000	PULTE HOME CORPORATION	161,800	180,200	342,000
Westpark CFD 1	490-130-007-000	PULTE HOME CORPORATION	188,300	184,700	373,000
Westpark CFD 1	490-130-008-000	PULTE HOME CORPORATION	173,600	238,400	412,000
Westpark CFD 1	490-130-014-000	PULTE HOME CORPORATION	159,000	270,000	429,000
Westpark CFD 1	490-130-009-000	PULTE HOME CORPORATION	154,900	298,100	453,000
Westpark CFD 1	490-130-010-000	PULTE HOME CORPORATION	170,200	292,800	463,000
Westpark CFD 1	490-130-012-000	PULTE HOME CORPORATION	173,400	298,600	472,000
Westpark CFD 1	490-130-013-000	PULTE HOME CORPORATION	171,800	347,200	519,000
Westpark CFD 1	490-130-011-000	PULTE HOME CORPORATION	206,300	328,700	535,000
Westpark CFD 1	496-020-015-000	PULTE HOME CORPORATION	281,371	-	281,371
Westpark CFD 1	496-020-014-000	PULTE HOME CORPORATION ET AL	1,083,000	-	1,083,000
Westpark CFD 1	490-290-046-000	SADLER GEORGE B JR & SADLER BARB	39,930	-	39,930
Westpark CFD 1	490-290-012-000	VEACH DAVID L YTTR & VEACH DIANE	39,930	-	39,930
Westpark CFD 1	490-300-070-000	VERKOULEN PAUL	14,063	-	14,063
Westpark CFD 1	496-010-001-000	WEST ROSEVILLE LLC	288,775	-	288,775
Westpark CFD 1	490-290-076-000	WHITEMAN ROXIE A	39,930	-	39,930
Westpark CFD 1	490-290-054-000	WONG RICHARD & WONG PHILIP S	39,930	-	39,930

1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
90,327.48	90,327	1.50%	1,112,909	LargeLotMap	W-18B	4
28,746.32	28,746	0.48%	354,178	LargeLotMap	W-27	4
1,366.90	1,367	0.02%	16,842	Developed	W-2A	1
1,366.90	1,367	0.02%	16,842	Developed	W-2A	1
950.88	951	0.02%	11,716	Developed	W-25B	2
71,516.30	71,516	1.19%	881,140	LargeLotMap	W-16A	3
1,025.18	1,025	0.02%	12,631	Developed	W-2B	1
1,025.18	1,025	0.02%	12,631	Developed	W-2B	1
			34,493,936			

TaxableAcreage	TaxUnits	LEGAL	APN
0.0	1	LOT 135 WESTPARK VILL 2 PH 2 MOR BB-75	490290072000
0.0	1	LOT 104 WESTPARK VILL 2 PH 2 MOR BB-75	490290041000
0.0	1	LOT 125 WESTPARK VILL 2 PH 2 MOR BB-75	490290062000
0.0	111	13.4 AC LOT 17 WESTPARK PH 1 LG LT SUBD MOR AA-4	017150057000
0.0	1	LOT 134 WESTPARK VILL 2 PH 2 MOR BB-75	490290071000
0.0	1	LOT 114 WESTPARK VILL 2 PH 2 MOR BB-75	490290051000
0.0	1	LOT 62 WESTPARK VILLAGE W-25 MOR CC-45	490300071000
0.0	1	LOT 119 WESTPARK VILL 2 PH 2 MOR BB-75	490290056000
0.0	1	LOT 34 WESTPARK VILL 2 PH 2 MOR BB-75	490290024000
0.0	1	LOT 133 WESTPARK VILL 2 PH 2 MOR BB-75	490290070000
0.0	1	LOT 126 WESTPARK VILL 2 PH 2 MOR BB-75	490290063000
0.0	88	14.1AC LOT2 WESTPARK PH 3-LARGE LOT SUB MOR CC-28	496010002000
0.0	74	13 AC POR LOT6 WESTPARK PH 3-LARGE L SUB MOR CC-28	496010014000
0.0	87	21 AC POR LOT 3 WESTPARK PH 3-LRG L SUB MOR CC-28	496010012000
0.0	1	LOT 75 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060001000
0.0	1	LOT 76 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060002000
0.0	1	LOT 77 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060003000
0.0	1	LOT 78 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060004000
0.0	1	LOT 79 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060005000
0.0	1	LOT 80 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060006000
0.0	1	LOT 81 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060007000
0.0	1	LOT 82 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060008000
0.0	1	LOT 83 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060009000
0.0	1	LOT 84 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060010000
0.0	1	LOT 85 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060011000
0.0	1	LOT 86 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060012000
0.0	1	LOT 90 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060016000
0.0	1	LOT 91 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060017000
0.0	1	LOT 92 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060018000
0.0	1	LOT 93 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060019000
0.0	1	LOT 94 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060020000
0.0	1	LOT 95 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060021000
0.0	1	LOT 96 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060022000
0.0	1	LOT 97 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060023000
0.0	1	LOT 98 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060024000
0.0	1	LOT 99 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060025000
0.0	1	LOT 100 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060026000
0.0	1	LOT 101 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060027000
0.0	1	LOT 102 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060028000
0.0	1	LOT 103 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060029000
0.0	1	LOT 104 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060030000
0.0	1	LOT 105 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060031000
0.0	1	LOT 106 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060032000
0.0	1	LOT 107 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060033000
0.0	1	LOT 108 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060034000
0.0	1	LOT 109 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060035000
0.0	1	LOT 110 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060036000
0.0	1	LOT 111 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060037000
0.0	1	LOT 112 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060038000
0.0	1	LOT 113 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060039000
0.0	1	LOT 114 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060040000
0.0	1	LOT 115 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060041000
0.0	1	LOT 116 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060042000
0.0	1	LOT 117 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060043000
0.0	1	LOT 119 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060045000
0.0	1	LOT 120 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060046000
0.0	1	LOT 121 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060047000
0.0	1	LOT 122 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060048000
0.0	1	LOT 123 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060049000

0.0	1	LOT 60 WESTPARK VILLAGE W-25 MOR CC-45	490300069000
0.0	1	LOT 63 WESTPARK VILLAGE W-25 MOR CC-45	490300072000
0.0	1	LOT 64 WESTPARK VILLAGE W-25 MOR CC-45	490300073000
0.0	1	LOT 65 WESTPARK VILLAGE W-25 MOR CC-45	490300074000
0.0	1	LOT 66 WESTPARK VILLAGE W-25 MOR CC-45	490300075000
0.0	1	LOT 67 WESTPARK VILLAGE W-25 MOR CC-45	490300076000
0.0	1	LOT 68 WESTPARK VILLAGE W-25 MOR CC-45	490300077000
0.0	1	LOT 69 WESTPARK VILLAGE W-25 MOR CC-45	490300078000
0.0	1	LOT 70 WESTPARK VILLAGE W-25 MOR CC-45	490300079000
0.0	1	LOT 71 WESTPARK VILLAGE W-25 MOR CC-45	490300080000
0.0	1	LOT 72 WESTPARK VILLAGE W-25 MOR CC-45	490300081000
0.0	1	LOT 1 WESTPARK VILLAGE W-25 MOR CC-45	490300010000
0.0	1	LOT 24 WESTPARK VILLAGE W-25 MOR CC-45	490300033000
0.0	1	LOT 33 WESTPARK VILLAGE W-25 MOR CC-45	490300042000
0.0	1	LOT 38 WESTPARK VILLAGE W-25 MOR CC-45	490300047000
0.0	86	17.6 AC LOT 18 WESTPARK PH4 LG LT SUB MOR CC-53	496020027000
0.0	66	14.9 AC LOT 10 WESTPARK PH4 LG LT SUB MOR CC-53	496020019000
0.0	19	4.4 AC LOT 14 WESTPARK PH4 LG LT SUB MOR CC-53	496020023000
0.0	52	14.3 AC LOT 5 WESTPARK PH4 LG LT SUB MOR CC-53	496020017000
0.0	41	11.4 AC LOT 6 WESTPARK PH4 LG LT SUB MOR CC-53	496020018000
0.0	1	LOT21 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258006000
0.0	1	LOT22 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258007000
0.0	1	LOT23 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258008000
0.0	1	LOT26 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258011000
0.0	1	LOT27 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258012000
0.0	1	LOT 50 WESTPARK VILLAGE W-25 MOR CC-45	490300059000
0.0	1	LOT11 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490257011000
0.0	1	LOT25 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258010000
0.0	1	LOT24 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258009000
0.0	1	LOT 108 WESTPARK VILL 2 PH 2 MOR BB-75	490290045000
0.0	1	LOT 137 WESTPARK VILL 2 PH 2 MOR BB-75	490290074000
0.0	92	21.5 AC LOT 4 WESTPARK PH4 LG LT SUB MOR CC-53	496020016000
0.0	56	14.1 AC LOT 8 WESTPARK PH4 LG LT SUB MOR CC-53	496030007000
0.0	1	LOT 84 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050001000
0.0	1	LOT 85 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050002000
0.0	1	LOT 86 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050003000
0.0	1	LOT 87 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050004000
0.0	1	LOT 90 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050007000
0.0	1	LOT 91 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050008000
0.0	1	LOT 92 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050009000
0.0	1	LOT 93 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050010000
0.0	1	LOT 94 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050011000
0.0	1	LOT 95 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050012000
0.0	1	LOT 100 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050017000
0.0	1	LOT 101 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050018000
0.0	1	LOT 102 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050019000
0.0	1	LOT 103 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050020000
0.0	1	LOT 104 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050021000
0.0	1	LOT 105 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050022000
0.0	1	LOT 106 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050023000
0.0	1	LOT 107 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050024000
0.0	1	LOT 108 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050025000
0.0	1	LOT 109 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050026000
0.0	1	LOT 110 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050027000
0.0	1	LOT 111 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050028000
0.0	1	LOT 112 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050029000
0.0	1	LOT 113 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050030000
0.0	1	LOT 114 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050031000
0.0	1	LOT 115 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050032000
0.0	1	LOT 116 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050033000
0.0	1	LOT 117 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050034000
0.0	1	LOT 118 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050035000

0.0	1	LOT 37 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040037000
0.0	1	LOT 45 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040045000
0.0	1	LOT 46 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040046000
0.0	1	LOT 54 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040054000
0.0	1	LOT 70 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040070000
0.0	1	LOT 71 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040071000
0.0	1	LOT 72 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040072000
0.0	64	18 AC POR LOT 7 WESTPARK PH 3-LG LOT SUB MOR CC-28	496010010000
0.0	102	23 AC LOT 16 WESTPARK PH4 LG LT SUB MOR CC-53	496020025000
0.0	1	LOT 97 WESTPARK VILL 2 PH 2 MOR BB-75	490290034000
0.0	1	LOT 180 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160019000
0.0	1	LOT 35 WESTPARK VILL 2 PH 2 MOR BB-75	490290025000
0.0	1	LOT 122 WESTPARK VILL 2 PH 2 MOR BB-75	490290059000
7.2	0	6.8AC POR LOT 11 WESTPARK PH 1 LG LT SUBD MOR AA-4	017150074000
7.2	0	7 AC POR LOT 13 WESTPARK PH 1 LG LT SUBD MOR AA-4	017150076000
0.0	109	20.3 AC LOT 21 WESTPARK PH4 LG LT SUB MOR CC-53	496020030000
0.0	85	16.6 AC LOT 19 WESTPARK PH4 LG LT SUB MOR CC-53	496020028000
0.0	69	14.9 AC LOT 12 WESTPARK PH4 LG LT SUB MOR CC-53	496020021000
0.0	53	13.1 AC LOT 7 WESTPARK PH4 LG LT SUB MOR CC-53	496030006000
0.0	1	LOT 14 WESTPARK VILL 2 PH 2 MOR BB-75	490290004000
0.0	1	LOT 15 WESTPARK VILL 2 PH 2 MOR BB-75	490290005000
0.0	1	LOT 20 WESTPARK VILL 2 PH 2 MOR BB-75	490290010000
0.0	1	LOT 100 WESTPARK VILL 2 PH 2 MOR BB-75	490290037000
0.0	1	LOT 103 WESTPARK VILL 2 PH 2 MOR BB-75	490290040000
0.0	1	LOT 107 WESTPARK VILL 2 PH 2 MOR BB-75	490290044000
0.0	1	LOT 110 WESTPARK VILL 2 PH 2 MOR BB-75	490290047000
0.0	1	LOT 113 WESTPARK VILL 2 PH 2 MOR BB-75	490290050000
0.0	1	LOT 115 WESTPARK VILL 2 PH 2 MOR BB-75	490290052000
0.0	1	LOT 116 WESTPARK VILL 2 PH 2 MOR BB-75	490290053000
0.0	1	LOT 118 WESTPARK VILL 2 PH 2 MOR BB-75	490290055000
0.0	1	LOT 120 WESTPARK VILL 2 PH 2 MOR BB-75	490290057000
0.0	1	LOT 121 WESTPARK VILL 2 PH 2 MOR BB-75	490290058000
0.0	1	LOT 136 WESTPARK VILL 2 PH 2 MOR BB-75	490290073000
0.0	1	LOT 138 WESTPARK VILL 2 PH 2 MOR BB-75	490290075000
0.0	1	LOT 140 WESTPARK VILL 2 PH 2 MOR BB-75	490290077000
0.0	1	LOT 16 WESTPARK VILL 2 PH 2 MOR BB-75	490290006000
0.0	1	LOT 17 WESTPARK VILL 2 PH 2 MOR BB-75	490290007000
0.0	1	LOT 18 WESTPARK VILL 2 PH 2 MOR BB-75	490290008000
0.0	1	LOT 19 WESTPARK VILL 2 PH 2 MOR BB-75	490290009000
0.0	1	LOT 105 WESTPARK VILL 2 PH 2 MOR BB-75	490290042000
0.0	1	LOT 106 WESTPARK VILL 2 PH 2 MOR BB-75	490290043000
0.0	1	LOT 111 WESTPARK VILL 2 PH 2 MOR BB-75	490290048000
0.0	1	LOT 112 WESTPARK VILL 2 PH 2 MOR BB-75	490290049000
0.0	1	LOT 128 WESTPARK VILL 2 PH 2 MOR BB-75	490290065000
0.0	1	LOT 98 WESTPARK VILL 2 PH 2 MOR BB-75	490290035000
0.0	1	LOT 99 WESTPARK VILL 2 PH 2 MOR BB-75	490290036000
0.0	1	LOT 248 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170019000
0.0	1	LOT 258 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170020000
0.0	1	LOT 179 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130001000
0.0	1	LOT 221 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130002000
0.0	1	LOT 222 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130003000
0.0	1	LOT 223 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130004000
0.0	1	LOT 176 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160016000
0.0	1	LOT 177 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160017000
0.0	1	LOT 178 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160018000
0.0	1	LOT 175 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160015000
0.0	1	LOT 181 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160020000
0.0	1	LOT 182 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160021000
0.0	1	LOT 253 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160060000
0.0	1	LOT 254 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160061000
0.0	1	LOT 255 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160062000
0.0	1	LOT 256 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160063000

0.0	1	LOT 257 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160064000
0.0	1	LOT 231 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170002000
0.0	1	LOT 247 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170018000
0.0	1	LOT 259 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170021000
0.0	1	LOT 173 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160013000
0.0	1	LOT 174 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160014000
0.0	1	LOT 224 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130005000
0.0	1	LOT 230 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170001000
0.0	1	LOT 225 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130006000
0.0	1	LOT 226 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130007000
0.0	1	LOT 227 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130008000
0.0	1	LOT 252 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130014000
0.0	1	LOT 228 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130009000
0.0	1	LOT 229 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130010000
0.0	1	LOT 250 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130012000
0.0	1	LOT 251 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130013000
0.0	1	LOT 249 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130011000
0.0	57	12.6 AC LOT 3 WESTPARK PH4 LG LT SUB MOR CC-53	496020015000
0.0	20	7.9 AC LOT 2 WESTPARK PH4 LG LT SUB MOR CC-53	496020014000
0.0	1	LOT 109 WESTPARK VILL 2 PH 2 MOR BB-75	490290046000
0.0	1	LOT 22 WESTPARK VILL 2 PH 2 MOR BB-75	490290012000
0.0	1	LOT 61 WESTPARK VILLAGE W-25 MOR CC-45	490300070000
0.0	88	12.2AC LOT1 WESTPARK PH 3-LARGE LOT SUB MOR CC-28	496010001000
0.0	1	LOT 139 WESTPARK VILL 2 PH 2 MOR BB-75	490290076000
0.0	1	LOT 117 WESTPARK VILL 2 PH 2 MOR BB-75	490290054000

**B – READDRESSING/REASSIGNING
APPRAISAL REPORTS**



Readdressing/Reassigning Appraisal Reports

Seevers Jordan Ziegenmeyer adheres to the requirements of the 2014-2015 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). This edition is effective from January 1, 2014 through December 31, 2015. The following excerpts pertain to readdressing/reassigning appraisal reports:

Advisory Opinion 26, Page A-89:

Once a report has been prepared for a named client(s) and any other identified intended users and for an identified intended use, the appraiser cannot “readdress” (transfer) the report to another party.

Advisory Opinion 27, Pages A-91 to A-92:

Situations often arise in which appraisers who have previously appraised a property are asked by a different party to appraise the same property.... Accepting the assignment from the subsequent prospective client is not prohibited by USPAP, assuming appropriate disclosure is made to the client before being engaged and any existing confidential information is handled properly.... If there is a new potential client, valuation services performed for that new client would constitute a new assignment and the assignment results would be specific to that new assignment.

Frequently Asked Question No. 122, Page F-56 to F-57:

It is never permissible to readdress a report by simply changing the client’s name on a completed report, regardless of whether the first client gave a release. The request from Lender B must be treated as a new assignment.

C – GLOSSARY OF TERMS

GLOSSARY OF TERMS

Unless otherwise noted, the following definitions are from The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Aggregate of Retail Values (ARV): The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions.

As Is Market Value: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Band of Investment: A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Bulk (Discounted) Value: The most probable price, in a sale of all parcels within a tract or development project, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or in terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under stress. (Appraisal Standards For Land-Secured Financing, California Department Advisory Commission, 1994)

Comparative-Unit Method: A method used to derive a cost estimate in terms of dollars per unit of area or volume based on known costs of similar structures that are adjusted for time and physical differences; usually applied to total building area.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

Depreciation: In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Direct Capitalization: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Discount Rate: A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*.

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) consummation of a sale within a future exposure time specified by the client; 2) the property is subjected to market conditions prevailing as of the date of valuation; 3) both the buyer and seller are acting prudently and knowledgeably; 4) the seller is under compulsion to sell; 5) the buyer is typically motivated; 6) both parties are acting in what they consider to be their best interests; 7) an adequate marketing effort will be made during the exposure time specified by the client; 8) payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; 9) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Easement: The right to use another's land for a stated purpose.

Environmental Contamination: Adverse environmental conditions resulting from the release of hazardous substances into the air, surface water, groundwater or soil. Generally, the concentrations of these substances would exceed regulatory limits established by the appropriate federal, state, and/or local agencies. (USPAP 2014-2015 Edition)

Exposure Time: Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP 2014-2015 Edition)

External Obsolescence: An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.

Extraction: A method of estimating land value in which the depreciated cost of the improvements on the improved property is

calculated and deducted from the total sale price to arrive at an estimated sale price for the land.

Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. (USPAP 2014-2015 Edition)

Fair Market Value: The highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. (California Code of Civil Procedure, Section 1263.320(a))

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Functional Obsolescence (Incurable): An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected.

Highest and Best Use: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four

criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Highest and Best Use of Property as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Highest and Best Use of Land or a Site as though Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Hypothetical Condition: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP 2014-2015 Edition)

Income Capitalization Approach: A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship.

Leasehold Interest: The tenant's possessory interest created by a lease. (Negative leasehold: A lease situation in which the market rent is less than the contract rent. Positive leasehold: A lease situation in which the market rent is greater than the contract rent.)

Liquidation Value: See *Disposition Value*.

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Neighborhood: A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

Obsolescence: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

Prospective Opinion of Value: A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Quantity Survey Method: A cost-estimating method in which the quantity and quality of all materials used and all categories of labor required are estimated and unit cost figures are applied to arrive at a total cost estimate for labor and materials.

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

Reproduction Cost: The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Site Coverage Ratio: The gross area of the building footprint divided by the site area.

Stabilized Occupancy: An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent.

Subdivision Development Method: A method of estimating land value when subdivision development is the highest and best use of the parcel of land being appraised. When all direct and indirect costs and

entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or residences), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

Superadequacy: An excess in the capacity or quality of a structure or structural component; determined by market standards.

Unit-In-Place Method: A cost-estimating method in which total building cost is estimated by adding together the unit costs for the various building components as installed; also called the *segregated cost method*.

Yield Capitalization: A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.

Yield Rate: A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment.

D – QUALIFICATIONS OF APPRAISER(S)



Kevin K. Ziegenmeyer, MAI, Partner

Introduction

Mr. Ziegenmeyer is a partner with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Over the past several years, Mr. Ziegenmeyer has handled many of the firm's master-planned property appraisals and has developed expertise in the valuation of Community Facilities Districts and Assessment Districts. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation.

Professional Affiliations

Appraisal Institute – MAI Designation
Certified General Real Estate Appraiser - State of California (No. AG013567)

Education

Academic:

Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C
Basic Valuation Procedures
Real Estate Appraisal Principles
Capitalization Theory and Techniques, Part A
Advanced Income Capitalization
Report Writing and Valuation Analysis
Advanced Applications
IRS Valuation Summit I & II
2008, 2009, 2010 & 2011 Economic Forecast
Business Practices and Ethics
Contemporary Appraisal Issues with Small Business Administration Financing
General Demonstration Appraisal Report Writing Seminar
7-Hour National USPAP Update Course
Valuation of Easements and Other Partial Interests
2009 Summer Conference
Uniform Appraisal Standards for Federal Land Acquisitions
2008 Economic Update
Valuation of Conservation Easements
Subdivision Valuation
(continued on next page.....)



(.....continued from previous page)

2005 Annual Fall Conference
General Comprehensive Exam Module I, II, III & IV
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

Appraisal Experience

General-purpose:

Offices
Retail
Industrial
Apartments
Subdivisions
Land

Special-purpose:

Athletic Clubs
Churches
Educational Facilities
Restaurants
Assisted-living Facilities
Auto Sales and Service
Lodging Facilities



Sample of Appraisal Experience

Hunters Point Shipyard – Phase I
San Francisco, San Francisco County, California

This appraisal was completed for use by the developer for determination of possible refinancing of the Redevelopment Agency of the City and County of San Francisco Community Facilities District (CFD) No. 7 (Hunters Point Shipyard) Bonds. The appraised property comprises Phase I of the Hunters Point Shipyard redevelopment area, which is commonly referred to as the Hilltop and Hillside subdivisions, and comprises approximately 75.32 gross acres of land, which includes 23.72± developable acres proposed for the construction of 1,142 residential units in a variety of attached single-family, townhouse and stacked residential units. Specifically, the Hilltop development contains 15.92± acres of land to be developed with 768 residential units, and the Hillside development contains 7.8± acres to be developed with 374 single-family residential units. In addition, Phase I will include 36.0± acres dedicated to parks and open space and 15.6± acres of streets and rights-of-way.

City of San Mateo Community Facilities District No.
2008-1 (Bay Meadows)
San Mateo, San Mateo County, California

This appraisal was completed for use in a land-secured financing associated with the development of 52± developable acres proposed for the development of 724,225 square feet of office space, approximately 85,374 square feet of retail space and 1,121 residential housing units, with 832 residential housing units being developed on the residential land component and the balance (289 units) to be developed as part of the mixed-use component. The report was prepared for the City of San Mateo Department of Finance.

City of Redwood City Community Facilities District
No. 2010-1 (One Marina)
Redwood City, San Mateo County, California

This appraisal was completed for use in a land-secured financing associated with the development of 16.62± acres proposed for the construction of 231 townhome and flat-style residential units within 24 detached buildings. The report was prepared for the City of Redwood City Department of Finance.

County of San Joaquin Community Facilities District
No. 2009-2 (Vernalis Interchange)
Vernalis, San Joaquin County, California

This assignment involved the appraisal of approximately 3,457.41 gross acres of land comprising 40 separate Assessor's parcels devoted to (or intended for) aggregate mining operations by six independent mining operators, including Teichert, West Coast Aggregates, Granite, Knife River, DeSilva Gates and Cemex. The summary appraisal was completed for bond financing purposes, with the proceeds intended to finance the construction of a new interchange on State Route 132 at Bird Road, which is intended to enhance traffic operation safety at this intersection. This report was prepared for the County of San Joaquin.



Sample of Appraisal Experience (continued)

Bickford Ranch Community Facilities District No.
2003-1
Placer County, California

The hypothetical market valuation of a proposed master planned community that will include 847.2 acres of land designated for 1,783 residential lots and a 9.7-acre commercial component. The appraisal will be used for bond underwriting purposes and was prepared for the County of Placer.

El Dorado Hills Community Facilities District No. 1992-1 (portion)
El Dorado County, California

This assignment involved the hypothetical cumulative or aggregate, valuation of a sizeable portion of the existing Serrano master planned community. The appraisal included 1,597 single-family residential lots, 382 custom single-family residential lots, 33.05 acres of commercial land and 344 existing single-family residences. The appraisal will be used for bond underwriting purposes and was prepared for the County of El Dorado.

Community Facilities District No. 16
West Sacramento, California

This project involved the valuation of Bridgeway Lakes, a high-end 609-lot single-family residential community located in the Southport area of West Sacramento. Lot densities within the project varied from low and medium density to rural estate lots. This report was prepared for the City of West Sacramento.

Community Facilities District No. 17
West Sacramento, California

This assignment concerned the valuation of 252 single-family lots and 252 proposed multifamily units comprising the Parella residential community in the Southport area of West Sacramento. This report was prepared for the City of West Sacramento.

Diablo Grande Community Facilities District No. 1 (Series 2002)
Stanislaus County, California

The appraisal involved the valuation of a partially improved resort and master planned community offering 1,410 residential lots, multifamily land, commercial land, a hotel site, vineyards and two 18-hole championship golf courses. The appraisal was used for bond underwriting purposes and was prepared for Western Hills Water District.

Plumas Lake Community Facilities District No. 2002-1
Yuba County, California

This appraisal included the valuation of a portion of the proposed, and partially improved, Plumas Lake Specific Plan area, and comprised 3,314 detached single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the Olivehurst Public Utility District.



Seevers
Jordan
Ziegenmeyer

Real Estate Appraisal & Consultation

Northern California/Nevada
3825 Atherton Road, Suite 500
Rocklin, California 95765

P: (916) 435-3883 F: (916) 435-4774

Sample of Appraisal Experience (continued)

Brentwood Assessment District No. 2003-1
Brentwood, Contra Costa County, California

This assignment involved the valuation of an assessment district containing commercial and residential components comprising 5.66 acres of commercial land, 882 single-family residential lots and 15.8 acres of multifamily land. The appraisal was used for bond underwriting purposes and was prepared for the City of Brentwood.

Patterson Gardens & Keystone Pacific Business Park
Patterson, Stanislaus County, California

This appraisal involved the valuation of a 985-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 224-acre industrial park. This report was prepared for Bank of America.

Syrah Condominiums
Sacramento, Sacramento County, California

Syrah is a proposed 245-unit residential condominium development with dual phase valuations. This report was prepared for KeyBank.



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Kevin K. Ziegenmeyer

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2015
Date Expires: June 4, 2017


Jim Martin, Bureau Chief, BREAA

3020787



Justin Kobilis, Appraiser

Introduction

Mr. Kobilis is a licensed appraiser with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. Prior to joining the firm in June of 2006, Mr. Kobilis was employed as a realtor with Coldwell Banker and an accountant with Investors Bank and Trust. Mr. Kobilis is now writing narrative appraisal reports for a variety of commercial properties. He is involved in appraisal assignments covering right-of-way, office, retail, industrial, land and mixed-use properties.

Professional Affiliations

Candidate for MAI Designation – Appraisal Institute
Certified General Real Estate Appraiser – State of California (No. AG044370)

Education

Academic:

Bachelor of Science in Managerial Economics with Highest Honors, University of California, Davis

Appraisal Institute Courses:

Basic Appraisal Principles
Basic Appraisal Procedures
Basic Income Capitalization
Report Writing and Case Studies
Sales Comparison Approach
Cost Approach
Real Estate Finance and Statistics
Highest and Best Use
15 Hour USPAP
Advanced Income Capitalization
Advanced Market Analysis and Highest and Best Use
Advanced Concepts and Case Studies
Complex Litigation Appraisal Case Studies
Appraiser as an Expert Witness: Preparation and Testimony
Condemnation Appraising: Principles and Applications



Sample of Appraisal Experience

5.18 Acres of Commercial Land
Placerville, California

In this assignment for El Dorado County, we estimated the fair market value of 5.18 acres of land to be involved in a swap with a private ownership entity. The County plans to construct a courthouse and supporting parking areas. The valuation was based upon the hypothetical condition that the subject site has road access and utilities in place.

Partial Acquisition
Sacramento, California

This appraisal was concerned with estimating the fair market value of the rights taken of a partial acquisition of 0.92 acres in Sacramento County. The acquisition area represented both unencumbered and encumbered land (drainage easement, road right of way). Our client was the property owner.

Partial Acquisition
Plymouth, California

In this assignment for a right of way agency, we estimated the fair market value of the rights taken from seven parcels affected by a roundabout project in Amador County (Plymouth). We estimated damages to one of the parcels as a result of a relocation of parking stalls to an adjacent parcel.

Partial Acquisition
Elk Grove, California

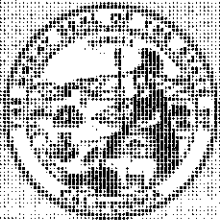
This report involved the estimation of the fair market value of the rights taken from three parcels affected by a sidewalk improvement project in the city of Elk Grove. Our client was the right of way agency.

Portion of a Master Planned Community
Roseville, California

In this assignment, we estimated an as-is market value of a portion of a master planned community in West Roseville. The project contained single-family residential lots (both low density and medium density), multifamily residential parcels (both market rate and affordable units), commercial parcels, parks, open space and a school site. Significant backbone infrastructure and in-tract development remained to be completed.

171-Unit Multifamily Project
Rocklin, California

This assignment involved the valuation of 171 multifamily units formerly sold as condominiums (the project converted to a for-rent development). The valuation involved the prospective market value upon stabilized occupancy (as an apartment project), the investment value as a for-sale condominium community, the investment value of each of the 10 floor plans and the as-is market value (as an apartment project).



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Justin E. Kobilis

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is therefore entitled to use the title

Certified General Real Estate Appraiser

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: **AG 044370**

Effective Date: **June 17, 2015**

Date Expires: **June 16, 2017**

Justin S. Martin
 Justin S. Martin, Bureau Chief, BREA



Seevers
Jordan
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Lance C. Jordan, MAI, Partner

Introduction

Mr. Jordan is a partner with Seevers Jordan Ziegenmeyer (SJZ), a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1989, Mr. Jordan began his career in real estate as a research analyst for Corcoran and Seevers. Today, Mr. Jordan is a partner with SJZ. With over 25 years of experience in the field, he has developed the expertise and background necessary to deal with complex assignments covering a wide range of property types.

Professional Affiliations

Appraisal Institute - MAI designation

Board Member - Appraisal Institute, Sacramento-Sierra Chapter (2014-2015)

Government Relations Committee – Appraisal Institute, Sacramento-Sierra Chapter (2014-2015)

Vice President - Appraisal Institute, Sacramento-Sierra Chapter (2007)

Secretary/Treasurer - Appraisal Institute, Sacramento-Sierra Chapter (2006)

Certified General Real Estate Appraiser - State of California (No. AG012709)

Education

Academic:

Bachelor of Science in Business Administration (Accountancy), California State University, Sacramento (1991)

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A & B

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing & Valuation Analysis

Advanced Applications

Highest & Best Use and Market Analysis

Advanced Sales Comparison & Cost Approaches

Recent Continuing Education:

Tahoe Litigation Conference – Appraisal Institute

Forecasting Revenue – Appraisal Institute

Appraising Distressed Commercial Real Estate – Appraisal Institute

Litigation Appraising: Specialized Topics and Applications – Appraisal Institute

The Essentials, Current Issues & Misconceptions in Appraising – Appraisal Institute

Business Practices and Ethics – Appraisal Institute



Sample of Appraisal Experience

Office

1651 Exposition Boulevard,
Sacramento, California

This appraisal was for purchase negotiations. The subject was a 68,160 square foot, Class A office building in the Point West submarket of Sacramento. This property was appraised under a variety of hypothetical scenarios to assist in potential sale negotiations and included our opinion of the as-is market value given its existing tenancy.

Industrial

180 Litton Drive
Grass Valley, California

A 44,590 square foot flex/R&D building occupied by a video equipment manufacturer. This appraisal included both a fee simple and leased fee market value due to the above market lease rate. This appraisal was prepared for loan underwriting purposes.

Retail

Laguna 99
8451-8469 Elk Grove Blvd.
Elk Grove, California

This 89,600 square foot anchored shopping center was appraised for asset valuation purposes. The property included a grocery store space and 30,497 square feet of in-line building tenants.

Apartment

Village Apartments
506 Civic Center Boulevard
Suisun City, California

A 108-unit low-income apartment was the subject of this appraisal. This report was prepared for loan underwriting purposes to be used by the US Department of Housing and Urban Development for permanent financing. 106 of the 108 units received Section 8 housing assistance subsidies.

Industrial

4061 Gateway Park Boulevard
Sacramento, California

The property that was the subject of this appraisal represented a large, substantially refrigerated, distribution facility (402,681 square feet). Owner-occupied by a regional grocery store, this appraisal was prepared for a property tax appeal.

Land

Conaway Ranch,
Yolo County, California

The just compensation for three acquisitions scenarios was estimated in this appraisal. The State of California was interested in 17,333 acres of agriculture land for either a full-take, or either of two conservation easement scenarios. This report was prepared for the State of California.

Hotel/Motel

Ramada Inn
2645 Barham Avenue
Corning, California

Located on leased land located adjacent to the Rolling Hills Casino, this property represented a 51-room limited service hotel. This appraisal was conducted for estimating the leasehold value of the improvements for loan underwriting purposes. The going-concern value was estimated as well.

Senior Housing

Valley Crossing
Van Nuys, California

The conversion of a 390-unit apartment project into a 428-unit senior continuum of care facility. This project is to include senior apartments, board and care units, assisted living care and Alzheimer's disease / dementia units. The appraisal was concerned with the prospective value of the project, as well as its as-is value.



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Lance C. Jordan

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

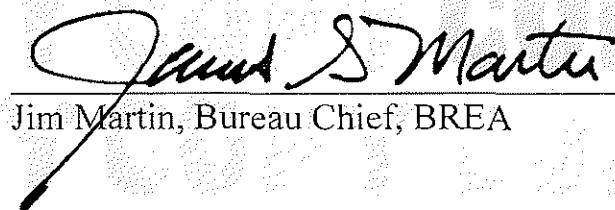
“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 012709

Effective Date: January 9, 2014

Date Expires: January 8, 2016



Jim Martin, Bureau Chief, BREA

3010442

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

_____, 2015

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

OPINION: \$_____ City of Roseville Special Tax Westpark Community Facilities
District No. 1 (Public Facilities) Refunding Bonds, Series 2015

Members of the City Council:

We have acted as bond counsel to the City of Roseville (the "City") in connection with the delivery by the City of the above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, *et seq.* (the "Act"), and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City on behalf of the City of Roseville Westpark Community Facilities District No.1 (Public Facilities) and The Bank of New York Mellon Trust Company, N.A., as fiscal agent. We have examined the Act, an executed copy of the Fiscal Agent Agreement and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The City is a charter city duly organized and existing under the laws of the State of California, with power to enter into the Fiscal Agent Agreement, to perform the agreements on its part contained therein and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the City and are legal, valid and binding obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.
3. The Fiscal Agent Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.
4. Pursuant to the Act, the Fiscal Agent Agreement establishes a valid lien on and pledge of the Special Tax Revenues (as such term is defined in the Fiscal Agent Agreement) for the security of the Bonds.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

6. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$ _____
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the City of Roseville (the "City") in connection with the issuance of the bonds captioned above (the "Bonds"). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently April 1 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" means Willdan Financial Services, Inc., or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

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

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement dated _____, 2015, executed by the City in connection with the issuance of the Bonds.

"*Participating Underwriters*" means Piper Jaffray & Company and Stifel, Nicolaus & Company, Incorporated, the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2016, with the report for the 2014-15 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the City, file a report with the City and the Participating Underwriters certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following documents and information:

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. This submission should be made with the following caveat:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY (OTHER THAN THE PROCEEDS OF THE SPECIAL TAXES LEVIED FOR THE DISTRICT AND SECURING THE BONDS) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD

NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following additional items, indicating information as of the previous September 30th, with respect to the Bonds:

(1) Principal amount of Bonds outstanding under the Fiscal Agent Agreement.

(2) Balance in Improvement Fund.

(3) Balance in Reserve Fund.

(4) Table indicating Special Tax levy, amount collected, delinquent amount and percent delinquent for the most recent year.

(5) Status of foreclosure proceedings and summary of results of foreclosure sales, if available.

(6) Identity of any delinquent taxpayer representing more than 5% of levy and value-to-lien ratios of applicable properties (using assessed values unless more accurate information is available).

(7) Aggregate assessed value for all parcels in the District.

(c) For so long as there is any owner of property in the District whose properties in the District collectively represent 10% or more of the Special Taxes, the following information regarding the status of development in the District:

(1) Significant amendments to land use entitlements.

(2) Status of any legislative, administrative and judicial challenges to the construction of the development known to the Issuer.

(3) Assessed valuation of property shown on County Assessor's tax rolls with no "improvements" value in the District for the current (as of the date of the report) fiscal year.

(4) List of landowners (as shown County Assessor's tax roll) and assessor's parcel number(s) of parcels held by owners whose properties collectively represent 10% or more of the Special Taxes for the current (as of the date of the report) fiscal year.

(5) Number of building permits issued by the City for property in the District for the reported fiscal year.

(d) For so long as any owner of property in the District whose properties in the District collectively represent 10% or more of the total Special Tax for the entire District, the information contained in Section 4 of the Continuing Disclosure Agreement executed by such property owner at the time of issuance of the Bonds.

(e) In addition to any of the information expressly required to be provided under paragraphs (a), (b) and (c) of this Section, the Issuer shall provide such further information, if any, as

may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City.
- (13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional Fiscal Agent or the change of name of the Fiscal Agent, if material.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as

possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Willdan Financial Services.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (1) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (2) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the

reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Participating Underwriters or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Fiscal Agent, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Fiscal Agent, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2015

CITY OF ROSEVILLE for and on behalf of the CITY
OF ROSEVILLE WESTPARK COMMUNITY
FACILITIES DISTRICT NO. 1 (PUBLIC
FACILITIES)

By: _____
Treasurer/Chief Financial Executive

AGREED AND ACCEPTED:
Willdan Financial Services,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Roseville

Name of Bond Issue: City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities) Special
Tax Refunding Bonds, Series 2015

Date of Issuance: _____, 2015

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated _____, 2015 executed by the City and countersigned by Willdan Financial Services, as dissemination agent. The City anticipates that the Annual Report will be filed by _____.

Dated: _

DISSEMINATION AGENT:

APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds (herein, the "Securities") to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

BOND PURCHASE AGREEMENT

July 30, 2015

City of Roseville
311 Vernon Street,
Roseville, California 95678

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Representative”), as representative of itself and of Piper Jaffray & Co. (together with the Representative, the “Underwriters”), acting not as a fiduciary or agent for you, but on behalf of the Underwriters, offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the City of Roseville, California (the “City”) acting on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the “District”) which, upon acceptance, will be binding upon the City and upon the Underwriters. This offer is made subject to acceptance of it by the City on the date hereof, and if not accepted will be subject to withdrawal by the Representative upon notice delivered to the City at any time prior to the acceptance hereof by the City.

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds (defined below) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Underwriters; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as Municipal Advisors (as defined in Section 15B of The Securities Exchange Act of 1934, as amended); (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the City on other matters); and (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate for this transaction.

1. Purchase, Sale and Delivery of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters agree to purchase from the City, and the City agrees to sell to the Underwriters, all (but not less than all) of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015

(the “Bonds”) in the aggregate principal amount specified in Exhibit A hereto. The Bonds shall be dated the Closing Date (hereinafter defined), and bear interest from said date (payable semiannually on March 1 and September 1 in each year, commencing March 1, 2016) at the rates per annum and maturing on the dates and in the amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be the amount specified as such in Exhibit A hereto.

(b) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and subject to redemption as provided in, the Fiscal Agent Agreement by and between the City and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the “Fiscal Agent”), dated as of July 1, 2015 (the “Fiscal Agent Agreement”), approved by Resolution No. 15-323 adopted by the City Council of the City (the “City Council”), acting as the legislative body of the District, on July 15, 2015 (the “Resolution of Issuance”). The Bonds and interest thereon will be payable from a special tax (the “Special Tax”) levied and collected on the taxable land within the District in accordance with Resolution of Intention adopted by the City Council on August 4, 2004, and Resolution No. 04-439 adopted by the City Council on September 15, 2004 (together with the Resolution of Intention, the “Resolution of Formation”). Proceeds of the sale of the Bonds will be used in accordance with the Fiscal Agent Agreement and the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 et seq. of the Government Code of the State of California) (the “Law”), to (i) refund the District’s outstanding Special Tax Bonds, Series 2005 (the “Series 2005 Bonds”); (ii) refund the District’s outstanding Special Tax Bonds, Series 2006 (together, with the Series 2005 Bonds, the “Prior Bonds”); (iii) establish a debt service reserve fund for the Bonds; and (iv) pay the costs of issuing the Bonds. The Resolution of Issuance, the Resolution of Formation, and Ordinance No. 4128, adopted by the City Council on October 6, 2004, are collectively referred to herein as the “District Resolutions.”

(c) At or prior to the acceptance hereof by the City, the City shall cause to be delivered to the Underwriters a 15c2-12 Certificate of the City, dated as of the date of this Purchase Agreement (the “City Certificate”), in substantially the form attached hereto as Exhibit B, with only such changes therein as shall have been accepted by the Underwriters.

(d) Subsequent to its receipt of the City Certificate deeming the Preliminary Official Statement for the Bonds, dated July 17, 2015 (which Preliminary Official Statement, together with the cover page and all appendices thereto, is herein collectively referred to as the “Preliminary Official Statement”), final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), the Underwriters have distributed copies of the Preliminary Official Statement. The City hereby ratifies the use by the Underwriters of the Preliminary Official Statement and authorizes the Underwriters to use and distribute the final Official Statement dated the date hereof (including all information previously permitted to have been omitted by Rule 15c2-12, and any supplements and amendments thereto as have been approved by the City as evidenced by the execution and delivery of such document by an officer of the City (the “Official Statement”), the Fiscal Agent Agreement, the Continuing Disclosure Agreement of the City (the “City Disclosure Agreement”), this Purchase Agreement, the Irrevocable Refunding Instructions, dated as of July 1, 2015, by and between the City for and on behalf of the District and the Fiscal Agent acting as fiscal agent for the Prior Bonds (the “Irrevocable Escrow Instructions”), and any other documents or contracts to which the City or the District is a party related to the Bonds, and all information contained therein, and all other documents, certificates and statements furnished by the City to the Underwriters in connection with the transactions contemplated by this Purchase Agreement, in connection with the offer and sale of the Bonds by the Underwriters. The Underwriters hereby agree to deliver a copy of the Official Statement to the Municipal Securities Rulemaking City Council (the

“MSRB”) through the Electronic Municipal Marketplace Access website of the MSRB on or before the Closing Date and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12.

(e) At 8:00 A.M., Pacific Daylight Time, on August 12, 2015, or at such earlier time or date as shall be agreed upon by the Representative and the City (such time and date being herein referred to as the “Closing Date”), the City will deliver (i) to the Depository Trust Company in New York, New York, the Bonds in definitive form (all Bonds being in book-entry form registered in the name of Cede & Co. and having the CUSIP numbers assigned to them printed thereon), duly executed by the officers of the City, as provided in the Fiscal Agent Agreement, and (ii) to the Underwriters, at the offices of Bond Counsel, or at such other place as shall be mutually agreed upon by the City and the Representative, the other documents herein mentioned; and the Underwriters shall accept such delivery and pay the purchase price of the Bonds in immediately available funds (such delivery and payment being herein referred to as the “Closing”). Notwithstanding the foregoing, the Underwriters may, in their discretion, accept delivery of the Bonds in temporary form upon making arrangements with the City which are satisfactory to the Underwriters relating to the delivery of the Bonds in definitive form.

(f) Except as otherwise disclosed in writing and agreed to by the City, the Underwriters agree to make a bona fide public offering of the Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Exhibit A hereto; provided, however, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds, and to sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices set forth in the Official Statement. A “bona fide public offering” shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold. The Underwriters shall provide to the City on the Closing Date a certificate stating, among other things, that the Underwriters made a bona fide public offering of the Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Exhibit A.

2. Representations, Warranties and Agreements of the City. The City represents, warrants and covenants to and agrees with the Underwriters that:

(a) The City is a municipal corporation and charter city duly organized and existing under the laws of the State of California (the “State”) and has duly authorized the formation of the District pursuant to the Resolution of Formation and the Law. The City Council, as the legislative body of the District, has duly adopted the District Resolutions, and has caused to be recorded in the real property records of Placer County a Notice of Special Tax Lien (the “Notice of Special Tax Lien”) (such District Resolutions and Notice of Special Tax Lien being collectively referred to herein as the “Formation Documents”). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended. The District is duly organized and validly existing as a community facilities district under the laws of the State of California. The City has, and at the Closing Date will have, as the case may be, full legal right, power and authority (i) to execute, deliver and perform its obligations under this Purchase Agreement and the City Disclosure Agreement, and to carry out all transactions on its part contemplated by each of such agreements, (ii) to issue, sell and deliver the Bonds to the Underwriters pursuant to the Resolution of Issuance and the Fiscal Agent Agreement as provided herein, and (iii) to carry out, give effect to and consummate

the transactions on its part contemplated by the Formation Documents and by the Fiscal Agent Agreement, the Irrevocable Escrow Instructions, this Purchase Agreement, and the City Disclosure Agreement (collectively, the “District Documents”) and the Official Statement.

(b) The City has complied, and will at the Closing Date be in compliance, in all material respects, with the Formation Documents and the District Documents, and any immaterial compliance by the City, if any, will not impair the ability of the City to carry out, give effect to or consummate the transactions on its part contemplated by the foregoing. From and after the date of issuance of the Bonds, the City will continue to comply with the covenants of the City contained in the District Documents that are applicable to such time period.

(c) The City Council has duly and validly: (i) adopted the District Resolutions, (ii) called, held and conducted in accordance with all requirements of the Law elections within the District to approve the levy of the Special Tax within the District and the issuance of the Bonds and recorded the Notice of Special Tax Lien which established a continuing lien on the land within the District securing the payment of the Special Tax, (iii) authorized and approved the execution, delivery and due performance by the City for the District of the Bonds and the District Documents, (iv) authorized the preparation, delivery and distribution of the Preliminary Official Statement and the Official Statement, and (v) authorized and approved the performance by the City of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions on its part contemplated by, each of the District Documents (including, without limitation, the collection of the Special Tax), the Bonds and the Official Statement and at the Closing Date, the Formation Documents will be in full force and effect and the District Documents and the Bonds will constitute the valid, legal and binding obligations of the City for the District and (assuming due authorization, execution and delivery by other parties thereto, where necessary) will be enforceable upon the City in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors’ rights in general and to the application of equitable principles if equitable remedies are sought.

(d) To the best of the City’s knowledge, neither the District nor the City is in breach of or default under any applicable law or administrative rule or regulation of the State or the United States, or of any department, division, agency or instrumentality thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, trust agreement, contract, agreement or other instrument to which the District or the City is a party or is otherwise subject or bound, a consequence of which would be to materially and adversely affect the performance by the District or the City of their obligations under the Bonds, the Formation Documents or the District Documents, and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or the United States, or of any department, division, agency or instrumentality thereof, or under any applicable court or administrative decree or order, or a material breach of or default under any loan agreement, note, resolution, trust agreement, contract, agreement or other instrument to which the District or the City, as the case may be, is a party or is otherwise subject or bound.

(e) Except for compliance with the blue sky or other states securities law filings, as to which the City makes no representations, all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would

materially adversely affect, the performance by the City of its obligations hereunder, or under the Formation Documents or the District Documents, have been obtained and are in full force and effect.

(f) The Special Tax constituting the security for the Bonds has been duly and lawfully authorized and may be levied under the Law, the State Constitution and the applicable laws of the State, and the Special Tax, when levied, will constitute a valid and legally binding continuing lien on the properties on which it has been levied.

(g) The City shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative. Until the date which is twenty-five (25) days after the “end of the underwriting period” (as hereinafter defined), if any event shall occur of which the City is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the City shall forthwith notify the Representative of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Representative’s opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the Underwriters a reasonable number of copies of such supplement. As used herein, the term “end of the underwriting period” means the later of such time as (i) the City delivers the Bonds to the Underwriters, or (ii) the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Representative gives notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period.”

(h) The Fiscal Agent Agreement creates a valid pledge of the Special Tax Revenues and the moneys deposited in the Bond Fund and the Reserve Fund established pursuant to the Fiscal Agent Agreement, including the investments thereof, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon to maturity or to the date of redemption if redeemed prior to maturity, and premium, if any, the City will faithfully perform and abide by all of its covenants and undertakings, and the provisions contained in the Fiscal Agent Agreement.

(i) Except as disclosed in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the City has been served with process or, to the best knowledge of the City, threatened (i) which would materially adversely affect the ability of either the City or the District to perform their obligations under the Bonds, the Formation Documents or the District Documents, or (ii) seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Formation Documents, the District Documents, or any action contemplated by any of said documents, or (iii) in any way contesting the completeness or accuracy of the Official Statement or the powers or authority of the City or the District with respect to the

Bonds, the Formation Documents, the District Documents, or any action of the City or the District contemplated by any of said documents; nor is there any action pending with respect to which the City has been served with process or, to the best knowledge of the City, threatened against the City or the District which alleges that interest on the Bonds is not excludable from gross income for federal income tax purposes or is not exempt from California personal income taxation, or (iv) which would affect or restrain the ability of the owners of property within the District to develop their property as described in the Preliminary Official Statement.

(j) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order for the Underwriters to qualify the Bonds for offer and sale under the “Blue Sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate; provided, however, the City shall not be required to register as a dealer or a broker of securities or to consent to service of process in connection with any blue sky filing.

(k) Any certificate signed by any official of the City authorized to do so and delivered to the Underwriters in connection with the Bonds or this Purchase Agreement shall be deemed a representation and warranty to the Underwriters as to the statements made therein.

(l) The City will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and the Irrevocable Escrow Instructions as described in the Official Statement.

(m) The information contained in the Preliminary Official Statement (other than under the captions “THE BONDS — Description of the Bonds” as they relate to DTC and the Book-Entry Only System, and “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT — Undeveloped Property” and in Appendix C and Appendix F thereto, as to which no view is expressed) was as of the date thereof, and the information contained in the Official Statement (other than under the captions “THE BONDS — Description of the Bonds” as they relate to DTC and the Book-Entry Only System, and “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT — Undeveloped Property” and in Appendix C and Appendix F thereto, as to which no view is expressed) as of its date and on the Closing Date shall be, true and correct in all material respects and such information does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(n) The Preliminary Official Statement heretofore delivered to the Underwriters has been deemed final by the City as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The City hereby covenants and agrees that, within seven (7) business days from the date hereof, the City shall cause a final printed form of the Official Statement to be delivered to the Underwriters in a quantity mutually agreed upon by the Underwriters and the City so that the Underwriters may comply with paragraph (b)(4) of Rule 15c2-12 and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

(o) Except as otherwise disclosed in the Preliminary Official Statement, the City is, and has always been, in material compliance with respect to all reporting obligations in the last five years that it has undertaken under Rule 15c2-12 for all indebtedness issued by the City.

(p) Except as otherwise disclosed in the Preliminary Official Statement, the Formation Documents have not been amended, terminated, rescinded or modified.

(q) The City shall not voluntarily undertake any course of action inconsistent with satisfaction of the requirements applicable to the City as set forth in this Purchase Agreement.

(r) The City shall cooperate with the Underwriters in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Representative may designate.

(s) The City shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exemption from state income taxation or the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

3. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations and warranties of the City contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Formation Documents and the District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as, in the opinion of Jones Hall, A Professional Corporation (“Jones Hall”), Bond Counsel for the City, and Stradling Yocca Carlson & Rauth, a Professional Corporation (“Stradling”), counsel to the Underwriters, shall be necessary and appropriate;

(b) The information contained in the Official Statement will, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant to Section 2(g) hereof, be true and correct in all material respects and will not, as of the Closing Date or as of the date of any supplement or amendment thereto pursuant to Section 2(g) hereof, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) Between the date hereof and the Closing Date, the market price or marketability of the Bonds at the initial offering prices set forth in the Official Statement shall not have been materially adversely affected, in the judgment of the Representative (evidenced by a written notice to the City terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the

Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

(2) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission (the "SEC"), or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(3) any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City or the District, their property, income or securities (or interest thereon), the validity or enforceability of the Special Tax as contemplated by the Formation Documents, the District Documents or the Official Statement;

(4) any event occurring, or information becoming known, which, in the judgment of the Representative, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement, or results in the Preliminary Official Statement or the Official Statement containing any untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) the declaration of war or the escalation of, or engagement in, military hostilities by the United States or the occurrence of any other national or international emergency or calamity relating to the effective operation of the government of, or the financial community in, the United States which, in the judgment of the Representative, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in the Preliminary Official Statement or the Official Statement;

(6) the declaration of a general banking moratorium by federal, State of New York or State of California authorities, or the general suspension of trading on any national securities exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Representative's reasonable judgment, makes it impracticable for the Underwriters to market the Bonds or enforce contracts for the sale of the Bonds;

(7) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material

increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(8) the entry of an order by a court of competent jurisdiction which enjoins or restrains the City from issuing permits, licenses or entitlements within the District or which order, in the reasonable opinion of the Representative, otherwise materially and adversely affects proposed development of property within the District;

(9) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(10) there shall have been any material adverse change in the affairs of the City that in the Representative's reasonable judgment will materially adversely affect the market for the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds;

(11) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order;

(12) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act, and the Trust Indenture Act of 1939, as amended; or

(13) filing of or threat of litigation of the type described in Section 2(i) hereof.

(d) On the Closing Date, the Underwriters shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) The Formation Documents and the District Documents, together with a certificate dated as of the Closing Date of the City Clerk of the City to the effect that each Formation Document is a true, correct and complete copy of the one duly adopted by the City Council;

(2) The Official Statement;

(3) An approving opinion for the Bonds, dated the Closing Date and addressed to the City, of Jones Hall, Bond Counsel for the City, in the form attached to the Preliminary Official Statement as Appendix E, and an unqualified letter of such counsel, dated the Closing Date and addressed to the Underwriters, to the effect that such approving opinion addressed to the City may be relied upon by the Underwriters to the same extent as if such opinion was addressed to it;

(4) A supplemental opinion, dated the Closing Date and addressed to the Underwriters, of Jones Hall, Bond Counsel for the City, to the effect that (i) this Purchase Agreement, the Irrevocable Escrow Instructions, and the Continuing Disclosure Agreement have

been duly authorized, executed and delivered by the City, and, assuming such agreements constitute a valid and binding obligation of the other respective parties thereto, constitute the legally valid and binding agreements of the City for the District enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and may be subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law); (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (iii) the information contained in the Official Statement on the cover and under the captions "INTRODUCTION," "THE BONDS" (other than information relating to DTC and its Book-Entry Only System), "SECURITY FOR THE BONDS," "LEGAL MATTERS – Tax Exemption" and Appendices C and E thereof is accurate, insofar as such information purports to summarize or replicate certain provisions of the Law, the Bonds and the Fiscal Agent Agreement and the exclusion from gross income for federal income tax purposes and exemption from State of California personal income taxes of interest on the Bonds;

(5) An opinion, dated the Closing Date and addressed to the Underwriters, of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel for the Underwriters, to the effect that (i) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (ii) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the City, Bond Counsel, representatives of the Underwriters, and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need to be expressed as to any information relating to The Depository Trust Company, or any information relating to CUSIP numbers, or with respect to any financial or statistical data or forecasts or estimates or assumptions or any expressions of opinion or assessed valuations);

(6) A certificate or certificates, dated the Closing Date and signed by an authorized officer of the City, ratifying the use and distribution by the Underwriters of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds; and certifying that (i) the representations and warranties of the City contained in Section 2 hereof are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best of his or her knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds, the Formation Documents and the District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement; and (iii) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Formation Documents, the District Documents and the Official Statement at or prior to the Closing Date;

(7) An opinion, dated the Closing Date and addressed to the Underwriters, of the City Attorney, to the effect that (i) to its current actual knowledge and except as disclosed in the

Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the City has been served with process or is known to such counsel to be threatened, as to which the City is or would be a party, which would materially adversely affect the ability of the City or the District to perform their obligations under the Bonds, the Formation Documents or the District Documents, or which seeks to restrain or enjoin the issuance, sale and delivery of the Bonds or exclusion from gross income for federal income tax purposes or State of California personal income taxes of interest on the Bonds, or the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the Bonds, or which in any way contests or affects the validity or enforceability of the Bonds, the Formation Documents or the District Documents or the accuracy of the Official Statement, or any action of the City contemplated by any of said documents or the development of property within the District;

(ii) the City is duly organized and validly existing as a public entity under the laws of the State of California and the District is duly organized and validly existing as a community facilities district under the laws of the State of California, and the City has full legal right, power and authority to issue the Bonds and to perform all of its obligations under the Formation Documents and the District Documents; (iii) the City has obtained all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which constitute a condition precedent to the levy of the Special Tax, the issuance of the Bonds or the performance by the City of its obligations thereunder or under the Fiscal Agent Agreement, except that no opinion need be expressed regarding compliance with blue sky or other securities laws or regulations, whatsoever; (iv) the City Council has duly and validly adopted the Formation Documents at meetings of the City Council which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Formation Documents are now in full force and effect and have not been amended; and (v) the City has duly authorized, executed and delivered the District Documents and the Bonds and has duly authorized the preparation and delivery of the Official Statement;

(8) One or more certificates dated the Closing Date from Willdan Financial Services addressed to the City and the Underwriters to the effect that (i) the amount of the Special Taxes that could be levied in each Fiscal Year on all Parcels (as defined in the Rate and Method of Apportionment of Special Tax for the District) of Taxable Property in the District less County Administrative Expenses (as defined in the Rate and Method of Apportionment of Special Tax for the District) of 1%, is at least one hundred ten percent (110%) of the total Annual Debt Service for each such Fiscal Year on the Bonds, and (ii) all information supplied by them for use in the Official Statement is true and correct as of the date of the Official Statement and as of the Closing Date;

(9) A certificate of the City dated the Closing Date, in a form acceptable to Bond Counsel, to the effect that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

(10) A certificate of the Fiscal Agent and an opinion of counsel to the Fiscal Agent dated the Closing Date and addressed to the City and the Underwriters to the effect that the Fiscal Agent has authorized the execution and delivery of the Fiscal Agent Agreement and that the Fiscal Agent Agreement is a valid and binding obligation of the Fiscal Agent enforceable in accordance with its terms;

(11) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof

and as of the Closing Date, of the statements and information contained in the Preliminary Official Statement and the Official Statement, of the City's representations and warranties contained herein and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City and the District in connection with the transactions contemplated hereby and by the Official Statement;

(12) G-17 letter from the Underwriters acknowledged by the City;

(13) A letter of Jones Hall, as disclosure counsel to the City ("Disclosure Counsel"), addressed to the Underwriters and the City, to the effect that nothing has come to such counsel's attention that would lead them to believe that the Official Statement, as of its date and as of the Closing Date (but excluding therefrom the appendices thereto, financial statements and statistical data, and information regarding The Depository Trust Company and its book-entry system, as to which no opinion need be expressed), contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(14) A certificate from Seevers Jordan Ziegenmeyer (the "Appraiser") consenting to the inclusion of their appraisal report (the "Appraisal") in the Preliminary Official Statement and the Final Official Statement and certifying that (i) the information in the Official Statement relating to the Appraisal does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) since the date of the Appraisal they are not aware of any facts that would materially affect the conclusions of value set forth therein.

(15) A certificate of First Southwest Company, LLC, as municipal advisor to the City (the "Financial Advisor"), dated as of the Closing Date, in form and substance satisfactory to Disclosure Counsel, Bond Counsel and the Representative.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriters set forth in Section 5, Section 6 and Section 8 hereof shall continue in full force and effect.

4. Conditions of the City's Obligations. The City's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of the City executing the certificate referred to in Section 3(d)(6) hereof, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Formation Documents, the District Documents or the existence or powers of the City or the District; and

(b) As of the Closing Date, the City shall receive the approving opinion of Bond Counsel referred to in Section 3(d)(3) hereof, dated as of the Closing Date.

5. Expenses. Whether or not the Bonds are delivered to the Underwriters as set forth herein:

(a) The Underwriters shall be under no obligation to pay, and the City shall pay or cause to be paid (out of any legally available funds of the District) all expenses incident to the performance of the City's obligations hereunder, including, but not limited to, the cost of printing, engraving and delivering the Bonds to the Underwriters, the cost of preparation, printing, distribution and delivery of the Fiscal Agent Agreement, the Preliminary Official Statement, the Official Statement and all other agreements and documents contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriters; and the fees and disbursements of the Financial Advisor, the Special Tax Consultant, the Fiscal Agent, Bond Counsel, Disclosure Counsel and Digital Assurance Certification LLC and any accountants, engineers or any other experts or consultants the City has retained in connection with the Bonds; and

(b) The City shall be under no obligation to pay, and the Underwriters shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any "blue sky" or legal investment memoranda and this Purchase Agreement; expenses to qualify the Bonds for sale under any "blue sky" or other state securities laws; and all other expenses incurred by the Underwriters in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses.

6. Notices. Any notice or other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City at 311 Vernon Street, Roseville, California 95678, Attention: City Manager; and any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Scott Sollers, Managing Director.

7. Parties in Interest. This Purchase Agreement is made solely for the benefit of the City, the District and the Underwriters (including their successors or assigns), and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations and Warranties. The representations and warranties of the City set forth in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriters (or statements as to the results of such investigations) concerning such representations and statements of the City and regardless of delivery of and payment for the Bonds.

9. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

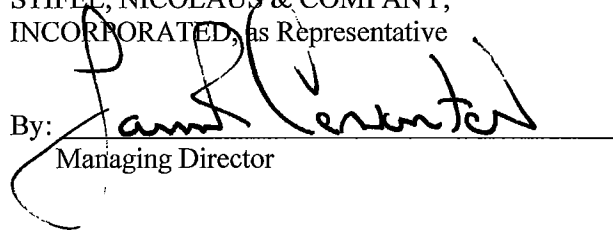
10. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the City.

11. Governing Law. This Purchase Agreement shall be governed by the laws of the State applicable to contracts made and performed in the State.

12. Counterparts. This Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Representative

By: 
Managing Director

ACCEPTED:

CITY OF ROSEVILLE, CALIFORNIA, for and
on behalf of the City's Westpark Community
Facilities District No. 1 (Public Facilities)

By: _____
Finance Director

Time: ____ a.m./p.m.

11. Governing Law. This Purchase Agreement shall be governed by the laws of the State applicable to contracts made and performed in the State.

12. Counterparts. This Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

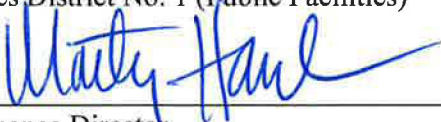
Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Representative

By: _____
Managing Director

ACCEPTED:

CITY OF ROSEVILLE, CALIFORNIA, for and
on behalf of the City's Westpark Community
Facilities District No. 1 (Public Facilities)

By: 
Finance Director

Time: 12:55 a.m./p.m. (p.m.)

EXHIBIT A

MATURITY SCHEDULE

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015**

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
2018	\$ 965,000	3.00%	2.16%	102.467
2019	2,230,000	4.00	2.45	105.944
2020	2,320,000	5.00	2.79	110.346
2021	2,435,000	5.00	3.05	110.701
2022	555,000	3.00	3.37	97.693
2022	2,000,000	5.00	3.37	110.154
2023	2,675,000	5.00	3.53	110.223
2024	2,805,000	5.00	3.66	110.244
2025	945,000	3.50	3.78	97.674
2025	2,000,000	5.00	3.78	110.122
2026	3,080,000	5.00	3.88	109.247 ^C
2027	3,230,000	5.00	3.96	108.553 ^C
2028	3,395,000	5.00	4.04	107.864 ^C
2029	3,565,000	5.00	4.11	107.266 ^C
2030	740,000	4.00	4.18	98.002
2030	3,000,000	5.00	4.18	106.672 ^C
2031	3,925,000	5.00	4.24	106.165 ^C
2032	4,120,000	5.00	4.28	105.829 ^C
2033	4,325,000	5.00	4.31	105.578 ^C
2037	15,000,000	5.00	4.39	104.912 ^C
2037	4,550,000	4.25	4.39	98.032

^C Priced to the optional call date of September 1, 2025 at par.

The purchase price of the Bonds shall be \$71,446,924.75, which is the principal amount thereof (\$67,860,000.00) plus a net original issue premium of \$4,231,594.75 and less Underwriters' discount of \$644,670.00.

EXHIBIT B

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he is the Finance Director of the City of Roseville, California (the "City"), and, as such, is duly authorized to execute and deliver this certificate and further hereby certifies that:

(1) this certificate is being delivered in connection with the sale and issuance of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015 (the "Bonds") in order to enable the underwriter of the Bonds to comply with Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended (the "Rule");

(2) in connection with the sale and issuance of the Bonds, there has been prepared a Preliminary Official Statement dated _____, 2015 setting forth information concerning the Bonds and the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "Preliminary Official Statement"); and

(3) except for the Permitted Omissions, the Preliminary Official Statement is deemed final within the meaning of the Rule. As used herein, the term "Permitted Omissions" refers to the offering price(s), interest rates(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all as set forth in the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2015.

CITY OF ROSEVILLE, CALIFORNIA

By: _____
Its: Finance Director

FISCAL AGENT AGREEMENT

by and between

CITY OF ROSEVILLE

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Fiscal Agent**

Dated as of August 1, 2015

**\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015**

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EXHIBIT A FORM OF BOND

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (this "Agreement") is made and entered into as of August 1, 2015, by and between the City of Roseville, a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for and on behalf of the City's Westpark Community Facilities District No. 1 (Public Facilities) (the "CFD"), and The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent").

R E C I T A L S :

WHEREAS, the City Council of the City formed the CFD under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the "Act"); and

WHEREAS, under the provisions of the Act, on behalf of the CFD, the City (i) in 2005 issued its City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, dated August 24, 2005 (the "2005 Bonds" and (ii) in 2006, issued its City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, dated August 3, 2006 (the "2006 Bonds" and together with the 2005 Bonds, the "Prior Bonds") to refinance the costs of facilities constructed and acquired for the CFD (the "Project"); and

WHEREAS, the City wishes to refinance the Prior Bonds to take advantage of current interest rates; and

WHEREAS, (i) the 2005 Bonds are subject to redemption on any Interest Payment Date on or after September 1, 2015, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2005 Bonds to be redeemed, plus accrued interest to the date fixed for redemption and (ii) the 2006 Bonds maturing on or after September 1, 2016 are subject to redemption on September 1, 2015, in whole or in part, at a redemption price equal to 101% of the principal amount of the 2006 Bonds to be redeemed on such date, plus accrued interest to the date fixed for redemption, and the City wishes to refinance both series of the Prior Bonds to take advantage of current interest rates; and

WHEREAS, on July 15, 2015, for the primary purpose of refinancing the Prior Bonds, the City Council adopted Resolution No. 15-323 (the "Resolution") authorizing the issuance and sale of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015 (the "Bonds"), by the City for and on behalf of the CFD pursuant to this Agreement, which special tax bonds shall be issued in a single series; and

WHEREAS, the City has determined that it is in the public interest and for the benefit of the City, the persons responsible for the payment of special taxes and the owners of the Bonds that the City enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the bonds, and the administration and payment of the Bonds; and

WHEREAS, the City has determined that all things necessary to cause the Bonds, when authenticated by the Fiscal Agent and issued as provided in the Act, the Resolution and this Agreement, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this

Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the City does hereby covenant and agree, for the benefit of the Owners of the Bonds as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. Agreement for Benefit of Bondowners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Owners. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

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

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to Section 6.02, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties hereunder (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the CFD. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid.

"Agreement" means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

"Authorized Officer" means, with respect to the City, its Treasurer/Chief Financial Executive, City Manager, Finance Director or City Clerk, or any other Person authorized by the City to perform an act or sign a document on behalf of the City for purposes of this Fiscal Agent Agreement.

"Bonds" means the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015.

"Bond Counsel" means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund by that name established pursuant to Section 4.02(A) hereof.

"Bond Year" means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on September 1, 2016.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

"CDIAC" means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

"CFD" means the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) formed pursuant to the Resolution of Formation.

"City" means the City of Roseville, California, and any successor thereto.

"Closing Date" means August 12, 2015, the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of August 1, 2015, by and among the City and Willdan Financial Services, in its

capacity as initial Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.04(A) hereof.

"Cost of Issuance" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent, including its first annual administration fee, expenses and fees of counsel to the Fiscal Agent, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository" means (a) initially, DTC, and (b) any other securities depository acting as Depository pursuant to Section 2.12.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

"Facilities" means the facilities authorized to be financed for the CFD pursuant to the Resolution of Formation.

"Fair Market Value" means, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or passthrough obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Interest Payment Dates" means March 1 and September 1 of each year, commencing March 1, 2016.

"Irrevocable Refunding Instructions" means the Irrevocable Refunding Instructions dated as of August 1, 2015, and given by the City, for and on behalf of the CFD, to the Prior Bonds Fiscal Agent.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Officer's Certificate" means a written certificate of the City signed by an Authorized Officer of the City.

"Ordinance" means any ordinance of the City levying the Special Taxes.

"Original Purchaser" means, collectively, Stifel, Nicolaus & Company, Incorporated and Piper Jaffray & Co., the first purchasers of the Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

"Owner" or *"Bondowner"* means any person who shall be the registered owner of any Outstanding Bond.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

"Permitted Investments" means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a Permitted Investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and (d) bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent and its affiliates), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank shall be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) shall have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (b) the Fiscal Agent collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (b) the Fiscal Agent collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper which at the time of purchase is of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program;

(xiv) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, *provided, however*, that the Fiscal Agent shall be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement; or

(xv) any other lawful investment for City funds.

"Prepayment Account" means the account within the Bond Fund by that name established pursuant to Section 4.02(A) hereof.

"Principal Office" means the corporate trust office of the Fiscal Agent set forth in Section 9.06, or such other or additional offices as may be designated by the Fiscal Agent.

"Prior Bonds" means the (i) \$57,905,000 original principal amount of City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds issued in 2005 and (ii) \$22,095,000 City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds issued in 2006.

"Prior Bonds Fiscal Agent" means The Bank of New York Mellon Trust Company, N.A., as fiscal agent with respect to the Prior Bonds under the Prior Bonds Fiscal Agent Agreement.

"Prior Bonds Fiscal Agent Agreement" means the Fiscal Agent Agreement, dated as of August 1, 2005 and First Supplement to Fiscal Agent Agreement dated as of August 1, 2006, between the City, for and on behalf of the CFD, and the Prior Bonds Fiscal Agent.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent pursuant to Section 4.03, provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company is rated at the time of issuance in a "AA" Rating Category or higher by S&P or Moody's; (ii) such letter of credit or surety bond has a term of at least twelve (12) months; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03; and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to Section 4.03.

"Rating Agencies" means, as of any date, (i) Moody's, if Moody's then maintains a rating on the Bonds, and (ii) S&P, if S&P then maintains a rating on the Bonds.

"Rating Category" means any generic rating category of a Rating Agency, without regard to any refinement of such category by plus or minus sign or by numerical or other qualifying designation.

"Record Date" means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date whether or not such day is a Business Day.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Reserve Fund" means the fund by that name established pursuant to Section 4.03(A) hereof.

"Reserve Requirement" means an amount equal to the lesser of (i) Maximum Annual Debt Service on the Outstanding Bonds, (ii) 125% of average Annual Debt Service, or (iii) ten percent (10%) of the total proceeds of the Bonds deposited under Section 3.02 hereof.

"Resolution" means Resolution No. 15-323 adopted by the City Council of the City on July 15, 2015 which resolution, among other matters, authorized the issuance of the Bonds.

"Resolution of Formation" means Resolution No. 04-439, adopted by the City Council of the City on September 15, 2004, establishing the CFD for the purpose of providing for the financing of certain public facilities in and for such CFD.

"Series" means a series of bonds issued under this Fiscal Agent Agreement.

"Special Tax Fund" means the fund by that name established by Section 3.03(A) hereof.

"Special Tax Revenues" means the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes.

"Special Taxes" means the special taxes levied within the CFD pursuant to the Act, the Ordinance and this Agreement.

"Supplemental Agreement" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

"Treasurer" means the duly acting Treasurer of the City or if the City has no Treasurer, the City Manager or Finance Director of the City, or other person holding a similar position.

"2005 Improvement Fund" means the fund by that name established pursuant to Section 3.05 hereof.

ARTICLE II
THE BONDS

Section 2.01. Principal Amount; Designation. Under and pursuant to the Act, the Bonds in the aggregate principal amount of Sixty-Seven Million Eight Hundred Sixty Thousand Dollars (\$67,860,000) shall be issued for the purpose of (a) refunding and defeasing the Prior Bonds, (b) funding the Reserve Requirement, and (c) funding a portion of the Costs of Issuance.

Section 2.02. Terms of Bonds.

(A) Form; Denominations. The Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof. Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

(B) Date of Bonds. The Bonds shall be dated the Closing Date.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers may be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City's contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities. The Bonds shall be issued as serial bonds and term bonds and shall mature and become payable as follows:

\$48,310,000 Serial Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$ 965,000	3.00%
2019	2,230,000	4.00
2020	2,320,000	5.00
2021	2,435,000	5.00
2022	555,000	3.00
2022	2,000,000	5.00
2023	2,675,000	5.00
2024	2,805,000	5.00
2025	945,000	3.50
2025	2,000,000	5.00
2026	3,080,000	5.00
2027	3,230,000	5.00
2028	3,395,000	5.00
2029	3,565,000	5.00
2030	740,000	4.00
2030	3,000,000	5.00
2031	3,925,000	5.00
2032	4,120,000	5.00
2033	4,325,000	5.00

Term Bonds

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2037	\$15,000,000	5.00%
2037	4,550,000	4.25

The amounts in the foregoing tables shall be reduced pro rata, in order to maintain substantially level debt service, as a result of any prior partial optional redemption or mandatory redemption of the Bonds.

(E) Interest. The Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds shall be made by wire transfer or such other method acceptable to the Fiscal Agent. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent. All Bonds paid by the Fiscal Agent pursuant to this Section shall be cancelled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled Bonds and issue a certificate of destruction thereof to the City.

Section 2.03. Redemption.

(A) Redemption Dates.

(i) Optional Redemption. The Bonds maturing on or before September 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on and after September 1, 2026 are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2025 and on any date thereafter, at a redemption price equal to

100% of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

(ii) Mandatory Redemption From Prepayments. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2016 and on any Interest Payment Date thereafter, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 2023	103%
September 1, 2023 and March 1, 2024	102%
September 1, 2024 and March 1, 2025	101%
September 1, 2025 and thereafter	100%

(iii) Mandatory Sinking-Fund Redemption. The Bonds maturing on September 1, 2037 (two series) (collectively, the “Term Bonds”) are subject to mandatory sinking payment redemption in part on September 1, 2034, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of their principal amount to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

\$15,000,000 5.00% Term Bonds
Due September 1, 2037

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
2034	\$3,000,000
2035	4,000,000
2036	4,000,000
2037 (maturity)	4,000,000

\$4,550,000 4.25% Term Bonds
Due September 1, 2037

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
2034	\$1,540,000
2035	750,000
2036	1,030,000
2037 (maturity)	1,230,000

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or special mandatory redemption of the Term Bonds.

The proceeds of any such Prepayment shall be deposited in the Prepayment Account of the Bond Fund and applied by the Fiscal Agent to pay the redemption price of the Bonds.

The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem Bonds pursuant to subsections (A)(i) and (A)(ii) not less than sixty (60) days prior to the applicable redemption date and shall provide the Fiscal Agent with a revised sinking fund schedule.

In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of their principal amount, plus interest accrued to the date of purchase.

(B) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, shall state as to any Bond called in part the principal amount thereof to be redeemed, and shall require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, of the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds of any maturity, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate.

Upon surrender of Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

The City shall have the right to rescind any notice of prepayment delivered by the Fiscal Agent prior to the date fixed for prepayment.

(C) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled Bonds and issue a certificate of destruction thereof to the City.

Section 2.04. Form of Bonds. The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the City by the Mayor and the City Clerk of the City who are in office on the date of adoption of this Agreement or at any time thereafter, and the seal of the City may be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond shall be the proper officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

Only such Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity.

No transfers of Bonds shall be required to be made (i) within fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) within fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.08. Bond Register. The Fiscal Agent will keep or cause to be kept, at its Principal Office, sufficient books for the registration and transfer of the Bonds (the "Bond Register"), which books shall show the series number, date, amount, rate of interest and Owner of each Bond and shall at all times be open to inspection by the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent who shall deliver a certificate of destruction thereof to the City. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the Fiscal Agent and the City satisfactory to the Fiscal Agent shall be given, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or

stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Limited Obligation. All obligations of the City under this Agreement and the Bonds shall be special obligations of the City, payable solely from the Special Tax Revenues and the funds pledged therefore hereunder. Neither the full faith and credit nor the taxing power of the City (except to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 2.12. Book-Entry Only System. DTC shall act as the initial Depository for the Bonds. One Bond for each maturity of the Bonds shall be initially executed, authenticated, and delivered as set forth herein as a separate fully registered certificate (in printed or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the Bonds shall be registered in the Bond Register kept by the Fiscal Agent for the Bonds in the name of Cede & Co, as nominee of DTC or such nominee as DTC shall appoint in writing.

The Authorized Officers and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the Bonds for the Depository's book-entry system, including the execution of the Depository's required representation letter.

With respect to Bonds registered in the Bond Register in the name of Cede & Co, as nominee of DTC, the Fiscal Agent shall not have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bonds (the "Beneficial Owners"). Without limiting the immediately preceding sentence, the Fiscal Agent shall not have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co, or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption or mandatory tender, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

The Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bonds, for the purpose of giving notices of prepayment and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Fiscal Agent shall pay all principal of and interest on the Bonds only to the Owners as shown on the Registration Books, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bonds to the extent of the sums or sums so paid.

No person other than an Owner, as shown on the Bond Register, shall receive a physical Bond. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to "Cede & Co." in this Section 2.12 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Fiscal Agent and the City during any time that the Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of DTC with respect to the Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the City shall mail notice of such termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the Bond Register of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the Bonds will be delivered to such Beneficial Owners as soon as practicable.

Section 2.13. No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section 2.13 shall in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 9.03 hereof.

ARTICLE III
ISSUANCE OF BONDS

Section 3.01. Issuance and Delivery of Bonds. At any time after the execution of this Agreement, the City may issue the Bonds for the CFD in the aggregate principal amount set forth in Section 2.01 or as authorized in any supplemental agreement and deliver such Bonds to the Original Purchaser. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance of the Bonds from the proceeds of the Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser.

Section 3.02. Application of Proceeds of Sale of Bonds.

(a) The proceeds of the purchase of the Bonds by the Original Purchaser in the amount of \$71,446,924.75 (representing the principal of amount of the Bonds, plus a net original issue premium of \$4,231,594.75 and less Underwriters' discount of \$644,670.00) shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

- (i) \$65,615,257.75 of the proceeds of the purchase of the Bonds shall be transferred to the Prior Bonds Fiscal Agent for deposit into the Bond

Fund for the Prior Bonds, pursuant to the Irrevocable Refunding Instructions;

- (ii) Deposit in the Reserve Fund \$5,526,050.00, equaling the initial Reserve Requirement; and
- (iii) Deposit in the Costs of Issuance Fund \$305,617.00.

(b) In addition to the moneys received under subsection (a), in accordance with the Irrevocable Refunding Instructions, the Fiscal Agent will deposit the \$32,926.42 received from the Prior Bonds Fiscal Agent that is in the Improvement Fund for the 2005 Bonds under the Prior Bonds Fiscal Agent Agreement to the credit of the 2005 Improvement Fund established pursuant to Section 3.05.

Section 3.03. Special Tax Fund.

(A) Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Treasurer, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015, Special Tax Fund, to the credit of which the City shall deposit, immediately upon receipt, all Special Tax Revenues received by the City and any amounts required hereunder to be deposited in the Special Tax Fund, and within such fund, a Prepayment Account, to the credit of which the City shall deposit prepayments of Special Taxes described in Section 2.03(A)(ii) above, and a Surplus Account, to the credit of which the City shall deposit surplus Special Tax Revenues described in Section 3.03(B) below. Moneys in the Special Tax Fund shall be held in trust by the City for the benefit of the City and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(B) Disbursements. As soon as practicable after the receipt by the City of any Special Tax Revenues, other than from prepayment of Special Taxes, or the transfer of amounts to the Special Tax Fund pursuant to the terms hereof, but no later than ten (10) Business Days after such receipt or transfer, the City shall withdraw from the Special Tax Fund and transfer: (i) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds during the then-current Bond Year, and (ii) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement.

At such time as deposits to the Special Tax Fund other than from prepayment of Special Taxes equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount shall be transferred by the City, on or after September 2nd of each year, to the Surplus Account, whereupon such moneys transferred shall be free of the pledge for payment of the Bonds.

Prepayment Account. As soon as practicable after the receipt by the City of any Special Tax Revenues derived from prepayments of the Special Tax, the City shall, from the money in the Special Tax Fund constituting such prepayments, deposit in the Prepayment Account the amount of money constituting such prepayments, and all money in the Prepayment Account shall be used and withdrawn by the City for deposit in the Bond Fund to implement a mandatory redemption of Bonds in accordance with Section 2.03(A)(ii) hereof. To

implement such mandatory redemption, the City shall deliver to the Fiscal Agent an Officer's Certificate which includes directions to the Fiscal Agent regarding the Bonds to be redeemed.

Surplus Account. From time to time, the City may withdraw from the Surplus Account, in the following order of priority, amounts needed to pay: (i) Administrative Expenses; (ii) any amounts required to be deposited to the Reserve Fund pursuant to Section 4.03(A) due to a downgrade of a provider of a Qualified Reserve Fund Credit Instrument; and (iii) any costs of acquisition or construction of Facilities, or for payment of any other CFD costs authorized under the Act. .

(C) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 3.04. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 3.02(a)(iii). Moneys in the Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance of the Bonds.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate of the City containing respective amounts to be paid to the designated payees and delivered to the Fiscal Agent. The Fiscal Agent shall pay all Costs of Issuance of the Bonds upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate of the City requesting payment of a Cost of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date of the Bonds. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 2 months, from the Closing Date of the Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Treasurer for deposit by the Treasurer in the Special Tax Fund. Thereafter, every invoice received by the Fiscal Agent shall be submitted to the Treasurer or Finance Director for payment from amounts on deposit in the Special Tax Fund.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

Section 3.05. 2005 Improvement Fund.

(a) Establishment of 2005 Improvement Fund. The "Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2005 Improvement Fund" (the "2005 Improvement Fund") was previously established pursuant to Section 3.04(A) of the Prior Bonds Fiscal Agent Agreement. In accordance with the Irrevocable Refunding Instructions, the 2005 Improvement Fund will be transferred from the Prior Bonds Fiscal Agent to the Fiscal Agent as of the Closing Date (which fund has an approximate current balance of \$32,926.42, and the Fiscal Agent will hold the 2005 Improvement Fund as a separate fund under this Agreement.

Moneys in the 2005 Improvement Fund will be held in trust and will be disbursed as provided in subsection (b) of this Section. Prior to disbursement, amounts on deposit in the 2005 Improvement Fund will be subject to a lien in favor of the Owners of the Bonds.

(b) Procedure for Disbursement. Amounts in the 2005 Improvement Fund represent a retention held back for warranty purposes from 2005 Bond proceeds. Amounts in the 2005 Improvement Fund shall be applied by the Fiscal Agent as directed in one or more Officer's Certificates, each of which shall state (i) the amounts, purposes and payees of the disbursement, (ii) that the disbursement is a proper charges against the 2005 Improvement Fund and (iii) that the disbursement has not previously been paid from the 2005 Improvement Fund. Each such Officer's Certificate shall be sufficient evidence to the Fiscal Agent of the facts stated therein, and the Fiscal Agent shall have no duty to confirm the accuracy of such facts. Any amount remaining in the 2005 Improvement Fund after the retention period, as evidenced by an Officer's Certificate, shall be transferred to the Bond Fund, and following such transfer the 2005 Improvement Fund shall be closed.

ARTICLE IV

SPECIAL TAX REVENUES; BOND FUND AND RESERVE FUND

Section 4.01. Pledge of Special Tax Revenues and Other Amounts. All of the Special Tax Revenues and all moneys deposited in the Bond Fund, the Reserve Fund and the Special Tax Fund are hereby pledged to secure the repayment of the Bonds. Such pledge shall constitute a first lien on the Special Tax Revenues and said amounts. The Special Tax Revenues and all moneys deposited into the such funds (except as otherwise provided herein) are hereby dedicated in their entirety to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Costs of Issuance Fund are not pledged to the repayment of the Bonds. The facilities acquired with the proceeds of the Bonds are not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation, destruction or other disposition of any facilities financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 4.02. Bond Fund.

(A) Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Bond Fund, to the credit of which deposits shall be made as required by Section 3.02, clause (ii) of Section 3.03(B), Section 4.03 and any other amounts required to be deposited therein by this Agreement or the Act. Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

Within the Bond Fund there is hereby established the Prepayment Account, which shall be used exclusively for the administration of any prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account shall be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to Section 2.03. In the event all of the Special Taxes are prepaid in full, the Prepayment Account shall be closed.

(B) Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, however, that if the amounts so transferred under this Section 4.02(B) equal the amount due on the Bonds for the then-current Bond Year and if there is excess moneys in the Bond Fund, such excess shall be paid to the City upon receiving a request from an Authorized Officer to do so.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Treasurer or Finance Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

(C) Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Bond Fund to be used for the purposes of such fund.

(D) Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent shall report to the Treasurer or Finance Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall notify the Treasurer or Finance Director in writing of such fact, and the Treasurer or Finance Director shall notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under this Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Section 4.03. Reserve Fund.

(A) Establishment of Fund. There is hereby established as a separate fund to be held by the Fiscal Agent the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Reserve Fund, to the credit of which a deposit shall be made as required by Section 3.02 and deposits shall be made as provided in Section 3.03(B). Moneys in the Reserve Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Fund Credit Instrument, and (2) an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the Bonds to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, the Fiscal Agent will transfer such funds from the Reserve Fund to the City. In the event the rating of the provider of a Qualified Reserve Fund Credit Instrument is reduced below a rating within the "AA" category, the City shall deposit or cause to be deposited with the Fiscal Agent an amount of money, as and when available in the Surplus Account established under Section 3.03, sufficient to cause the amount in the Reserve Fund, without regard to such Qualified Reserve Fund Credit Instrument deposited therein, to equal the Reserve Requirement. Such obligation to deposit money into the Reserve Fund shall be limited to moneys available within the Surplus Account.

(B) Use of Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency within five days prior to any Interest Payment Date in the Bond Fund of the amount required for payment of the principal of, and interest on, the Bonds on such Interest Payment Date. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent shall provide written notice thereof to the Treasurer or Finance Director.

(C) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent shall provide written notice to the Treasurer or Finance Director of the amount of the excess and, following any transfer required pursuant to Section 4.03(D) below, shall transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with Section 4.02; provided, however, that to the extent that such excess results from the prepayment of Special Taxes, such amount shall be transferred to the Prepayment Account and applied to the corresponding redemption of Bonds.

(D) Transfer for Rebate Purposes. Investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the federal government to comply with Section 6.02.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and after making any transfer required under Section 4.03(D) above and upon receipt of an Officer's Certificate directing it to do so, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment

Date to the payment and redemption, in accordance with Section 4.02 or 2.03 as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the City, after payment of any amounts due the Fiscal Agent hereunder, to be used for any lawful purpose of the City.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.03(E) until after the calculation, pursuant to Section 6.02, of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount under Section 4.03(D) for purposes of making such payment to the federal government, and payment of any fees and expenses due to the Fiscal Agent.

(F) Investment. Moneys in the Reserve Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Reserve Fund to be used and disbursed as provided in this Section 4.03.

ARTICLE V

OTHER COVENANTS OF THE CITY

Section 5.01. Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.02. Limited Obligation. The Bonds are limited obligations of the City on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund created hereunder.

Section 5.03. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.05. Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books

of record and accounts shall at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing. The Fiscal Agent may establish and maintain for so long as is necessary one or more temporary funds and accounts under this Agreement.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice, be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Section 5.07. Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Section 5.08. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.09. Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or within five (5) Business Days of each June 1, the Fiscal Agent shall provide the Treasurer or Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Treasurer or Finance Director shall in no way affect the obligations of the Treasurer or Finance Director under the following two paragraphs. Upon receipt of such notice, the City shall ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which County Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City shall prepare or cause to be prepared, and shall transmit to the Treasurer or Finance Director, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City shall fix and levy the amount of Special Taxes within the CFD required for the payment of principal of and interest on any outstanding Bonds of the CFD becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative

Expenses during such year, all in accordance with the rate and method of apportionment of the Special Taxes for the CFD and the Ordinance. In any event, the Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City shall prescribe if necessary to pay the debt service on the Bonds.

Section 5.10. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.11. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Section 5.12. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 5.13. Annual State Reports. The following requirements shall apply to the Bonds:

(A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Treasurer shall prepare and supply CDIAC, by mail, postage prepaid, with the information required under Section 53359.5(c) of the Act. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If within 10 days prior to any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner or if the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall make the reports required under Section 4.02(D) hereof.

(C) Amendment. The reporting requirements of this Section 5.14 shall be amended from time to time, without action by the City or the Fiscal Agent, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act.

(D) No Liability. None of the City and its officers, agents and employees, the Treasurer or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 5.14.

Section 5.14. Covenant to Foreclose. The City hereby covenants with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County of Placer relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that the amount so collected is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year, it will within thirty (30) days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the CFD for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; *provided*, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the CFD in such Fiscal Year, but that property owned by any single property owner in the CFD is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or (b) that property owned by any single property owner in the CFD is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the CFD) then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner. The Treasurer or Finance Director shall notify the City Attorney of any such delinquency of which it is aware, and the City Attorney shall commence, or cause to be commenced, such proceedings.

Section 5.15. Continuing Disclosure to Owners. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered a default hereunder; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations thereunder, including seeking mandate or specific performance by court order.

Section 5.16. No Additional Bonds. The City covenants not to issue additional Bonds payable from Special Taxes and by the Special Tax Revenues equally and ratably with Bonds previously issued, except that the City may issue bonds to refund all or part of the Bonds.

Section 5.17. Yield of the Bonds. In determining the yield of the Bonds to comply with Section 5.11 and 6.02 hereof, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

ARTICLE VI

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE CITY

Section 6.01. Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent, shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out hereunder provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund and, if no such an Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Treasurer or Finance Director shall be invested by the Treasurer or Finance Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent, Treasurer or Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent, the Treasurer or Finance Director shall incur any liability for losses arising from any investments made pursuant to this Section. Any losses arising from any investments made pursuant to this Section shall be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination hereunder, the Fiscal Agent shall be entitled to conclusively rely on an Officer's Certificate of the City and shall be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued by the City at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Treasurer, as applicable, shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder.

Section 6.02. Rebate of Excess Investment Earnings to the United States. The City covenants to calculate and rebate to the federal government, in accordance with the Regulations, excess investment earnings to the extent required by Section 148(f) of the Code.

The City shall notify the Fiscal Agent of any amounts determined to be due to the federal government, and the Fiscal Agent shall, upon receipt of an Officer's Certificate of the City, withdraw such amounts from the Reserve Fund pursuant to Section 4.03(D), and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available to make such payments under Section 4.03(D), the Fiscal Agent shall notify the Treasurer or Finance Director in writing of the amount of the shortfall and the Treasurer or Finance Director shall make such payment from any amounts available in the Special Tax Fund. Any fees or expenses incurred by the Fiscal Agent or the City under or pursuant to this Section 6.02 shall be Administrative Expenses. The Fiscal Agent may rely conclusively upon the City's determinations, calculations and certifications required by this Section. The Fiscal Agent shall have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder.

In order to provide for the administration of this Section 6.02, the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate.

Section 6.03. Limited Obligation. The City's obligations hereunder are limited obligations of the City on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund created hereunder.

ARTICLE VII

THE FISCAL AGENT

Section 7.01. Appointment of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., at its Principal Office, is hereby appointed Fiscal Agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The City may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) including, for such purpose, the combined capital and surplus of any parent holding company, and subject to supervision or examination by federal or state authority. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within thirty (30) days after the Fiscal Agent shall have given to the City written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement, including all Officer's Certificates of the City meeting such requirements; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine

whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Fiscal Agent

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

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

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

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

Section 7.03. Information. The Fiscal Agent shall provide to the City such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the City shall reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

Section 7.04. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any Officer's Certificate, notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties and given in accordance with the requirements hereof. The Fiscal Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, claims, expenses or liabilities, including, without limitation, fees and expenses of its attorneys which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted. This Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any

Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which shall not adversely affect the rights of the Owners of the Bonds; and

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

Section 8.02. Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under Section 8.01, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

If consent of the Owners is required under Section 8.01, such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal

Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise herein above specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 8.04. Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII. Upon request, the City shall provide an Officer's Certificate to the Fiscal Agent listing those Bonds which are disqualified pursuant to this Section 8.04.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.08. Opinion of Counsel Regarding Supplemental Agreement. The Fiscal Agent shall be furnished, upon request, an opinion of counsel that any Supplemental Agreement entered into by the City and the Fiscal Agent complies with the provisions of this Article VIII, and the Fiscal Agent may conclusively rely upon such opinion.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement expressed or implied, is intended to give to any person other than the City, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the City or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. If the City shall pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

- (A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;
- (B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in Sections 4.02 and 4.03, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums, or;
- (C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in Sections 4.02 and 4.03, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the

City under this Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City under Section 5.12 (Maintenance of Tax-Exemption) and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to Section 7.05; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, shall be paid over to the City.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on City and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the City may be given or served by being deposited postage prepaid in a post office letter box, by overnight courier or electronic means (with receipt confirmed by telephone) addressed (until another address is filed by the City with the Fiscal Agent) as follows:

City of Roseville
311 Vernon Street
Roseville, California 95678
Attention: Treasurer or Finance Director

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the City to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box, by overnight courier or electronic means

(with receipt confirmed by telephone) addressed (until another address is filed by the Fiscal Agent with the City) as follows:

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 400
Los Angeles, CA 90071
Attention: Corporate Trust Administration
Fax: (213) 630-6480

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.13. State Reporting Requirements. In addition to Section 5.16, the following requirements shall apply to the Bonds:

(A) *CDIAC Reporting.*

(i) Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Treasurer or Finance Director shall cause to be supplied to CDIAC all the information required to be supplied to CDIAC pursuant to Government Code Section 53359.5(b), including: (i) the principal amount of the Bonds Outstanding; (ii) the balance in the Reserve Fund (iii) the balance in any capitalized interest account; (iv) the number of parcels in the CFD which are delinquent in the payment of Special Taxes, the amount of each delinquency, the length of time delinquent and when foreclosure was commenced for each delinquent parcel; and (v) the assessed value of all parcels in the CFD subject to the levy of the Special Taxes as shown in most recent equalized roll. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(ii) If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and interest on the Bonds, the Fiscal Agent shall notify the Treasurer or Finance Director of such failure or withdrawal in writing. An official of the City shall notify CDIAC pursuant to Government Code Section 53359.5(c) within 10 days of the occurrence of any of the following events: (A) the scheduled principal or interest on the Bonds is not paid; or (B) a draw on the Reserve Fund to pay principal and interest on the Bonds which draw causes the Reserve Fund to be reduced to an amount less than the Reserve Requirement.

(B) *Other Reporting.* Not later than January 1, 2016, and at least once a year thereafter, the Treasurer or Finance Director shall file a report with the City Council in accordance with the requirements of Government Code Section 53411, which report shall contain: (i) the amount of Special Taxes collected and expended; and (ii) the status of the Project financed by the CFD.

(C) *Amendment.* The reporting requirements of this Section 9.13 shall be amended from time to time, without action by the City or the Fiscal Agent, to reflect any amendments to Section 53359.5(b), Section 53359.5(c) or Section 53411 of the Government Code.

(D) *No Liability.* None of the City and its officers, agents and employees, the Treasurer or Finance Director or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 9.13.

The Treasurer or Finance Director shall provide copies of any such reports to any Bondowner upon the written request of a Bondowner and payment by the person requesting the information of the cost of the City to photocopy and pay any postage or other delivery cost to provide the same, as determined by the Treasurer or Finance Director. The term "Bondowner" for purposes of this Section 9.13 shall include any beneficial owner of the Bonds as described in Section 2.12.

Section 9.14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of August 1, 2015.

CITY OF ROSEVILLE, for and on behalf of
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: 
Treasurer/Chief Financial Executive

Approved as to form:


City Attorney

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**, as Fiscal Agent

By: 
Vice President

**EXHIBIT A
FORM OF BOND**

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____

\$ _____

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

INTEREST RATE:
%

MATURITY DATE:

BOND DATE:
August 12, 2015

CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** _____ DOLLARS ***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

This Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on September 15, 2004 and July 15, 2015 (the "Resolution"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements within the District, and is one of the bonds

designated "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of August 1, 2015, by and between the City and the Fiscal Agent (the "Agreement") and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the Special Tax Revenues and certain funds held under the Agreement. "Special Tax Revenues" means the proceeds of the special taxes levied under the Mello-Roos Act in the District (the "Special Taxes") that are received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date shown above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City as may be permitted by law. The Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein above.

Optional Redemption. The Bonds maturing on or before September 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on and after September 1, 2026 are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2025 and on any date thereafter, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

Mandatory Redemption From Prepayments. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2016 and on any Interest Payment Date thereafter, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 2023	103%
September 1, 2023 and March 1, 2024	102%
September 1, 2024 and March 1, 2025	101%
September 1, 2025 and thereafter	100%

Mandatory Sinking-Fund Redemption. The Bonds maturing on September 1, 2037 (two series) (collectively, the “Term Bonds”) are subject to mandatory sinking payment redemption in part on September 1, 2034, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of their principal amount to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

\$15,000,000 5.00% Term Bonds
Due September 1, 2037

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2034	\$3,000,000
2035	4,000,000
2036	4,000,000
2037 (maturity)	4,000,000

\$4,550,000 4.25% Term Bonds
Due September 1, 2037

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2034	\$1,540,000
2035	750,000
2036	1,030,000
2037 (maturity)	1,230,000

The amounts in the foregoing tables shall be reduced pro rata, in order to maintain substantially level debt service, as a result of any prior partial optional redemption or mandatory redemption of the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such Owner's order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent

for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Roseville has caused this Bond to be executed by the facsimile signatures of the Mayor and the City Clerk of the City, all as of the Bond Date stated above.

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: _____
Mayor

By: _____
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement.

Dated: _____, 2015

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

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, _____ to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

IRREVOCABLE REFUNDING INSTRUCTIONS

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "Instructions"), dated as of August 1, 2015, are given by the CITY OF ROSEVILLE, a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for and on behalf of the City's Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent under the hereinafter defined Prior Bonds Fiscal Agent Agreement (the "Prior Bonds Fiscal Agent").

WITNESSETH:

WHEREAS, the City has issued the bonds described in the following paragraph pursuant provisions of the Mello-Roos Community Facilities Act of 1982, as amended, and under a Fiscal Agent Agreement, dated as of August 1, 2005 and amended by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2006 (as so amended, the "Prior Bonds Fiscal Agent Agreement"), by and between the Prior Bonds Fiscal Agent and the City; and

WHEREAS, pursuant to the provisions of the Act and the Prior Bonds Fiscal Agent Agreement, the City issued, for and on behalf of the District, (i) the City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2005 (the "2005 Bonds") in the original principal amount of \$57,905,000 and (ii) the City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2006 (the "2006 Bonds" and together with the 2005 Bonds, the "Prior Bonds") in the original principal amount of \$22,095,000, in each case, for the purpose of financing various public improvements authorized to be funded by the District; and

WHEREAS, the City has determined that it is in the best financial interests of the City and the District to refund, at this time, the Prior Bonds maturing on and after September 1, 2016 prior to their scheduled maturity date; and

WHEREAS, in order to provide funds for such purpose, the City is issuing its \$67,860,000 aggregate principal amount of City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015 (the "2015 Refunding Bonds"), to provide moneys to refund all of the Prior Bonds; and

WHEREAS, the City desires to give these Instructions to the Prior Bonds Fiscal Agent for the purpose of providing the terms and conditions relating to the deposit and application of moneys to be used for the redemption prior to maturity of the Prior Bonds;

NOW, THEREFORE, the City hereby irrevocably instructs the Prior Bonds Fiscal Agent as follows:

Section 1. Deposit into the Bond Fund. Concurrently with delivery of the 2015 Refunding Bonds, there shall be deposited in the Bond Fund for the Prior Bonds established pursuant to Section 4.02(A) of the Prior Bonds Fiscal Agent Agreement, an aggregate amount

of \$74,615,780.63 in immediately available funds (\$56,030,376.88 to be used with respect to the 2005 Bonds and \$18,585,403.75 to be used with respect to the 2006 Bonds), to be derived from the following sources:

(a) The City shall cause to be deposited in the Bond Fund for the Prior Bonds \$69,114,988.38, derived from the transfer of the following amounts:

(i) from proceeds of sale of the 2015 Refunding Bonds, the amount of \$65,615,257.75; and

(ii) from the Special Tax Fund for the Prior Bonds, the amount of \$3,499,730.63 (\$2,190,376.88 with respect to the 2005 Bonds and \$1,309,353.75 with respect to the 2006 Bonds).

(b) The Prior Bonds Fiscal Agent, in its capacity as the fiscal agent for the 2005 Bonds shall cause to be deposited in the Bond Fund for the Prior Bonds, \$5,500,792.25, derived from the transfer of the following amounts:

(i) from the Reserve Fund for the 2005 Bonds, the amount of \$5,085,220.46; and

(ii) from the Reserve Fund for the 2006 Bonds, the amount of \$415,571.79.

The City hereby directs the Prior Bonds Fiscal Agent to hold all of the \$74,615,780.63 so deposited into the Bond Fund for the Prior Bonds uninvested (in cash). The City signifies that by making the deposit described herein, it is discharging the 2005 Bonds and the 2006 Bonds pursuant to Section 9.03 of the Prior Bonds Fiscal Agent Agreement.

Section 2. Proceedings for Redemption of Prior Bonds. The City hereby irrevocably elects and directs the Prior Bonds Fiscal Agent, to redeem, on September 1, 2015, from amounts on deposit in the Bond Fund for the Prior Bonds the outstanding Prior Bonds maturing on and after September 1, 2016 pursuant to the optional redemption provisions of the Prior Bonds Fiscal Agent Agreement as applicable to each such series of Prior Bonds. The Prior Bonds Fiscal Agent acknowledges that it has timely published a notice of such redemption in accordance with the Prior Bonds Fiscal Agent Agreement in order to allow for the redemption of the Prior Bonds on September 1, 2015 in the forms attached hereto as Exhibit A.

The City further hereby directs the Prior Bonds Fiscal Agent to file, on the date hereof, the notices of defeasance attached as Exhibit B with respect to the Prior Bonds maturing on and after September 1, 2016 on the Municipal Securities Rulemaking Board's EMMA system.

Section 3. Application of Funds to Redeem Prior Bonds. The Prior Bonds Fiscal Agent shall apply the amounts on deposit in the Bond Fund for the Prior Bonds to (i) pay debt service due on the 2005 Bonds and redeem the outstanding 2005 Bonds maturing on and after September 1, 2016 on September 1, 2015 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest and (ii) pay debt service due on the 2006 Bonds and to redeem the outstanding 2006 Bonds maturing on and after September 1, 2016 on September 1, 2015 at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, in each case, in accordance with the Prior Bonds Fiscal Agent Agreement as applicable to each such series of 2005 Bonds and 2006 Bonds, in accordance with the following tables:

2005 Bonds

<u>Series</u>	<u>Interest</u>	<u>Redeemed Principal</u>	<u>Total</u>
Term Bond of 2016 (5.00% interest rate)	\$ 11,750.00	\$ 470,000.00 ⁽¹⁾	\$ 481,750.00
Term Bond of 2016 (4.625% interest rate)	\$ 7,053.13	305,000.00 ⁽¹⁾	\$ 312,053.13
All Other 2005 Bonds Outstanding	\$1,396,573.75	53,840,000.00	\$55,236,573.75
		Total:	\$56,030,376.88

(1) Redeemed pursuant to the mandatory sinking fund redemption provisions of the Prior Bonds Fiscal Agent Agreement.

2006 Bonds

<u>Series</u>	<u>Interest</u>	<u>Redeemed Principal</u>	<u>Redemption Premium</u>	<u>Total</u>
Term Bond of 2016	\$ 21,125.00	\$ 845,000.00	-- ⁽¹⁾	\$866,125.00
All Other 2006 Bonds Outstanding	\$443,228.75	17,105,000.00	\$171,050.00 ⁽²⁾	\$17,719,278.75
			Total:	\$18,585,403.75

(1) Redeemed pursuant to the mandatory sinking fund redemption provisions of the Prior Bonds Fiscal Agent Agreement at 100% of principal amount.

(2) Redeemed at 101% of principal amount.

Section 4. Transfer of Remaining Funds in Bond Fund. On September 1, 2015, following the payment and redemption described above and payment of any amounts then owed to the Prior Bonds Fiscal Agent, the Prior Bonds Fiscal Agent shall withdraw any amounts remaining on deposit in the Bond Fund for the Prior Bonds, and transfer such amounts to the Bond Fund established under the Fiscal Agent Agreement, dated as of August 1, 2015, by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent for the 2015 Refunding Bonds (the "Fiscal Agent"), to be used for the purpose of paying amounts due on the 2015 Refunding Bonds.

Section 5. Improvement Fund for 2005 Bonds. Concurrently with delivery of the 2015 Refunding Bonds, the City hereby irrevocably directs the Prior Bonds Fiscal Agent to transfer the amount of \$32,926.42 in the Improvement Fund for the 2005 Bonds established pursuant to Section 3.04(A) of the Prior Bonds Fiscal Agent Agreement to the Fiscal Agent for deposit in the 2005 Improvement Fund (as defined in the Fiscal Agent Agreement) established pursuant to Section 3.05 the Fiscal Agent Agreement.

Section 6. Furnishing of Statements. The Prior Bonds Fiscal Agent shall furnish the City periodic cash transaction statements which include detail for all investment transactions effected by the Prior Bonds Fiscal Agent or brokers selected by the City. Upon the City's election, such statements will be delivered via the Prior Bonds Fiscal Agent's online service and

upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Prior Bonds Fiscal Agent as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Prior Bonds Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

If the Prior Bonds Fiscal Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Federal Securities that is to be submitted pursuant to these Instructions, the Prior Bonds Fiscal Agent shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in such securities. The Prior Bonds Fiscal Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Prior Bonds Fiscal Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Prior Bonds Fiscal Agent shall not be responsible for the investment of such funds or interest thereon. The Prior Bonds Fiscal Agent may conclusively rely upon the City's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 7. Electronic Instructions. The Prior Bonds Fiscal Agent shall have the right to accept and act upon directions and instructions, including funds transfer instructions, given pursuant hereto and delivered using Electronic Means; provided, however, that the City shall provide to the Prior Bonds Fiscal Agent an incumbency certificate listing officers with the authority to provide such directions and instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give directions and instructions to the Prior Bonds Fiscal Agent using Electronic Means and the Prior Bonds Fiscal Agent in its discretion elects to act upon such directions and instructions, the Prior Bonds Fiscal Agent's understanding of such directions and instructions shall be deemed controlling. The City understands and agrees that the Prior Bonds Fiscal Agent cannot determine the identity of the actual sender of such directions and instructions and that the Prior Bonds Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Prior Bonds Fiscal Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such directions and instructions to the Prior Bonds Fiscal Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Prior Bonds Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Prior Bonds Fiscal Agent's reliance upon and compliance with such directions and instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions and instructions to the Prior Bonds Fiscal Agent, including without limitation the risk of the Prior Bonds Fiscal Agent acting on unauthorized directions and instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions and instructions to the Prior Bonds Fiscal Agent and that there may be more secure methods of transmitting directions and instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions and instructions provide to it a

commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Prior Bonds Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 8. Amendment. These Instructions shall be irrevocable by the City. These Instructions may be amended or supplemented by the City, but only if the City shall file with the Prior Bonds Fiscal Agent (i) an opinion of nationally recognized bond counsel engaged by the City stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Prior Bonds or the 2015 Refunding Bonds under federal income tax law, and (ii) a certification by the City stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 9. Application of Certain Terms of the Prior Bonds Fiscal Agent Agreement. All of the terms of the Prior Bonds Fiscal Agent Agreement relating to the payment of principal of and interest and repayment premium, if any, on the Prior Bonds and the redemption thereof, and the protections, immunities and limitations from liability afforded the Prior Bonds Fiscal Agent, are incorporated in these Instructions as if set forth in full herein.

Section 10. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

Section 11. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

CITY OF ROSEVILLE, for and on behalf of
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: 
Treasurer/Chief Financial Officer

ACCEPTED:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**, as *Prior Bonds Fiscal Agent*

By: 
Vice President

**EXHIBIT A
FORMS OF NOTICE OF OPTIONAL REDEMPTION**

CONDITIONAL NOTICE OF FULL REDEMPTION TO HOLDERS OF

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2005

CUSIP Number*	Amount	Maturity Date	Interest Rate	Redemption Price
777870NH5	\$530,000	9/1/2016	5.000%	100%
777870PE0	\$350,000	9/1/2016	4.625%	100%
777870NJ1	\$985,000	9/1/2017	5.250%	100%
777870NK8	\$1,105,000	9/1/2018	5.250%	100%
777870NL6	\$1,230,000	9/1/2019	5.250%	100%
777870NM4	\$1,365,000	9/1/2020	5.000%	100%
777870NS1	\$9,120,000	9/1/2025	5.250%	100%
777870NX0	\$13,900,000	9/1/2030	5.150%	100%
777870PD2	\$25,255,000	9/1/2036	5.200%	100%

Date of Issue: August 1, 2005
Final Maturity Date: September 1, 2036

Notice is hereby given that the City of Roseville, California (the "City"), by and on behalf of the City's Westpark Community Facilities District No. 1 (Public Facilities) (the "District") has exercised an option of the City to call and redeem on September 1, 2015 (the "Redemption Date"), all the outstanding above-captioned bonds (the "Outstanding Bonds"), in accordance with the provisions of that certain Fiscal Agent Agreement, dated as of August 1, 2005 (as amended to date, the "Fiscal Agent Agreement"), between the City, for and on behalf of the District, and the undersigned, as fiscal agent. This Notice may be rescinded with respect to all or part of the Outstanding Bonds up to two Business Days prior to the Redemption Date, upon request and direction of the City to the Fiscal Agent who will then deliver notice of the rescission in the same manner as this initial Notice. All capitalized terms used in this Notice not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement.

On the Redemption Date, there will become due and payable on the Outstanding Bonds the principal amount thereof, at the respective price set forth above (the "Redemption Price"), together with interest accrued thereon to the Redemption Date, and from and after the Redemption Date interest thereon shall cease to accrue. Bonds will become due and payable upon presentation and surrender to:

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

A signed W-9 is required to accompany the certificates or 31% of the bond redemption proceeds will be withheld.

** No representation is made as to the accuracy of any CUSIP number, either in this Notice of Redemption or as printed on any Bond. CUSIP numbers are included solely for the convenience of the Bondowner.*

By: The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent

Dated: July 27, 2015

CONDITIONAL NOTICE OF FULL REDEMPTION TO HOLDERS OF
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2006

CUSIP Number*	Amount	Maturity Date	Interest Rate	Redemption Price
777873AK6	\$925,000	9/1/2016	5.000%	101%
777873AM2	\$1,800,000	9/1/2018	5.000%	101%
777873AP5	\$1,705,000	9/1/2020	5.100%	101%
777873AU4	\$4,370,000	9/1/2026	5.200%	101%
777873AW0	\$8,305,000	9/1/2037	5.250%	101%

Date of Issue: August 1, 2006
Final Maturity Date: September 1, 2037

Notice is hereby given that the City of Roseville, California (the "City"), by and on behalf of the City's Westpark Community Facilities District No. 1 (Public Facilities) (the "District") has exercised an option of the City to call and redeem on September 1, 2015 (the "Redemption Date"), all the outstanding above-captioned bonds (the "Outstanding Bonds"), in accordance with the provisions of that certain Fiscal Agent Agreement, dated as of August 1, 2005 (as amended to date, the "Fiscal Agent Agreement"), between the City, for and on behalf of the District, and the undersigned, as fiscal agent. This Notice may be rescinded with respect to all or part of the Outstanding Bonds up to two Business Days prior to the Redemption Date, upon request and direction of the City to the Fiscal Agent who will then deliver notice of the rescission in the same manner as this initial Notice. All capitalized terms used in this Notice not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement.

On the Redemption Date, there will become due and payable on the Outstanding Bonds the principal amount thereof, at the respective price set forth above (the "Redemption Price"), together with interest accrued thereon to the Redemption Date, and from and after the Redemption Date interest thereon shall cease to accrue. Bonds will become due and payable upon presentation and surrender to:

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

A signed W-9 is required to accompany the certificates or 31% of the bond redemption proceeds will be withheld.

** No representation is made as to the accuracy of any CUSIP number, either in this Notice of Redemption or as printed on any Bond. CUSIP numbers are included solely for the convenience of the Bondowner.*

By: The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent

Dated: July 27, 2015

NOTICE OF PARTIAL REDEMPTION TO THE HOLDERS OF

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) SPECIAL TAX BONDS
SERIES 2005**

NOTICE IS HEREBY GIVEN that, pursuant to the applicable provisions of the governing documents of the above captioned Bonds (the "Bonds"), \$775,000.00 principal amount of the Bonds will be redeemed on September 1, 2015, at the referenced Redemption Price, together with interest accrued to September 1, 2015. From and after September 1, 2015, interest on the Bonds shall cease to accrue. The below stated portion of the following Bond will be affected:

<u>*CUSIP Number</u>	<u>Rate</u>	<u>Maturity</u>	<u>Redemption Price</u>	<u>Bond Number</u>	<u>Amount Called</u>
777870NH5	5.00%	09/01/2016	100.00%	_BOOK	\$470,000.00
777870PE0	4.625%	09/01/2016	100.00%	_BOOK	\$305,000.00

Since the Bond is held under the book entry system, payment will be made directly to the registered Holder.

CITY OF ROSEVILLE
By: The Bank of New York Mellon Trust Company, N.A.
as Trustee Agent
Bondholder Communications: 800-254-2826



Dated: August 2, 2015

IMPORTANT TAX NOTICE

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee.

**Note: The Issuer and Trustee/Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

NOTICE OF PARTIAL REDEMPTION TO THE HOLDERS OF

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) SPECIAL TAX BONDS
SERIES 2006**

NOTICE IS HEREBY GIVEN that, pursuant to the applicable provisions of the governing documents of the above captioned Bonds (the "Bonds"), \$845,000.00 principal amount of the Bonds will be redeemed on September 1, 2015, at the referenced Redemption Price, together with interest accrued to September 1, 2015. From and after September 1, 2015, interest on the Bonds shall cease to accrue. The below stated portion of the following Bond will be affected:

<u>*CUSIP Number</u>	<u>Rate</u>	<u>Maturity</u>	<u>Redemption Price</u>	<u>Bond Number</u>	<u>Amount Called</u>
777873AK6	5.00%	09/01/2016	100.00%	_BOOK	\$845,000

Since the Bond is held under the book entry system, payment will be made directly to the registered Holder.

CITY OF ROSEVILLE
By: The Bank of New York Mellon Trust Company, N.A.
as Trustee Agent
Bondholder Communications: 800-254-2826



Dated: August 2, 2015

IMPORTANT TAX NOTICE

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee.

**Note: The Issuer and Trustee/Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

EXHIBIT B
FORMS OF NOTICE OF DEFEASANCE

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2005

Date of Issue: August 24, 2005
Final Maturity Date: September 1, 2036

NOTICE IS HEREBY GIVEN, by the City of Roseville (the "City"), by and on behalf of the City's Westpark Community Facilities District No. 1 (Public Facilities) with respect to the captioned bonds (the "Bonds"), that it has irrevocably elected to optionally redeem the outstanding Bonds maturing on and after September 1, 2016 on September 1, 2015 (the "Redemption Date"), at a redemption price equal to the par amount thereof together with accrued interest thereon to the Redemption Date, without premium. Interest on the Bonds will not accrue after the Redemption Date.

The Bonds to be redeemed consist of the following:

CUSIP Number*	Amount	Maturity Date	Interest Rate
777870NH5	\$1,000,000	9/1/2016	5.000%
777870PE0	\$655,000	9/1/2016	4.625%
777870NJ1	\$985,000	9/1/2017	5.250%
777870NK8	\$1,105,000	9/1/2018	5.250%
777870NL6	\$1,230,000	9/1/2019	5.250%
777870NM4	\$1,365,000	9/1/2020	5.000%
777870NS1	\$9,120,000	9/1/2025	5.250%
777870NX0	\$13,900,000	9/1/2030	5.150%
777870PD2	\$25,255,000	9/1/2036	5.200%

Funds for the payment of all of the outstanding Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as fiscal agent for the Bonds (the "Fiscal Agent").

The Bonds to be redeemed must be surrendered by the owners thereof at the corporate trust office of the Fiscal Agent for payment of the redemption price.

The City and the Fiscal Agent shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Bond; the CUSIP numbers are included solely for the convenience of the owners of the Bonds.

Dated: _____, 2015

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Fiscal Agent for the Bonds

CITY OF ROSEVILLE
 WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
 SPECIAL TAX BONDS
 SERIES 2006

Date of Issue: August 3, 2006
 Final Maturity Date: September 1, 2037

NOTICE IS HEREBY GIVEN, by the City of Roseville (the "City"), by and on behalf of the City's Westpark Community Facilities District No. 1 (Public Facilities) with respect to the captioned bonds (the "Bonds"), that it has irrevocably elected to optionally redeem the outstanding Bonds maturing on and after September 1, 2016 on September 1, 2015 (the "Redemption Date"), at a redemption price equal to the par amount thereof together with accrued interest thereon to the Redemption Date, without premium. Interest on the Bonds will not accrue after the Redemption Date.

The Bonds to be redeemed consist of the following:

CUSIP Number*	Amount	Maturity Date	Interest Rate
777873AK6	\$1,770,000	9/1/2016	5.000%
777873AM2	\$1,800,000	9/1/2018	5.000%
777873AP5	\$1,705,000	9/1/2020	5.100%
777873AU4	\$4,370,000	9/1/2026	5.200%
777873AW0	\$8,305,000	9/1/2037	5.250%

Funds for the payment of all of the outstanding Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as fiscal agent for the Bonds (the "Fiscal Agent").

The Bonds to be redeemed must be surrendered by the owners thereof at the corporate trust office of the Fiscal Agent for payment of the redemption price.

The City and the Fiscal Agent shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Bond; the CUSIP numbers are included solely for the convenience of the owners of the Bonds.

Dated: _____, 2015

**THE BANK OF NEW YORK MELLON TRUST
 COMPANY, N.A.,**
as Fiscal Agent for the Bonds

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS – Tax Exemption."

\$67,860,000

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015**

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The City of Roseville (the "City") is issuing the above-captioned bonds (the "Bonds") for its Westpark Community Facilities District No. 1 (Public Facilities) (the "District") under the Mello-Roos Community Facilities Act of 1982 (the "Act"), the Resolution of Formation and Resolution of Issuance (each as defined herein), and a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). See "THE BONDS – Authority for Issuance."

The Bonds are being issued to (i) refund the District's outstanding City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005, (ii) refund the District's outstanding City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006, (iii) establish a debt service reserve fund for the Bonds, and (iv) pay the costs of issuing the Bonds. See "FINANCING PLAN."

The Bonds are payable from a pledge of proceeds of Special Tax Revenues (as defined in this Official Statement) levied on property within the District according to the first amended rate and method of apportionment of special tax. The Bonds are secured by a first pledge of the revenues derived from the Special Tax Revenues and the moneys on deposit in certain funds held by the Fiscal Agent under the Fiscal Agent Agreement. No additional bonds, other than possible refunding bonds, will be issued for the District. See "SECURITY FOR THE BONDS."

Interest on the Bonds is payable on March 1, 2016, and semiannually thereafter on each September 1 and March 1. The Bonds will be issued in denominations of \$5,000 or integral multiples of \$5,000. The Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. See "THE BONDS – Description of the Bonds" and "APPENDIX G – DTC and the Book-Entry Only System."

The Bonds are subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption from prepaid Special Taxes. See "THE BONDS – Redemption."

The Bonds, the interest thereon, and any premiums payable on the redemption of any Bonds, are not an indebtedness of the City (except to the limited extent described in this Official Statement), the State of California (the "State") or any of their respective political subdivisions. None of the City (except to the limited extent described in this Official Statement), the State or any of its political subdivisions is liable for the Bonds. Neither the faith and credit nor the taxing power of the City (except to the limited extent described in this Official Statement) or the State or any of their respective political subdivisions is pledged to the payment of the Bonds. Other than the Special Tax Revenues, no taxes are pledged to the payment of the Bonds. The Bonds do not constitute a general obligation of the City, but are limited obligations of the City payable solely from the Special Tax Revenues as more fully described in this Official Statement.

MATURITY SCHEDULE

(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of essential information about the Bonds. Potential investors should read this entire Official Statement to obtain information essential for making an informed investment decision. Investment in the Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, has also served as disclosure counsel to the City. Certain matters will be passed upon for the City by the City Attorney, and for the Underwriters by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about August 12, 2015.

STIFEL

PiperJaffray

MATURITY SCHEDULE

\$48,310,000 Serial Bonds (Base CUSIP†: 777870)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2018	\$ 965,000	3.000%	2.160%	102.467	VF0
2019	2,230,000	4.000	2.450	105.944	VG8
2020	2,320,000	5.000	2.790	110.346	VH6
2021	2,435,000	5.000	3.050	110.701	VJ2
2022	555,000	3.000	3.370	97.693	VL7
2022	2,000,000	5.000	3.370	110.154	VK9
2023	2,675,000	5.000	3.530	110.223	VM5
2024	2,805,000	5.000	3.660	110.244	VN3
2025	945,000	3.500	3.780	97.674	VQ6
2025	2,000,000	5.000	3.780	110.122	VP8
2026	3,080,000	5.000	3.880	109.247	C VR4
2027	3,230,000	5.000	3.960	108.553	C VS2
2028	3,395,000	5.000	4.040	107.864	C VT0
2029	3,565,000	5.000	4.110	107.266	C VU7
2030	740,000	4.000	4.180	98.002	VW3
2030	3,000,000	5.000	4.180	106.672	C VV5
2031	3,925,000	5.000	4.240	106.165	C VX1
2032	4,120,000	5.000	4.280	105.829	C VY9
2033	4,325,000	5.000	4.310	105.578	C VZ6

**\$15,000,000 5.000% Term Bond due September 1, 2037, Yield: 4.390%, Price: 104.912 C
CUSIP† No. 777870 WA0**

**\$4,550,000 4.250% Term Bond due September 1, 2037, Yield: 4.390%, Price: 98.032
CUSIP† No. 777870 WB8**

† Copyright 2015, CUSIP Global Services, and a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Underwriters assume any responsibility for the accuracy of the CUSIP data.

C: Priced to the optional par call date of September 1, 2025.

CITY OF ROSEVILLE, CALIFORNIA

City Council

Carol Garcia, *Mayor*
Susan Rohan, *Vice Mayor*
Bonnie Gore, *Councilmember*
Tim Herman, *Councilmember*
Pauline Roccucci, *Councilmember*

City Staff

Ray Kerridge, *City Manager*
Jay Panzica, *Treasurer/Chief Financial Executive*
Monty Hanks, *Finance Director*
Robert R. Schmitt, *City Attorney*
Sonia Orozco, *City Clerk*

SPECIAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

First Southwest Company, LLC
Santa Monica, California

Appraiser

Seevers Jordan Ziegenmeyer
Rocklin, California

Special Tax Administrator

Willdan Financial Services
Temecula, California

Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District or the City, in any press release and in any oral statement made with the approval of an authorized officer of the District or the City, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions may identify "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriters. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof. All summaries of the Fiscal Agent Agreement or other documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The City maintains an Internet website, but the information on that website is not incorporated in this Official Statement.

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OFFICIAL STATEMENT

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the "**Bonds**") to be issued by the City of Roseville (the "**City**") on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "**District**").

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Definitions of certain terms used herein and not defined herein have the meaning set forth in the Fiscal Agent Agreement. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT."

INTRODUCTION

This introduction is not a summary of the entire Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained throughout the Official Statement, including the cover page, inside cover and attached appendices, and documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Authority for Issuance of the Bonds. The Bonds are issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, *et seq.*, of the Government Code of the State of California) (the "**Act**") and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015 (the "**Fiscal Agent Agreement**") between the City and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as fiscal agent (the "**Fiscal Agent**"), the Resolution of Formation and Resolution No. 15-323 (the "**Resolution of Issuance**") adopted on July 15, 2015 by the City Council of the City (the "**City Council**"). The authorized amount of bonds for the District was set at a maximum of \$80,000,000; no additional bonds (excluding possible refunding bonds) are allowed to be issued in the future under the Fiscal Agent Agreement. See "THE BONDS – Authority for Issuance."

The City. The City is located in central Placer County (the "**County**") within the greater Sacramento region. It lies on the Highway 80 corridor between the City of Sacramento and the City of Auburn. For economic and demographic information regarding the area in and around the City, see APPENDIX A.

Description of the Bonds. The Bonds will be issued in denominations of \$5,000 or any integral multiple of \$5,000. Interest is payable semiannually on each March 1 and September 1, commencing March 1, 2016. See "THE BONDS."

The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Trustee's books.

Purpose of the Bonds. Proceeds of the Bonds will be used primarily to refund all of the District's outstanding "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005" (the "**2005 Bonds**") and outstanding "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006" (the "**2006 Bonds**") and together with the 2005 Bonds, the "**Prior Bonds**"). Proceeds of the Prior Bonds were used to finance infrastructure improvements in the District, all of which have been completed. Proceeds of the Bonds will also be used to establish a debt service reserve fund for the Bonds, and pay costs of issuance. See "FINANCING PLAN."

Security and Sources of Payment for the Bonds. The City Council annually levies special taxes on the property in the District (the "**Special Taxes**") in accordance with the First Amended Rate and Method of Apportionment for City of Roseville Westpark Community Facilities District No. 1 (Public Facilities), as amended in August 2013 (the "**Special Tax Formula**"), which is attached as APPENDIX B to this Official Statement. The Bonds are secured by and payable from a first pledge of the net proceeds of the Special Taxes (as more particularly defined in the Fiscal Agent Agreement, the "**Special Tax Revenues**"), subject to the conditions contained in the Fiscal Agent Agreement. The Bonds will also be secured by certain funds and accounts established and held under the Fiscal Agent Agreement. In particular, a debt service reserve fund (the "**Reserve Fund**") will be established in connection with the issuance of the Bonds in an amount equal to the Reserve Requirement (as defined in this Official Statement). See "FINANCING PLAN – Sources and Uses of Funds" and "SECURITY FOR THE BONDS."

Pursuant to the Act, the Resolution of Formation (as defined herein), and the Fiscal Agent Agreement, so long as any Bonds are outstanding, the City will annually levy the Special Tax against all land within the District taxable under the Act in accordance with the proceedings for the authorization and issuance of the Bonds and to make provision for the collection of the Special Tax in amounts which will be sufficient to pay interest on, principal of and redemption premium (if any) on the Bonds as such becomes due and payable and to replenish the Reserve Fund (as defined herein) as necessary. See "SECURITY FOR THE BONDS – Special Taxes" herein.

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of any of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the real property on which the Special Tax is delinquent. The unpaid Special Taxes are not required to be paid upon sale of property within the District.

Covenant to Foreclose. The City has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure

covenant see "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

Formation of the District and Bond Issuances. On September 15, 2004, the City Council adopted Resolution No. 04-439 (the "**Resolution of Formation**"), which formed the District. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$80,000,000 at a special election in the District held on the same day. Bonds were issued for the District in 2005 and 2006 in the aggregate amount of \$80,000,000.

The District. The District is partially developed in the northwestern portion of the City within the City's West Roseville Specific Plan ("**WRSP**"). The land in the District is also known locally as the "Westpark" neighborhood. Initial homebuilding activity began in late 2005 and as of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014). Homebuilding is ongoing.

The District comprises approximately 928 net acres and currently constitutes 2,597 parcels. The District is approved for 3,819 single family residential homes (of which 704 lots are to be age-restricted units and 777 multifamily residential units (including 462 designated for affordable housing)) under the zoning designations of the WRSP, as well as 16.8 acres of commercial uses (13.8 acres of which are subject to the Special Tax and 3.0 acres of which are not) and 88.1 acres of industrial uses (none of which are subject to the Special Tax). See "THE DISTRICT."

Most of the undeveloped land in the District subject to the Special Tax is currently owned by one of four merchant homebuilder entities, affiliates of Lennar Corporation, PulteGroup Inc., Meritage Homes Corporation and KB Home, respectively, each having purchased (directly or following a sale to a third party) the property from West Roseville, LLC (the "**Master Developer**"), whose sole remaining holding subject to the Special Tax is an approximate 12-acre parcel designated for high density residential use. Land in the District also includes land planned for open space and public parks and not subject to the Special Tax. The original master planner of development in the District was 1600 Placer Investors, L.P., whose ownership interests were succeeded by PL Roseville, LLC, an entity comprised of entities controlled by the homebuilders Pulte Home Corporation, Centex Homes and Lennar Homes, which entity acquired the property in 2005. The three member entities of PL Roseville, LLC, as homebuilders, intended to independently develop homes in the District.

Value Estimate of Property in the District. In connection with valuing property in the District, the City reports that the 2014-15 County assessed valuation (the "**Assessed Valuation**") of the property in the District is \$884,290,969, \$801,095,421 of which represents developed property (having an assessed vertical improvement value) and the remainder of which represents undeveloped property.

In order to provide an alternate valuation of certain undeveloped parcels in the District, the City ordered an appraisal of such land (the "**Appraisal**"), dated July 15, 2015, prepared by Seevers Jordan Ziegenmeyer, Rocklin, California (the "**Appraiser**"), as described herein under the caption "SPECIAL TAX REVENUE AND VALUE ESTIMATE OF PROPERTY WITHIN THE DISTRICT – Appraisal of Certain Undeveloped Land." The Appraisal estimates the value of the undeveloped properties subject to the Appraisal, all of which are subject to the Special Tax, to

be \$156,580,000. For properties subject to the Special Tax and not included in the Appraisal, the 2014-15 County assessed valuation is \$801,095,421. The aggregate value of the property in the District includes both the appraised value of the subject properties of the Appraisal and the assessed value of the remainder. Based upon the \$957,675,421 total valuation of property in the District subject to the Special Tax and an aggregate outstanding principal amount of Bonds of \$67,860,000, the value-to-lien ratio for property in the District is approximately 14 to 1 (this does not include Overlapping Debt).

Redemption of Bonds Before Maturity. The Bonds are subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption from prepaid Special Taxes. See "THE BONDS – Redemption."

Risk Factors Associated with Purchasing the Bonds. Investment in the Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the Bonds.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of 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 City or any of its income or receipts, except the money in the Special Tax Fund (described herein) established under the Fiscal Agent Agreement, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the City. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restrictions and neither the City Council, the City nor any officer or employee thereof is liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds other than from the proceeds of the Special Taxes (described herein) and the money in the Special Tax Fund, as provided in the Fiscal Agent Agreement.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors' rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT." The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

FINANCING PLAN

Refunding Plan

The City issued the Prior Bonds for the purpose of financing a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for the development of property in the District (the "**Improvements**"), primarily for roadway, sewer, water, drainage and parks. See "THE DISTRICT – Formation of the District."

The Prior Bonds consist of the outstanding 2005 Bonds and 2006 Bonds. The 2005 Bonds are currently outstanding in the aggregate principal amount of \$57,505,000, which will be redeemed in full, on a current basis, on September 1, 2015 (the "**Redemption Date**"), at a redemption price equal to 100% of the principal amount thereof, together with interest coming due and payable on the Redemption Date. The 2006 Bonds are currently outstanding in a total aggregate principal amount of \$21,470,000. The Term 2006 Bond due September 1, 2016 is subject to mandatory sinking fund redemption, and \$845,000 in aggregate principal amount will be redeemed on the Redemption Date at a redemption price equal to 100% of the principal amount thereof, together with interest coming due and payable on the Redemption Date. The remainder of the outstanding 2006 Bonds will be redeemed in full, on a current basis, on the Redemption Date, at a redemption price equal to 101% of the principal amount thereof, together with interest coming due and payable on the Redemption Date.

In order to accomplish the refinancing plan, proceeds of the Bonds, together with certain other funds on hand with respect to the Prior Bonds in a total amount sufficient to redeem the Prior Bonds, will be transferred to The Bank of New York Mellon Trust Company, N.A., as fiscal agent for the Prior Bonds (the "**Prior Bonds Fiscal Agent**"), for deposit in a Prior Bonds redemption account pursuant to Irrevocable Refunding Instructions by and between the City and the Prior Bonds Fiscal Agent. These funds, together with any remaining amounts held in cash by the Prior Bonds Fiscal Agent, will be sufficient to pay and redeem the Prior Bonds in full on the Redemption Date.

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be deposited into the following funds established under the Fiscal Agent Agreement and used for the following purposes:

<u>Sources</u>	
Principal Amount of Bonds	\$67,860,000.00
<i>Plus:</i> Net Original Issue Premium	4,231,594.75
<i>Plus:</i> Funds Related to Prior Bonds	<u>9,000,522.88</u>
<i>Total Sources</i>	\$81,092,117.63
 <u>Uses</u>	
Refunding of Prior Bonds ⁽¹⁾	\$74,615,780.63
Deposit into Reserve Fund ⁽²⁾	5,526,050.00
Deposit into Costs of Issuance Account ⁽³⁾	305,617.00
Underwriters' Discount	<u>644,670.00</u>
<i>Total Uses</i>	\$81,092,117.63

(1) Will be used to defease and refund the Prior Bonds. See "-Refunding Plan" above.

(2) Equal to the Reserve Requirement with respect to the Bonds as of their date of delivery.

(3) Will be used to pay for, among other things, the fees and expenses of Bond Counsel and Disclosure Counsel, the Fiscal Agent, the Municipal Advisor, the Appraiser, and the Special Tax Administrator, as well as the cost of printing the preliminary and final Official Statements.

THE BONDS

This section generally describes certain of the terms of the Bonds contained in the Fiscal Agent Agreement. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT."

Authority for Issuance

The Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution of Formation, the Resolution of Issuance, and the Act.

On September 15, 2004, the City Council adopted the Resolution of Formation, which formed the District. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed \$80,000,000 at a special election in the District held on the same day. The 2005 Bonds and 2006 Bonds were issued under and up to the full amount of the authorization; no additional bonds are permitted to be issued under the Resolution of Formation after the Bonds (excepting possible future refunding bonds). Under the provisions of the Act, since there were fewer than 12 registered voters residing within the District at a point during the 90-day period preceding the adoption of the Resolution of Formation, the qualified electors entitled to vote in the special election consisted of 1600 Placer Investors, L.P. and a then-pending seller of land to such entity (who were then the only eligible landowners/voters in the District), who cast one vote for each gross acre or portion of an acre of land owned within the District. The landowners voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within the District, for the purpose of paying for the Improvements, including repaying any indebtedness of the District, replenishing the Reserve Fund and paying the administrative expenses of the District. See "THE DISTRICT" herein.

Description of the Bonds

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the Bonds.

Payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's participants and indirect participants, as more fully described in "APPENDIX G – DTC and the Book-Entry Only System."

The Bonds will be dated as of, and bear interest from, the date of their delivery at the rates contained, and mature in the amounts and years shown on the inside cover page of this Official Statement.

The principal of, and any redemption premium due with respect to, the Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in Los Angeles, California, or such other place as designated by the Fiscal

Agent, upon presentation and surrender of the Bonds. Interest on the Bonds, computed on the basis of a 360-day year consisting of twelve 30-day months, will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing March 1, 2016.

Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the 15th day of the calendar month preceding the Interest Payment Date (the "**Record Date**"), or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds will be made by wire transfer, or such other method acceptable by the Fiscal Agent, to DTC. See "APPENDIX G – DTC and the Book-Entry Only System."

Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the dated date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's direct participants and indirect participants, as more fully described herein. See "APPENDIX G – DTC and the Book-Entry Only System."

Redemption

Optional Redemption. The Bonds maturing on or before September 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on or after September 1, 2026 are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2025 and on any date thereafter, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

Special Mandatory Redemption From Prepaid Special Taxes. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2016 and on any Interest Payment Date thereafter, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Date	Redemption Price
September 1, 2016 through March 1, 2023	103%
September 1, 2023 and March 1, 2024	102%
September 1, 2024 and March 1, 2025	101%
September 1, 2025 and thereafter	100%

Mandatory Sinking-Fund Redemption. The Bonds maturing on September 1, 2037 (two series) (the "**Term Bonds**") are subject to mandatory sinking payment redemption in part on September 1, 2034, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of their principal amount to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

**\$15,000,000 5.00% Term Bonds
Due September 1, 2037**

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2034	\$3,000,000
2035	4,000,000
2036	4,000,000
2037 (Maturity)	4,000,000

**\$4,550,000 4.25% Term Bonds
Due September 1, 2037**

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2034	\$1,540,000
2035	750,000
2036	1,030,000
2037 (Maturity)	1,230,000

The amounts in the foregoing tables will be reduced pro rata, in order to maintain substantially uniform debt service, as a result of any prior partial optional redemption or special mandatory redemption of the Term Bonds.

In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of their principal amount, plus interest accrued to the date of purchase.

Redemption Procedure by Fiscal Agent. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the MSRB, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing will not be a

condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Bonds.

The notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or will state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption, will state as to any Bond called in part the principal amount thereof to be redeemed, and will require that such Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such Bonds will not accrue from and after the redemption date. Any notice of redemption may indicate that such redemption will be conditional upon the Fiscal Agent having sufficient moneys available on the date specified to cause the redemption to occur as provided in the notice.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds of any maturity, the Fiscal Agent will select the Bonds to be redeemed, from all Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion will deem appropriate. Upon surrender of Bonds redeemed in part only, the City will execute and the Fiscal Agent will authenticate and deliver to the registered Owner a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

The City shall have the right to rescind any notice of prepayment delivered by the Fiscal Agent prior to the date fixed for prepayment.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption will have been deposited in the Bond Fund, the Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue on the called Bonds on or after the redemption date specified in the notice.

Transfer or Exchange of Bonds

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of Bonds will be made in accordance with DTC procedures. See APPENDIX G. Any Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any Bond(s) will be surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new Bond(s), for a like aggregate principal amount of Bond(s) of authorized denominations and of the same maturity. The City will pay the cost for any services rendered or any expenses

incurred by the Fiscal Agent in connection with any such transfer or exchange. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of Bonds will be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after that Bond has been selected for redemption.

SECURITY FOR THE BONDS

The Bonds are secured by and payable from a first pledge of the proceeds of the Special Tax Revenues. The Special Tax Revenues and all moneys deposited into the Bond Fund and the Reserve Fund are pledged to the payment of the principal of, and interest and any premium on, the Bonds, as provided in the Fiscal Agent Agreement and in the Act, until all the Bonds have been paid and retired, or until moneys or Federal Securities have been set aside irrevocably for that purpose.

The Improvements are not in any way pledged to pay the debt service on the Bonds. Any proceeds of condemnation, destruction or other disposition of any Improvements are not pledged to pay the debt service on the Bonds and are free and clear of any lien or obligation imposed under the Fiscal Agent Agreement.

Special Taxes

A Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the City Council through the application of the Special Tax Formula prepared by Goodwin Consulting Group, Inc., Sacramento California, and amended by Willdan Financial Services, Temecula, California (the "**Special Tax Administrator**") set forth in APPENDIX B hereto, for all taxable properties in the District. Interest and principal on the Bonds is payable from the annual Special Taxes to be levied and collected on taxable property within the District, from amounts held in certain funds and accounts established under the Fiscal Agent Agreement and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof as a "special tax" authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City pursuant to the Act in an amount determined according to the Special Tax Formula approved by the City. See "Special Tax Methodology" below and "APPENDIX B — Rate and Method of Apportionment of Special Tax."

The amount of Special Taxes that the District may levy in any year, and from which principal and interest on the Bonds is to be paid, is strictly limited by the maximum rates approved by the qualified electors within the District which are set forth as the annual "**Maximum Annual Special Tax**" in the Special Tax Formula. Under the Special Tax Formula, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount, not in excess of the annual Maximum Annual Special Tax. The Special Taxes and any interest earned on the Special Taxes constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon will not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and will be held in trust for the benefit of the owners thereof and will be applied pursuant to the Fiscal Agent Agreement. The Special Tax Formula apportions the Special Tax Requirement (as defined in the Special Tax Formula and described below) among the taxable parcels of real property within the District according to the rate and methodology set forth in the Special Tax Formula. See "Special Tax Methodology" below. See also "APPENDIX B — Rate and Method of Apportionment of Special Tax."

The City may levy the Special Tax at the Maximum Annual Special Tax rate, which has been authorized by the qualified electors within the District, as set forth in the Special Tax Formula, if conditions so require. The City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Special Tax Requirement (as defined below). Because each Special Tax levy is limited to the annual Maximum Annual Special Tax rates authorized as set forth in the Special Tax Formula, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Special Tax Requirement will in fact be collected in any given year. See "BOND OWNERS' RISKS — Property Tax Delinquencies" herein. The Special Taxes are collected for the City by the County in the same manner and at the same time as *ad valorem* property taxes.

Special Tax Methodology

The Special Tax authorized under the Act applicable to land within the District will be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate as described in the Special Tax Formula set forth in "APPENDIX B – Rate and Method of Apportionment of Special Tax" and in accordance with the Act. See "BOND OWNERS' RISKS – Levy and Collection of Special Tax." Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Special Tax Formula.

Determination of Special Tax Requirement. Each year, the City will determine the Special Tax Requirement of the District for the upcoming fiscal year. The "**Special Tax Requirement**" include the following items:

- (i) debt service on bonds issued for the District;
- (ii) administrative expenses and County fees;
- (iii) any amounts needed to replenish bond reserve funds and to pay for delinquencies in Special Taxes for the previous fiscal year or anticipated for the current year; and
- (iv) pay-as-you-go expenditures for authorized improvements and development-related fees.

The Special Tax Requirement is the basis for the amount of Special Tax to be levied within the District. In no event may the City levy a Special Tax in any year above the Maximum Annual Special Tax identified for each parcel in the Special Tax Formula.

Parcels Subject to the Special Tax. The City will prepare a list of the parcels subject to the Special Tax using the records of the City and the County Assessor. The City will tax all parcels within the District except property which is exempt from the Special Tax pursuant to the Special Tax Formula. Taxable Property that is acquired by a public agency after the District is formed will remain subject to the Special Tax unless a "trade" resulting in no loss of Special Tax revenue can be made, as described in the Special Tax Formula.

Annual Special Tax Levy. The Special Tax will be levied each year by calculating the Special Tax Requirement which needs to be generated by all Taxable Property in the District; the Special Tax (up to maximum allowable amount) will be levied against each Taxable Property until the Special Tax revenue equals the Special Tax Requirement, however the Special Tax

Formula establishes a priority for which properties will be levied a Special Tax, with Developed Property receiving a Special Tax levy prior to Undeveloped Property. For single family detached property, Developed Property is property which is shown on a Final Map recorded prior to May 1st of each fiscal year. See the Special Tax Formula in APPENDIX B. The Special Tax Formula provides that the annual Maximum Special Tax will be increased annually by the “Annual Tax Escalation Factor” which for each fiscal year is equal to 2% of the Maximum Special Tax in effect in the prior fiscal year. Pursuant to an agreement between the Master Developer and the City, the Special Tax will be levied at the Maximum Annual Special Tax rate for several years after issuance of the Bonds to generate pay-as-you-go moneys to be used to reimburse the Master Developer for the cost of authorized Improvements.

Termination of the Special Tax. The Special Tax will be levied and collected (up to the maximum allowable amount) for as long as needed to pay the principal and interest on the Bonds and other costs incurred in order to construct and acquire the authorized District-funded Improvements and to pay the Special Tax Requirement. The Special Tax Formula provides that the Special Tax may not be levied on any parcel in the District after fiscal Year 2050-51. When all Special Tax Requirement incurred by the District have been paid, the Special Tax will cease to be levied.

Prepayment of the Special Tax. The Special Tax Formula provides that landowners may permanently satisfy all or a portion of the Special Tax by a cash settlement with the City. The amount of the prepayment required is to be calculated according to a formula set forth in the Special Tax Formula, which is generally based on the parcel’s share of the outstanding Bonds, remaining facilities costs which have not been bonded, redemption premiums, defeasance requirements and administrative fees and expenses.

Levy of Annual Special Tax; Maximum Annual Special Tax

The annual Special Tax will be calculated by the City and levied to provide money for debt service on the Bonds, replenishment of the Reserve Fund, anticipated Special Tax delinquencies, administration of the District, and for payment of pay-as-you-go expenditures (to the extent permitted by the City) of the Improvements or authorized District-funded facilities not funded from Bond proceeds. In no event may the City levy a Special Tax in any year above the Maximum Annual Special Tax identified for each parcel in the Special Tax Formula. The Maximum Annual Special Tax rates for fiscal year 2014-15 were \$950.88 to \$1,818.09 per detached single family residence; there were no affordable detached units for fiscal year 2014-15. For Large Lot Parcels and Undeveloped Parcels, the Special Tax is based upon the gross acres or number of units planned for such parcels and the rate is subject to adjustment based upon the actual number of units built. The Annual Maximum Special Tax will escalate by 2% per year, which is currently being applied and expected to be applied in the future. See “APPENDIX B – Rate and Method of Apportionment of Special Tax,” and for a table showing the expected land uses and assigned Maximum Special Taxes at the time of formation of the District, see “Attachment 2” in such Appendix.

The Special Tax will be levied in an amount equal to the Special Tax Requirement as described in the Special Tax Formula and may be levied in an amount up to the maximum rates, and will include a pay-as-you-go component for several years as a mechanism whereby the City will utilize the pay-as-you-go component to reimburse the Master Developer for costs of Improvements not funded by proceeds of the bonds issued for the District. Pursuant to an agreement between the Master Developer and the City entered into in 2011, the Special Tax will be levied at the Maximum Annual Special Tax rate for several years after issuance of the Bonds

to generate such pay-as-you-go moneys. In each year in which the pay-as-you-go component is utilized, proceeds of the annual Special Tax levy will first be used to pay the Special Tax Requirement other than pay-as-you-go expenditures and second, for reimbursement of costs not funded from Bond proceeds. As of the date of issuance of the Bonds, the City anticipates it will utilize the pay-as-you-go component of the Special Tax Requirement for approximately the next 12 to 13 fiscal years to finance authorized Improvements.

Special Tax Fund

When received, the Special Taxes are required under the Fiscal Agent Agreement to be deposited into a Special Tax Fund to be held by the City in trust for the benefit of the City and the Owners of the Bonds. Moneys in the Special Tax Fund will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds.

No later than 10 Business Days after receipt by the City, the City will withdraw from the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds during the then-current Bond Year, and (ii) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement.

At such time as deposits to the Special Tax Fund other than from prepayment of Special Taxes equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount will be transferred by the City, on or after September 2nd of each year, to the Surplus Account, whereupon such moneys transferred shall be free of the pledge for payment of the Bonds. After receipt by the City of any prepayment of Special Taxes, the City will transfer such prepayments to the Fiscal Agent for deposit into the Prepayment Account to be used for the redemption of Bonds.

Deposit and Use of Proceeds of Bonds

The Bonds are additionally secured by amounts generated from proceeds of the Bonds, together with interest earnings thereon pledged under the Fiscal Agent Agreement. Proceeds of the Bonds sufficient to redeem the Prior Bonds in full on the Redemption Date will be paid to the Prior Bonds Fiscal Agent, and not available to pay debt service on the Bonds. See "FINANCING PLAN." The remaining proceeds of the Bonds will be paid to the Fiscal Agent, who will deposit such proceeds in the Reserve Fund and Costs of Issuance Fund established under the Fiscal Agent Agreement. The Fiscal Agent Agreement includes direction on the use of the moneys, including investment earnings thereon, in the various funds established under the Fiscal Agent Agreement. See "Reserve Fund" below.

Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes collected by the County, except at the City's option, the Special Taxes may be billed directly to property owners. In the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Act to order institution of an action in superior court to foreclose the lien therefor.

The City has covenanted in the Fiscal Agent Agreement with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior fiscal year, and if the City determines on the basis of such review that the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in the District in such fiscal year, it will within 30 days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the District for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; *provided*, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the District in such fiscal year, but that property owned by any single property owner in the District is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such fiscal year, or (b) property owned by any single property owner in the District is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the District), then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner.

Under the Act, foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. In such action, the real property subject to the special taxes may be sold at a judicial foreclosure sale for a minimum price which will be sufficient to pay or reimburse the delinquent special taxes.

The owners of the Bonds benefit from the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes with respect to the Bonds are significant enough to completely deplete the Reserve Fund, there could be a default or a delay in payments of principal and interest to the owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the City of the proceeds of foreclosure sales. Provided that it is not levying the Special Tax at the annual Maximum Annual Special Tax rates set forth in the Special Tax Formula, the City may adjust (but not to exceed the annual Maximum Annual Special Tax) the Special Taxes levied on all property within the District subject to the Special Tax to provide an amount required to pay debt service on the Bonds and to replenish the Reserve Fund.

Under current law, a judgment debtor (property owner) has at least 140 days from the date of service of the notice of levy in which to redeem the property to be sold. If a judgment debtor fails to redeem and the property is sold, his or her only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (California Code of Civil Procedure Section 701.680).

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor's filing for relief under the Federal bankruptcy laws. The Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem*

taxes and special assessments. See "APPRAISAL OF PROPERTY WITHIN THE DISTRICT – Overlapping Liens and Priority of Lien."

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the District becomes the purchaser under a credit bid, the District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Reserve Fund

A Reserve Fund (the "**Reserve Fund**") for the Bonds will be established under the Fiscal Agent Agreement, to be held by the Fiscal Agent. Upon delivery of the Bonds, the amount on deposit in the Reserve Fund will be established by depositing certain proceeds of the Bonds in the amount of the "**Reserve Requirement**" for the Bonds, which is the lesser of 10% of the original principal amount of the Bonds, 100% of maximum annual debt service on the Bonds, or 125% of average annual debt service on the Bonds. The City is required to maintain an amount of money or other security equal to the Reserve Requirement in the Reserve Fund at all times that the Bonds are outstanding. All amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the City.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund as provided below, except that investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company (a "**Qualified Reserve Fund Credit Instrument**"), provided certain conditions are met, including that the long-term credit rating of such bank or insurance company is rated in a "AA" rating category or higher by S&P or Moody's.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment of moneys

in the Reserve Fund and other moneys in the Reserve Fund to be used and disbursed as provide in the Fiscal Agent Agreement.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and make any other transfer required under the Fiscal Agent Agreement, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption of all of the Outstanding Bonds. If the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent, to be used for any lawful purpose of the City.

Additional Bonds

The Resolution of Formation authorized the issuance of up to \$80 million of bonds by the City on behalf of the District, of which the 2005 Bonds represented the first series and the 2006 Bonds represented the second series. Pursuant to the Resolution of Issuance, the Bonds are being issued to refund the total aggregate principal amounts outstanding of the 2005 Bonds and 2006 Bonds. No additional bonds secured by the Special Taxes, other than bonds issued to refund all or a portion of the Bonds, may be issued by the City on behalf of the District in the future.

DEBT SERVICE SCHEDULE

The annual debt service on the Bonds based on the interest rates and maturity schedule set forth on the cover of this Official Statement is shown below.

Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Debt Service

Period Ending (September 1)	Bonds Principal	Bonds Interest	Bonds Total
2016	--	\$3,457,953.89	\$3,457,953.89
2017	--	3,284,600.00	3,284,600.00
2018	\$ 965,000	3,284,600.00	4,249,600.00
2019	2,230,000	3,255,650.00	5,485,650.00
2020	2,320,000	3,166,450.00	5,486,450.00
2021	2,435,000	3,050,450.00	5,485,450.00
2022	2,555,000	2,928,700.00	5,483,700.00
2023	2,675,000	2,812,050.00	5,487,050.00
2024	2,805,000	2,678,300.00	5,483,300.00
2025	2,945,000	2,538,050.00	5,483,050.00
2026	3,080,000	2,404,975.00	5,484,975.00
2027	3,230,000	2,250,975.00	5,480,975.00
2028	3,395,000	2,089,475.00	5,484,475.00
2029	3,565,000	1,919,725.00	5,484,725.00
2030	3,740,000	1,741,475.00	5,481,475.00
2031	3,925,000	1,561,875.00	5,486,875.00
2032	4,120,000	1,365,625.00	5,485,625.00
2033	4,325,000	1,159,625.00	5,484,625.00
2034	4,540,000	943,375.00	5,483,375.00
2035	4,750,000	727,925.00	5,477,925.00
2036	5,030,000	496,050.00	5,526,050.00
2037	5,230,000	252,275.00	5,482,275.00
Total	\$67,860,000	\$47,370,178.89	\$115,230,178.89

THE DISTRICT

Formation of the District

On August 4, 2004, the City Council adopted a Resolution of Intention to form a community facilities district under the Act, to levy a special tax and to incur bonded indebtedness for the purpose of financing the Improvements and making contributions to certain public facilities. After conducting a noticed public hearing, on September 15, 2004, the City Council adopted the Resolution of Formation, which established Westpark Community Facilities District No. 1 (Public Facilities), set forth the Special Tax Formula within the District and set forth the necessity to incur bonded indebtedness in a total amount not to exceed \$80 million. On the same day, an election was held within the District in which the two only landowners/voters in the District, 1600 Placer Investors, L.P. (an entity that master planned the area for development) and another landowner entity unanimously approved the proposed bonded indebtedness and the levy of the Special Tax. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" below.

At the time the Prior Bonds were issued, most of the land in the District was owned by PL Roseville, LLC, an entity comprised of entities controlled by the homebuilders Pulte Home Corporation, Centex Homes and Lennar Homes, which acquired the property in 2005 from 1600 Placer Investors, L.P. The three member entities of PL Roseville, LLC, as homebuilders, intended to independently develop homes in the District.

Location and Description of the District and the Immediate Area

The District is located in the northwestern area of the City within a portion of the WRSP, approximately 20 miles northeast of the central business district of Sacramento. The land in the District is also known locally as the "Westpark" neighborhood. The process of annexation of the area to the City was completed in October 2004. The area is approximately 1-mile north of Baseline Road and generally bounded by Fiddymont Road to the east, Pleasant Grove Boulevard to the southwest (and north and south of Pleasant Grove Boulevard in the southeast area), with Westpark Drive forming the northern boundary. The Placer County/Roseville City Limit line is the western boundary of the District. Access to the District is via Pleasant Grove Boulevard and Blue Oaks Boulevard, a primary east-west traffic arterial that connects to State Highway 65 and the nearby Interstate 80 freeway system. Interstate 80 is located approximately three miles southeast of the State Highway 65/Blue Oaks Boulevard junction and merges with State Highway 65 at an interchange system.

The WRSP area permits the development of a total of 10,464 dwelling units on approximately 3,161 gross acres. Land use and zoning entitlements provided by the WRSP include full land-use entitlements, including a general plan amendment, specific plan amendment, rezone, design guidelines and a development agreement between the City and each owner. Since the approval of the WRSP in 2004 there have been 3,804 single family residential building permits issued, with 2,502 issued in the Westpark portion of the WRSP (activity through 3/31/15). In addition a senior-affordable community of 152 apartment homes has been constructed in the Village Center of Westpark. See "Development Agreement" below. This permits development of the property to proceed through approval of subsequent development entitlements such as subdivision maps and design review permits. See "Development Agreement" below. The portion of the WRSP area not included in the District is locally known as "Fiddymont Farm" and commenced development simultaneously with development in the District. The Fiddymont Farm area is planned for 5,868 residential units

and is also the subject of a community facilities district formed by the City concurrently with formation of the District.

Development within the Westpark portion of the WRSP commenced in 2005 and has proceeded steadily since that time with activity increasing during the past three years. The predominant approved suburban land use within the City limits in the vicinity of the District is single family residential. The District is adjacent to recently constructed residential subdivisions to the north and east, including those in the Fiddymont Farm and Doctor's Ranch area to the north, and in the Woodcreek Oaks and Diamond Creek planned area to the east. Residential development in the Del Webb Specific Plan senior living development (Sun City Roseville), which sold-out in 1999, lies directly east of the District, and residential development built mostly in the past ten years as part of the Northwest Roseville Specific Plan area lies south and southeast of the District. Since the approval of the WRSP the City has approved, and annexed, two new Specific Plans, the Sierra Vista Specific Plan ("**SVSP**") located south of the District and the Creekview Specific Plan ("**CSP**"). The SVSP was approved in 2010 with an amendment to include the Westbrook property occurring in 2012. Development has recently commenced on the first phase of the Westbrook property (with a first series of bonds issued in late 2014), however the original portion of the SVSP remains undeveloped as applications for state and federal regulatory permits are processed. The CSP was approved in 2012, it too is processing wetland and species permits before development can occur.

The Pleasant Grove Regional Wastewater Treatment Plant, and the Roseville Energy Park electricity generating facility, are adjacent to and partially surrounded by the central portion of the District. A variable distance non-residential buffer of up to 1,000 feet (which is planned to primarily consist of light-industrial land uses compatible with the surrounding land uses) is included to the north, south, east and west of the Pleasant Grove Regional Wastewater Treatment Plant.

The District comprises approximately 928.5 net developable acres (approximately 1,492 gross acres, which includes land planned for public uses and not subject to the Special Tax). Zoning for District land is in place for residential development of 3,819 single-family residences and 777 multi-family units, in addition to approximately 16.8 acres of commercial uses (13.8 acres of which are subject to the Special Tax and 3.0 acres of which are not) and 88.1 acres of industrial uses (none of which are subject to the Special Tax), all in accordance with the WRSP (described above) and a Development Agreement (described below). The District includes land planned for parks and open space (representing approximately 403 acres) not subject to the Special Tax.

Initial homebuilding activity began in late 2005, with much of the District currently developed with residential uses and homebuilding ongoing and at least some site grading having taken place on all remaining undeveloped land. As of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014). See "Current and Anticipated Development in the District" below. Undeveloped land is primarily owned by four merchant homebuilders.

Phases 1 and 2 are nearly fully built out with the exception of the Village Center commercial properties and a medium density residential parcel in the Village Center (a recent application was filed for development of the W-24 site). Phase 3 is mostly developed with 358 of 533 lots developed. A multi-family residential parcel also remains undeveloped. Phase 4, which contains 887 residential lots, 170 multi-family units and 88.1 acres of industrial zoned

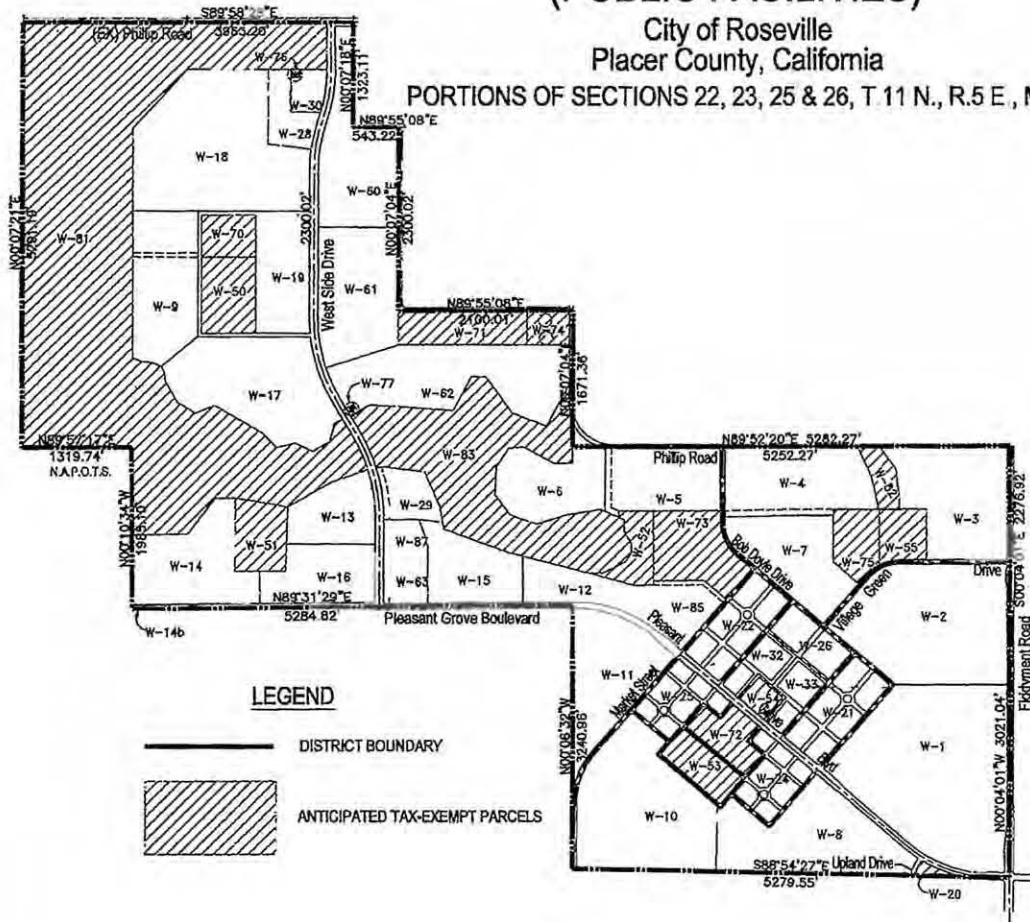
land (Light Industrial & Industrial), which is not subject to the Special Tax, began development in 2014. Approximately one half of the residential lots were completed in 2014, with development of the remaining lots commencing in the spring of 2015. A large expanse of open space (300+ acres) stretches throughout the Phase 3 and 4 portions of the District. Curry Creek traverses the property and clusters of seasonal wetlands, including vernal pools, are dispersed throughout the site. The WRSP has targeted a majority of the creek corridors, associated woodlands, and a portion of the seasonal wetlands and historic structures, for preservation in permanent open space/park use.

For fiscal year 2014-15, 2,597 parcels were subject to the Special Tax. Property in the District as presently constituted includes 18 "large lot" parcels which are planned to be subdivided for homebuilding. Upon subdivision mapping, new parcel numbers will be established for each parcel created by a final subdivision map.



Maps. A District boundary map is shown on the following page.

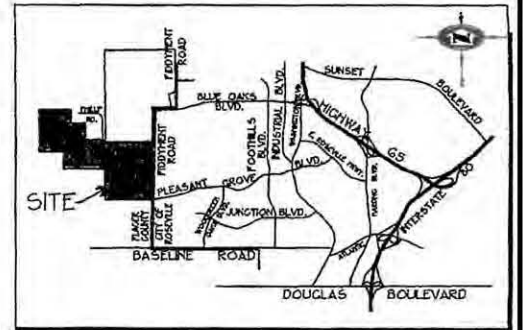
PROPOSED BOUNDARY MAP
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

City of Roseville
 Placer County, California
 PORTIONS OF SECTIONS 22, 23, 25 & 26, T 11 N., R 5 E., M.D.M



LEGEND

-  DISTRICT BOUNDARY
-  ANTICIPATED TAX-EXEMPT PARCELS



VICINITY MAP

NO SCALE

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF ROSEVILLE, WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES) CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE AT A REGULAR MEETING THEREOF HELD ON THE 14th DAY OF August, 2004
 BY ITS RESOLUTION NUMBER 04-281

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

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, PLACER COUNTY, CALIFORNIA ON THIS 14th DAY OF August, 2004.

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

FILED THIS 18th DAY OF August, 2004,
 AT THE HOUR OF 9:22 O'CLOCK AM IN BOOK 3
 OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 38, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.
 Fee: \$8.00 Instrument # 2004-108605

Jim McCauley
 COUNTY RECORDER
 COUNTY OF PLACER, CALIFORNIA
 By *Debra J. ...*, Deputy

mp **MORTON & PITALO, INC.**
 CIVIL ENGINEERING • PLANNING • SURVEYING
 1352 Blue Oaks Boulevard, Suite 100 • Roseville, CA 95678
 phone: 916.773.7677 • fax: 916.773.7671 • survey fax: 916.927.1185
 email: engr@mpcorp.com • web: www.mpcorp.com

Entitlements. Property within the District encompasses approximately 1,492 gross acres, of which approximately 928 net acres are expected to be available for development. Development plans include 3,819 low- and medium-density residential homes (of which 704 lots are age-restricted units and 777 high-density residential units (including 462 designated for affordable housing)) consistent with the zoning designations of the WRSP, as well as 16.8 acres of commercial uses (13.8 acres of which are subject to the Special Tax and 3.0 acres of which are not) and 88.1 acres of industrial uses (none of which are subject to the Special Tax). The entitlements allow a development proposal related to a particular parcel to proceed through the tentative map subdivision and design-review permitting processes to final mapping provided the development application is in accordance with the entitlements and the final map conditions. See "Development Agreement" below. The land received full land use approval on February 3, 2004, including approval of Specific Plan Zoning and a Development Agreement.

Subdivision Maps. All single family residential villages have had tentative maps approved utilizing all residential units allocated to the Westpark portion of the WRSP. Builders are presently building homes within 11 of the remaining 20 residential villages within Westpark.

Infrastructure and Utilities. All required infrastructure within Phases 1, 2 and 3 has been constructed and accepted by the City. A portion of the infrastructure for the final phase of development, Phase 4 (approximately 50%), has been constructed and is in the final acceptance process for the City to assume maintenance responsibility. The remainder of the infrastructure for Phase 4 is under construction and is expected to be completed and accepted by the end of 2015. The remaining Phase 4 infrastructure cost is approximately \$6 million.

Affordable Units. Under the Development Agreement, 10% of the residential units (or 462 units) to be constructed in the District are planned to be available to renters as apartment homes affordable to persons in very-low to low income households. To date 152 units affordable to low and very low income seniors have been built on Parcel W-25. The remaining affordable units are designed within Parcels W-16 and W-27. The Special Tax Formula provides for a reduction by one-half of the otherwise applicable Special Tax for units that are the subject of the affordable housing provisions.

Development Agreement. Development in the District is subject to a development agreement dated February 18, 2004 (as amended, the "**Development Agreement**") with the City in accordance with applicable state and local codes. The original Development Agreement has been amended five times since the original approval to provide for changes to the land uses, unit totals and construction obligations. Land use and development entitlements granted under the Development Agreement for property in the District are consistent with the WRSP. The Development Agreement vests development rights, sets forth infrastructure improvements and dedication requirements, secures the timing and methods for financing improvements, and specifies other performance obligations related to development in the WRSP area. All of the property in the District is subject to the requirements of the Development Agreement as well as the WRSP. Current development plans for the District are consistent with the Development Agreement

Flood Hazard Map Information. According to the Federal Emergency Management Agency's flood insurance rate maps (Community-Panel Number 060243-0457F, with an effective date of July 8, 1998), the developable portions of the property in the District are located within Flood Zone X, described as areas of minimal flooding (outside of the 100 and 500-year floodplains).

Wetland Conditions. According to the City's planning department, some jurisdictional wetlands will be affected by the development within the District; however, developers of land in the District have mitigated the impact.

Seismic Conditions. The property in the District is not located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.

Water Supply. The City's water supply has historically been surface water. Since the Roseville water treatment plant came on-line in 1971, the primary source of raw water delivered to this plant has been Central Valley Project (CVP) water held in the Folsom Reservoir and contracted to the City by the US Bureau of Reclamation ("USBR"). The City also has a surface water supply contract with Placer County Water Agency ("PCWA") for water from the Middle Fork Project that is wheeled through the same USBR facilities at Folsom, and a surface water contract with San Juan Water District ("SJWD") for use in wet and normal water years. In addition to surface water, the City has six groundwater wells that provide back-up, emergency supply to the system.

The Sacramento region, like most of the State of California, is prone to occasional drought. For example the State experienced an extended drought period that began in 1987 and continued until the winter of 1992-93. California is also currently facing one of the most severe droughts on record. On April 1, 2015, for the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. The volatility of weather patterns make it difficult to predict how long drought conditions will persist, or how often they may reoccur. However, when drought conditions do occur, it can affect community water usage for the duration of the drought as cities and water agencies implement drought management plans that require water usage reduction.

The City employs a portfolio approach to its water supplies which includes the use of surface water, groundwater and recycled water. This portfolio approach is designed to provide a more reliable water supply. Surface water is the City's primary water supply which is delivered from Folsom Reservoir under contracts with the Bureau of Reclamation and the Placer County Water Agency. The City also uses groundwater to supplement its surface water supplies during emergency and drought conditions. These ground water wells are designated to accommodate Aquifer Storage and Recovery (ASR). The City's ASR program allows for the storage of treated surface water in the groundwater basin through direct injection through the ASR wells. This water can be extracted later from the same wells for use during emergency or drought conditions. This water "banking" allows the City to use groundwater without significant impact to the ground water table when surface water supplies are limited. The City also uses recycled water generated from its wastewater treatment facilities for irrigation purposes in commercial landscaping, public rights-of way, parks and golf courses. The use of recycled water reduces the demand for treated water for these purposes and leaving more for domestic use.

The existing Development Agreement protects the ability to access water for the project through an agreed upon water allocation. Further, the City indicates it has adequate surface water and groundwater supplies to meet the allocation for the development notwithstanding existing limitations as part of the City's drought management programs. However, in the event that the City's water supply is severely limited or cut off by virtue of future actions beyond its control resulting from ongoing or future drought conditions, development within the District may be delayed or even stopped.

The Development Agreement provides that should the City need to restrict development it must do so City-wide and cannot single out the District property in restricting development activity. In turn, the anticipated diversity of ownership of land within the District could also be reduced, making the owners of the Bonds more dependent upon the owners of undeveloped land timely payment of the Special Taxes levied on undeveloped property. Furthermore, such an increased period of concentrated ownership of undeveloped land increases the potential negative impact of any bankruptcy or other financial difficulties experienced by the owners. Any reduction or interruption in the water supply would also likely cause a reduction in the land value and thus a reduction in the security in the event of a need to foreclose on land within the District following a delinquency in the payment of Special Taxes.

Infrastructure Improvements

Prior Bonds Infrastructure Expenditures. The City utilized net proceeds from the 2005 Bonds and 2006 Bonds to reimburse the developers of completed on and off-site public infrastructure improvements required for development within the District which were acquired by the City, all of which were facilities authorized for the District. All of the facilities constructed with proceeds of the 2005 and 2006 Bonds have been completed and acquired by the City.

Additional Required Infrastructure. Remaining development in the District is subject to the construction of backbone infrastructure, including water and sewer, needed for Phase 4 development that is approximately half completed, with approximately \$6 million of work remaining. Pulte and Lennar are responsible for completing this work pursuant to their development agreements with the City. This remaining infrastructure is expected to be completed and accepted by the City by the end of 2015; however, the cost and funding estimates of remaining infrastructure may change over time.

Current and Anticipated Development in the District

Development Status Summary. Development in the District was planned for four phases and initial homebuilding activity began in late 2005. Progress of the development slowed during the real estate downturn and currently homebuilding activity in the District is ongoing. As of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014). There are 10 active new home communities selling in Westpark by homebuilders Pulte Homes, Lennar Homes, Meritage Homes, and KB Home. The pace of home construction in the District will be determined largely by market conditions and demand for homes.

The table on the following page shows the development status of property in the District based on the Fiscal Year 2014-15 County tax roll.

Table 1
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Development Status by Land Use Category
Fiscal Year 2014-15 Tax Roll

Land Use Category	Number of Parcels Levied	Number of Market Rate Units	Number of Affordable Units	Commercial Acreage
Developed				
HDR ⁽¹⁾	15	22	144	--
LDR ⁽²⁾ & MDR ⁽³⁾	<u>2,142</u>	<u>2,142</u>	--	--
Total	2,157	2,164	144	--
Building Permit Issued				
HDR	54	54	--	--
LDR & MDR	<u>97</u>	<u>97</u>	--	--
Total	151	151	--	--
Undeveloped Residential Lots				
HDR	70	70	--	--
LDR & MDR	<u>196</u>	<u>196</u>	--	--
Total	266	266	--	--
Undeveloped				
CC ⁽⁴⁾	2	--	--	13.8
HDR	3	207	312	--
LDR & MDR	<u>18</u>	<u>1,311</u>	--	--
Total	23	1,518	312	13.8
Total District	2,597	4,099	456	13.8

- (1) "HDR" means high-density residential housing.
(2) "LDR" means low-density residential housing.
(3) "MDR" means medium-density residential housing.
(4) "CC" means community commercial property.

Sources: Assessed Values: Placer County 2014-15 Secured Property Roll, as compiled by Willdan Financial Services. Building Permits as of May 11, 2015, City of Roseville, as compiled by Willdan Financial Services.

The following table shows current ownerships of property in the District.

Table 2
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Lot Ownership

Owner	Number of Improved Lots	Number of Tentatively Mapped (Paper/Unimproved) Lots
Individual Homeowners-Completed Homes In Place	2,157	n/a
Lennar Homes	376 ⁽³⁾	236
Pulte Homes ⁽¹⁾	279 ⁽³⁾	142
KB Home	134	175
Meritage Homes	224 ⁽³⁾	250
West Roseville, LLC ⁽²⁾	--	--
Individual Landowners	22 ⁽⁴⁾	--
CFD TOTAL:	3,192	803

(1) Pulte additionally owns 2 commercial sites and 1 multifamily site.

(2) Master developer entity; remainder ownership is 1 multifamily site.

(3) Includes some completed homes and/or model homes and/or homes under construction. (4) 100% completed homes in place.

Sources: *Placer County 2014-15 Secured Property Roll, as compiled by Willdan Financial Services; Appraisal (SeEVERS Jordan Ziegenmeyer).*

Phases 1 and 2. Phases 1 and 2 of the District were mostly built out between 2005 and 2009 with builders, Pulte Homes, Centex Homes and Lennar Homes, building during this time period. Lennar Homes has two active communities selling homes within the Village Center and has recently purchased the last remaining undeveloped residential parcel within Phases 1 and 2 of the District. Lennar Homes is presently seeking tentative map approval on Parcel W-24 and anticipates development of the site in 2016. The last remaining undeveloped parcels in Phase 1 and 2 are the Village Center commercial parcels (W-32 and W-33), which are owned by Pulte Homes.

Phase 3. Phase 3, which contains 533 single-family home sites and a 250 unit affordable multi-family parcel commenced development in 2013. Village W-15 (224 lots) is owned by Meritage Homes, all 224 lots are finished and active homebuilding is underway in two new home communities sales centers. Village W-13 (309 lots) is owned by KB Home. KB has developed 134 home sites and has two communities actively selling homes. The affordable multi-family site is owned by West Roseville, LLC who was the master developer of Phase 3 and 4 prior to sales to builders.

Phase 4. Phase 4 contains approximately 887 residential lots, a 170 units mixed income multi-family site and 88.1 acres of industrial zoned property. Development activity on approximately one-half of Phase 4 commenced in 2014. Pulte Homes owns approximately 454 home sites and is building three product lines. Pulte Homes has developed 229 of the lots. Lennar owns approximately 270 home sites and has developed approximately 117 of the lots. Model homes are under construction. Meritage Homes owns approximately 120 home sites in Phase 4 and does not currently have plans to develop the lots within the next 12 months. The balance of the backbone infrastructure and mass grading of the remaining residential portions of Phase 4 commenced in March 2015 and is expected to be completed by the end of 2015. Lot development will commence as market conditions warrant. The multi-family parcel (W-27) is owned by Pulte Homes. The industrial zone land, which is not subject to the Special Tax, is owned by West Roseville, LLC and is intended to be held for long term investment purposes.

The City anticipates that development within the District will be consistent with the WRSP land uses, which primarily consist of residential neighborhoods and, to a lesser extent, supporting uses such as parks, open space and supporting neighborhood land uses. Permitted land uses are configured to reinforce the neighborhood identity and sense of community.

In order to complete development in the District, Pulte and Lennar are responsible for the construction of a school. The construction is based on arrangements to be made between Pulte, Lennar and the school district.

For more information on current home sales in the District, see “OWNERSHIP OF PROPERTY IN THE DISTRICT – Undeveloped Property” below.

OWNERSHIP OF PROPERTY WITHIN THE DISTRICT

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. There is no assurance that the present property owners or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bondowner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. The Special Taxes are not personal obligations of the developers or of any subsequent landowners; the Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS" and "BOND OWNERS' RISKS" herein.

Certain information contained below has been obtained from the Appraisal, and certain terms used below are terms used in the Appraisal. For more detailed information on the ownership of undeveloped lots in the District, see the Appraisal attached hereto as APPENDIX D.

Developed Property. Development in the District was planned for four phases and initial homebuilding activity began in late 2005. Progress of the development slowed during the real estate downturn and currently homebuilding activity in the District is ongoing. As of the 2014-15 County Assessor's tax roll, 2,157 parcels are improved with residential uses, most of which are low or medium density single family homes (additional homes have been constructed and are under construction since the roll date of January 1, 2014).

Undeveloped Property. Most of the undeveloped land in the District is currently owned by one of four merchant homebuilder entities, affiliates of Lennar Corporation, PulteGroup, Inc., Meritage Homes Corporation and KB Home, respectively, each having purchased from West Roseville, LLC, whose remainder holding subject to the Special Tax is an approximate 12-acre parcel designated for high density residential use. The original master planner of development in the District was 1600 Placer Investors, L.P., whose ownership interests were acquired in 2005 by PL Roseville, LLC, an entity comprised of entities controlled by Pulte Home Corporation, Centex Homes and Lennar Homes. The three member entities of PL Roseville, LLC, as homebuilders, intended to independently develop homes in the District.

The following table shows currently ownerships of undeveloped property in the District.

Table 3
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Lot Ownership – Undeveloped Property

Owner	Number of Improved Lots	Number of Tentatively Mapped (Paper/Unimproved) Lots
Lennar Homes	376 ⁽³⁾	236
Pulte Homes ⁽¹⁾	279 ⁽³⁾	142
KB Home	134	175
Meritage Homes	224 ⁽³⁾	250
West Roseville, LLC ⁽²⁾	--	---
CFD TOTAL:	1,013	803

⁽¹⁾ Pulte additionally owns 2 commercial sites and 1 multifamily site.

⁽²⁾ Master developer entity; remainder ownership is 1 multifamily site.

⁽³⁾ Includes some completed homes and/or model homes and/or homes under construction.

Source: Appraisal (Seevers Jordan Ziegenmeyer).

Lennar. The owner of record of Lennar’s undeveloped properties in the District is Lennar Homes of California Inc., an affiliate of Lennar Corporation, a Delaware corporation, which is a diversified real estate company that is publicly traded on the New York Stock Exchange under the ticker symbol “LEN.”

Lennar Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC’s website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, Lennar Corporation provides investor relations information on its website.

Lennar Corporation is developing the “Taylor Crossing at WestPark” (132 homes) and “Merrion Square at WestPark” (102 homes) communities in the District. Homes by Lennar in the “Taylor Crossing at WestPark” community are currently priced from \$297,990 to \$328,990, and homes in the “Merrion Square at WestPark” community by Lennar are currently priced from

\$318,990 to \$359,990. Home sales began in July 2013 and December 2014, respectively, and as of June 2015 a total of approximately 102 homes have been sold and 25 are under contract for sale.

For further information on Lennar, see its Internet homepage located at www.lennar.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

Pulte Homes. The owner of record of Pulte's undeveloped properties in the District is Pulte Home Corporation, an affiliate of PulteGroup, Inc., which trades on the New York Stock Exchange under the ticker symbol "PHM."

PulteGroup, Inc. is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC's website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, PulteGroup, Inc. provides investor relations information on its website.

Pulte is developing the "Primrose" community in the District. Homes by Pulte in this community are currently priced from \$399,990 to \$510,810. Home sales began in August 2014 and through May 2015 approximately 74 homes have been sold, of which 13 have closed.

For further information on Pulte, see its Internet homepage located at www.pulte.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

Meritage Homes. The owner of record of Meritage Homes' undeveloped properties in the District is Meritage Homes of California Inc., an affiliate of Meritage Homes Corporation, which is a Maryland corporation. Meritage Homes Corporation's common stock is publicly traded on the New York Stock Exchange under the symbol "MTH."

Meritage Homes Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC's website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20

Broad Street, New York, New York 10005. Additionally, Meritage Homes Corporation provides investor relations information on its website.

Meritage is developing the “Sierra Commons” (83 homes) and “Sierra Crossings” (69 homes) communities in the District. These homes are being built on a portion of the 224 lots purchased by Meritage in Phase 3 of the District. Meritage owns an additional 173 mapped (paper) lots in Phase 4 of the District for which Meritage does not currently have any plans to develop the lots within the next 12 months. Homes by Meritage in the “Sierra Commons” community are currently priced from \$434,950 to \$507,950, and homes by Meritage in the “Sierra Crossings” community are currently priced from \$427,950 to \$473,950. Home sales began in March 2014 for Sierra Commons and as of June 2015 approximately 17 homes have closed and 5 are under contract for sale but not yet closed. Home sales began in August 2014 for Sierra Crossings and as of June 2015 approximately 11 homes have closed and 11 are under contract for sale but not yet closed.

For further information on Meritage, see its Internet homepage located at www.meritagehomes.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

KB Home. The owner of record of KB Home’s undeveloped properties in the District is KB Home Sacramento Inc., an affiliate of KB Home, which is a Delaware corporation with its principal place of business in Los Angeles, California. KB Home’s common stock trades on the New York Stock Exchange under the ticker symbol “KBH.”

KB Home is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the Internet at the SEC’s website at www.sec.gov. Copies of such material can be obtained from the public reference section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the aforementioned material may also be inspected at the office of the NYSE at 20 Broad Street, New York, New York 10005. Additionally, Meritage provides investor relations information on its website.

KB Homes is developing the “Aria at Westpark” (74 homes) and the “Legato at Westpark” (60 homes) communities in the District. Homes in the “Aria” community are currently priced from \$418,000 to \$467,500, and homes in the “Legato” community are currently priced from \$424,000 to \$534,900. Home sales began in April 2014 and as of June 2015 approximately 34 homes have been sold and 30 are under contract for sale.

For further information on KB Home, see its Internet homepage located at www.kbhome.com. The website address is given for reference and convenience only, and the information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriters. Nothing on this website is a part of this Official Statement or incorporated into this Official Statement by reference.

West Roseville, LLC. The managing members of the West Roseville, LLC are William Falik, John Murray and Jeff Jones. Mr. Falik is an attorney who has practiced land use, real estate, mediation and environmental law in Northern California for more than 40 years. Mr. Falik is also an Adjunct Professor at the Haas School of Business and a Visiting Professor at the Berkeley School of Law at the University of California where he teaches real estate investment and development. Mr. Murray is a former Certified Public Accountant who prior to joining West Roseville, LLC was the General Manager for the Del Webb Corporation's Northern California Communities where he lead the development of Sun City Roseville and Sun City Lincoln Hills two of the most successful communities in the company's history. Mr. Falik and Mr. Murray were principals with 1600 Placer Investors, LP, the original master developer of the Westpark community, and subsequently sold the project to a consortium of homebuilders that included Pulte Home Corporation, Lennar Communities of California and Centex Homes in what is one of the largest single transactions involving a large scale master planned community in the State. Mr. Jones is the Chief Operating Officer. Prior to joining the Master Developer, Mr. Jones served as a part of the Del Webb Corporation's Northern California Communities executive management team where he oversaw the development of the Sun City Roseville and Sun City Lincoln Hills Communities.

The principals of West Roseville, LLC are also principals in projects adjacent to the District where they control 2,935 acres that have the potential for approximately 8,000 residential units and more than 9 million square feet of non-residential uses including retail commercial, office, industrial, educational and recreational uses.

West Roseville, LLC is a single asset entity that is part of the development group Westpark Communities. The Westpark Communities web address is wpcommunities.com. *The website address is given for reference, and convenience only, the information on the website may be incomplete or inaccurate and has not been reviewed by the Issuer or the Underwriters Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. A variety of economic, political, and natural occurrences incapable of being accurately predicted can affect land values. See "BOND OWNERS' RISKS – Property Values."

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District and the owners have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. There is no assurance that the owners have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bondholder will have the ability at any time to seek payment from the owners of property within the District of any Special Tax or any principal or interest due on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Assessed Valuation

In connection with valuing property in the District, the City has obtained the 2014-15 County assessed valuation (the "**Assessed Valuation**") of the property in the District. In addition, to comply with internal policies and in order to provide a more accurate valuation of certain undeveloped parcels in the District the City ordered an appraisal of such land.

The "full cash" assessed values of all of the taxable parcels in the District has been established by the County Assessor for fiscal year 2014-15 in the amount of \$884,290,969.

The following table summarizes the historical assessed valuation of property in the District over the last ten years.

Table 4
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Annual Assessed Valuation Totals
Fiscal Year 2005-06 through 2014-15

Fiscal Year	Total	% Change
2005-06	\$ 11,758,333	
2006-07	31,873,332	171%
2007-08	498,359,087	1,464
2008-09	502,849,109	1
2009-10	573,805,585	14
2010-11	507,202,568	(12)
2011-12	601,544,273	19
2012-13	605,418,297	1
2013-14	725,718,023	20
2014-15	884,290,969	22

Sources: FY 2005-06 Assessed Value – Placer County Secured Property Roll per Official Statement, Westpark CFD 1 Special Tax Bonds, Series 2006; FYs 2006-07 to 2008-09 Assessed Values – Placer County Secured Property Roll for Fiscal Year indicated, as compiled by Goodwin Consulting Group; and FYs 2009-10 to 2014-15 Assessed Values– Placer County Secured Property Roll for Fiscal Year indicated, as compiled by Willdan Financial Services.

The following table sets forth the number of residential units permitted in the District over the last ten years.

Table 5
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Residential Units Permitted
Fiscal Year 2005-06 through 2014-15

Fiscal Year	Residential Units Permitted ⁽¹⁾
2005-06	68
2006-07	422
2007-08	519
2008-09	152
2009-10	205
2010-11	569
2011-12	157
2012-13	154
2013-14	124
2014-15	90

(1)The fiscal year of permit issuance has been approximated for a portion of the permits issued using Placer County Secured Property Tax Rolls.

Sources: Building Permits as of May 11, 2015, City of Roseville, as compiled by Willdan Financial Services.

Due to the recent and ongoing nature of development of homes in the District, the County assessed valuations are not in all cases reflective of most current development status, as is the case with certain properties in the District. As provided by Article XIII A of the California Constitution, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the District thus reflect, for undeveloped parcels, the estimate of the County Assessor (the "**Assessor**") of market value when acquired (or 1975, whichever is later), possibly increased by 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor's estimate of market value as of the time of construction, possibly increased by 2% per year. The actual market value of parcels in the District, if sold at foreclosure, may be higher or lower than the Assessor's assessed values, depending upon the date of the Assessor's most recent assessment. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser.

Because of the general limitation to 2% per year in increases in full cash value of properties which remain in the same ownership, the County tax roll does not reflect values uniformly proportional to actual market values. No assurance can be given that should a parcel with delinquent Special Taxes be foreclosed and sold for the amount of the delinquency, that any bid will be received for such property, or if a bid is received that such bid will be sufficient to pay such delinquent installments.

Appraisal of Certain Undeveloped Land

The City ordered preparation of an appraisal report (the "**Appraisal**") dated July 15, 2015 of the "not less than" estimated market values as of May 29, 2015, of certain undeveloped parcels within the District. The Appraisal was prepared by Seevers Jordan Ziegenmeyer, Rocklin, California (the "**Appraiser**").

The Appraisal is set forth in APPENDIX D hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The complete Appraisal is on file with the City and is available for public inspection at the City offices at 311 Vernon Street, Roseville, California 95678 or from the Underwriters during the initial marketing period. The conclusions reached in the Appraisal are subject to certain assumptions and qualifications which are set forth in the Appraisal.

Property Appraised. The Appraisal valued the properties within the District without "structure" value on the fiscal year 2014-15 County tax roll (designed to reflect development as of January 1, 2014) to estimate the hypothetical market value of such properties. Notwithstanding the County roll indicating no structural improvements, the Appraiser observed many lots that were so classified actually did have improvements. The properties appraised encompass approximately 1,035 improved lots (of which there are numerous completed homes and partially completed homes), 803 unimproved (paper) lots (540 of which have rough cut roads), approximately 20.12 acres of multifamily land with affordable housing requirements (420 units in total) and approximately 13.80 acres of commercial land.

In general, the appraised property is contained within the boundaries identified as follows: west of Fiddymont Road, north of Pleasant Grove Boulevard and south of Blue Oaks

Boulevard, within the City. The typical lot size of the single-family lots range from 2,750 to 7,700 square feet.

Value Estimates. The value estimate for the fee simple estate of the appraised properties as of the May 29, 2015 date of value, using the methodologies described in the Appraisal and subject to the limiting conditions and special assumptions set forth in the Appraisal, and based on the ownership of the property as of that date, is \$156,580,000. The valuation accounts for the impact of the lien of the Special Tax and represents the hypothetical market value of all the land in the District that was appraised in the Appraisal. The property appraised excludes property in the District designated for public and quasi-public purposes, and property for which there is a property tax assessment for vertical improvements.

The estimate of aggregate value represents a “not-less-than” value due to the fact, as described above, that some of the lots are improved with completed homes, model homes and homes under construction (no less than 173 homes and 27 homes under construction). As requested by the City, the Appraisal does not capture any increment in value associated with those vertical improvements.

Methodology. The Appraisal utilized the sales comparison approach and extraction technique to estimate the market value of the large lot category ($\geq 4,500$ square feet). In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for this benchmark lot category was concluded. Then, as a support of reasonableness, the Appraiser utilized an extraction analysis, which was reconciled with the sales comparison approach conclusion. For the subject’s small lot category ($< 4,500$ square feet), the Appraiser used the extraction technique as the sole basis in estimating the value. The Appraiser also used the extraction technique to estimate the lot value for the subject’s nine lots with an affordable housing requirement. Next, adjustments were applied to determine values for each residential lot category (by ownership). The sales comparison approach was also utilized to determine the value of the subject’s commercial land component. The Appraiser considered using this approach to value the subject’s two multifamily sites. However, given the substantial affordable housing requirement on these two parcels, the Appraiser is of the opinion these sites possess no value as of the date of determination. Lastly, the Appraiser estimated the bulk market value of the holdings of each ownership group for the purpose of arriving at the aggregate value of the appraised properties. To estimate the market value of the properties held by 22 individual homeowners and the multifamily site held by Westpark, LLC, no discounts were applied. For the four major ownerships possessing a significant number of residential lots and other land, the subdivision development method (or discounted cash flow analysis) was used to determine these bulk market values. Then, the bulk market values were summed to provide an estimate of the aggregate value of the subject property. See the Appraisal in APPENDIX D.

Assumptions and Limiting Conditions. In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, some of which include the following. For more information and a complete description of certain other assumptions made by the Appraiser, see “APPENDIX D.”

- The value estimates assume the completion of the public facilities that were financed by the 2005 Bonds and 2006 Bonds. The Master Developer reported that the remaining costs for such infrastructure were approximately \$6,000,000, and the

remaining work will be completed within 6 months, with the costs being shared by two of the subject property owners (Pulte Homes and Lennar Corporation).

- The Appraiser has also assumed that there is no hazardous material on or in the property that would cause a loss in value. Should future conditions and events reduce the level of permitted development or delay the completion of any projected development, the value of the undeveloped land would likely be reduced from that estimated by the Appraiser.

Because the Appraiser arrived at an estimate of current market value based upon certain assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

Projected Absorption Period. The Appraiser also estimated the marketing time that would be required for the disposition of the single-family residential lots, based on the historical marketing times of a number of local sales, as well as current and projected economic conditions, the impacts of present market conditions, as well as anticipated changes in the market. After considering all those factors, the Appraiser estimated the disposition of the residential land subject to the Appraisal could occur over an 18-month time period.

The Appraiser also noted that while the subject includes two multifamily residential components (one owned by Pulte Homes and one owned by West Roseville, LLC), these are affordable housing sites with no value. The Appraiser assumed these parcels would sell to land speculators within the first year of the analysis.

The Appraiser also noted that development of the two parcels of commercial land (owned by Pulte Homes) will likely be driven by the completion and sale of single-family homes, and thus was of the opinion that the commercial sites would likely sell to land speculators at the end of the second year of the absorption period.

No assurance can be given that the estimated absorption will be achieved or attained over an extended period of time; real estate is cyclical in nature, and it is impossible to accurately forecast and project specific demand over a projected absorption period. See “BOND OWNERS’ RISKS – Property Values” and “– Future Property Development.”

Limitations of Appraised or Assessed Valuation. Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel.

No assurance can be given that the foregoing valuation can or will be maintained during the period of time that the Bonds are outstanding in that the City has no control over the market value of the property within the District or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See “– Overlapping Liens and Priority of Lien” below.

For a description of certain risks that might affect the assumptions made in the Appraisal, see “BOND OWNERS’ RISKS” herein.

Special Tax Revenue

The tables below summarize the allocation of the fiscal year 2014-15 Special Tax levy among the land uses in the District:

Table 6
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Special Tax Levy, Allocable Westpark CFD Debt and Value-to-Lien Ratios by Land Use

Land Use Category	2014-15 Assessed Values				FY 2014/15 Maximum Tax	% of Total Maximum Tax	Allocable Debt ⁽²⁾	Value to Lien Ratio ⁽²⁾
	Number of Parcels Levied	Land	Structure	Total				
Developed Parcels ⁽¹⁾								
HDR	15	\$2,883,550	\$14,331,147	\$17,214,697	\$64,510	1.07%	\$726,102	23.71:1
LDR & MDR	2,142	176,309,609	607,571,115	783,880,724	3,162,817	52.65	35,728,290	21.94:1
Total	2,157	\$179,193,159	\$621,902,262	\$801,095,421	\$3,227,327	53.73%	\$36,454,392	21.97:1
Undeveloped Parcels (Parcels Without Assessed Structural Values), by Ownership	See Footnotes		Appraised Value		FY 2014/15 Maximum Tax	% of Total Maximum Tax	Allocable Debt⁽²⁾	Value to Lien Ratio⁽²⁾
Lennar	A		\$45,440,000		\$672,621	11.20%	\$ 7,600,320	5.98:1
Centex Homes (Lennar)	B		--		--	--	--	--
KB Home	C		26,200,000		489,670	8.15	5,530,590	4.74:1
Meritage Homes	D		42,570,000		751,144	12.50	8,482,500	5.02:1
Pulte Homes, Inc.	E		39,740,000		768,132	12.79	8,679,294	4.58:1
West Roseville, LLC	F		--		71,516	1.19	807,534	N/A
Individual Owners	G		2,630,000		26,493	0.44	298,584	8.81:1
Total			\$156,580,000		\$2,779,577	46.27%	\$31,398,822	4.99:1
Total Assessed and Appraised Values (combined)			\$957,675,421		\$6,006,904	100.00%	\$67,860,000	14.11:1
Total District					\$6,006,904	100.00%	\$67,860,000	

(1) "HDR" means high-density residential housing, "LDR" means low-density residential housing, and "MDR" means medium-density residential housing.

(2) Allocable Debt based on the Bonds. Does not include overlapping debt.

A - Comprised of 376 improved lots and 236 paper (unimproved) lots. Some of the improved lots have either partially or completed homes in place.

B - Medium Density Residential site (MDR) acquired by Lennar. Value reflected in Lennar ownership above.

C - Comprised of 134 improved lots and 175 paper (unimproved) lots. Some of the improved lots have either partially or completed homes in place.

D - Comprised of 224 improved lots and 250 paper (unimproved) lots. Some of the improved lots have either partially or completed homes in place.

E - Comprised of 279 improved lots, 142 paper (unimproved) lots, two commercial sites and one multifamily site. Some of the improved lots have either partially or completed homes in place. Land components owned by Pulte related entities are reflected in Pulte Homes, Inc. above.

F - One multifamily site.

G - 22 improved lots (with 100% complete homes in place).

Sources: Debt Service-Stifel, Nicolaus and Company, Inc.; Maximum Tax-Willdan Financial Services, Inc.; Assessed Values-County of Placer; Appraised Values-Appraisal (Seevers Jordan Ziegenmeyer)

Table 7
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Debt Service Coverage

Fiscal Year	Maximum Tax⁽¹⁾	County Admin Fee - 1%	Maximum Tax Less County Admin Fee	Debt Service⁽²⁾⁽³⁾	Debt Service Coverage⁽³⁾
2015-16	\$ 6,127,038.00	\$ 61,270.38	\$ 6,065,767.62	\$ 3,457,953.89	1.75x
2016-17	6,249,578.76	62,495.79	6,187,082.97	3,284,600.00	1.88x
2017-18	6,374,570.34	63,745.70	6,310,824.63	4,249,600.00	1.49x
2018-19	6,502,061.74	65,020.62	6,437,041.12	5,485,650.00	1.17x
2019-20	6,632,102.98	66,321.03	6,565,781.95	5,486,450.00	1.20x
2020-21	6,764,745.04	67,647.45	6,697,097.59	5,485,450.00	1.22x
2021-22	6,900,039.94	69,000.40	6,831,039.54	5,483,700.00	1.25x
2022-23	7,038,040.74	70,380.41	6,967,660.33	5,487,050.00	1.27x
2023-24	7,178,801.55	71,788.02	7,107,013.53	5,483,300.00	1.30x
2024-25	7,322,377.58	73,223.78	7,249,153.81	5,483,050.00	1.32x
2025-26	7,468,825.13	74,688.25	7,394,136.88	5,484,975.00	1.35x
2026-27	7,618,201.64	76,182.02	7,542,019.62	5,480,975.00	1.38x
2027-28	7,770,565.67	77,705.66	7,692,860.01	5,484,475.00	1.40x
2028-29	7,925,976.98	79,259.77	7,846,717.21	5,484,725.00	1.43x
2029-30	8,084,496.52	80,844.97	8,003,651.56	5,481,475.00	1.46x
2030-31	8,246,186.45	82,461.86	8,163,724.59	5,486,875.00	1.49x
2031-32	8,411,110.18	84,111.10	8,326,999.08	5,485,625.00	1.52x
2032-33	8,579,332.38	85,793.32	8,493,539.06	5,484,625.00	1.55x
2033-34	8,750,919.03	87,509.19	8,663,409.84	5,483,375.00	1.58x
2034-35	8,925,937.41	89,259.37	8,836,678.04	5,477,925.00	1.61x
2035-36	9,104,456.16	91,044.56	9,013,411.60	5,526,050.00	1.63x
2036-37	9,286,545.28	92,865.45	9,193,679.83	5,482,275.00	1.68x
Total	\$167,261,909.50	\$1,672,619.10	\$165,589,290.41	\$115,230,178.89	

(1) Based on development status as described herein under "Development". As described under the caption "SECURITY FOR THE BONDS –Levy of Annual Special Tax; Maximum Annual Special Tax," the City expects that the Special Tax will be levied at the Maximum Annual Special Tax rate for approximately the next 12 to 13 fiscal years to finance authorized Improvements. After such Improvements have been reimbursed the annual Special Tax levy and the resulting debt service coverage may be less than shown above in the coverage table. The City makes no assurance as to how long it will continue to levy at the Maximum Annual Special Tax rate. Pursuant to Section 53321(d) of the Government Code, the special tax levied against any Assessor's parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor's parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the City may not be able to increase the tax levy to the Maximum Annual Tax rate in all years. However, to the extent the City's ability to levy the necessary amount of Special Taxes is limited by Section 53321(d) of the Government Code, the City can levy Special Taxes on Undeveloped Property up to the Maximum Annual Special Tax rates.

(2) Debt service shown on Calendar Year, Maximum Tax shown on Fiscal Year.

(3) Debt service and debt service coverage based on the Bonds. Does not include overlapping debt.

Sources: Debt Service-Stifel, Nicolaus and Company, Inc.; Maximum Tax and County Admin Fee-Willdan Financial Services, Inc.

Special Tax Collection and Delinquency Rate

The County reports that for fiscal year 2014-15, there are 13 parcels delinquent on the 2014-15 special taxes, owing a total of \$12,190, or 0.20% of the annual total of \$6,006,871. The table below shows, for the past seven fiscal years, the annual Special Tax levies and delinquencies as of both the fiscal year end (June 30) for each fiscal year and as of June 5, 2015.

Table 8
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Special Tax Levy & Delinquencies

Fiscal Year	Annual Special Tax Levied	No. of Parcels Levied	As of Fiscal Year End ⁽¹⁾				As of June 5, 2015 ⁽²⁾			
			Amount Collected	Amount Delinquent ⁽⁴⁾	No. of Parcels Delinquent	% Levy	Remaining Amount Collected	Remaining Amount Delinquent ⁽⁴⁾	Remaining No of Parcels Delinquent	% Levy
2008-09	\$5,247,942	2,231	\$5,221,713	\$26,229 ⁽¹⁾	26	0.50%	\$5,247,400	\$541 ⁽²⁾	1	0.01%
2009-10	4,889,785	2,231	4,853,798	35,987 ⁽¹⁾	36	0.74	4,888,681	1,104 ⁽²⁾	1	0.02
2010-11	5,102,111	2,231	5,075,897	26,214 ⁽¹⁾	24	0.51	5,100,985	1,126 ⁽²⁾	1	0.02
2011-12	5,188,448	2,231	5,166,974	21,474 ⁽¹⁾	25	0.41	5,188,448	0 ⁽²⁾	0	0.00
2012-13	5,270,065	2,248	5,252,086	17,979 ⁽¹⁾	22	0.34	5,270,065	0 ⁽²⁾	0	0.00
2013-14	5,889,106	2,247	5,828,018	61,088 ⁽¹⁾	14	1.04	5,889,106	0 ⁽²⁾	0	0.00
2014-15	6,006,871	2,597	5,994,681	12,190 ⁽³⁾	13	0.20	5,994,681	12,190 ⁽³⁾	13	0.20

⁽¹⁾ Delinquency information as of May in the fiscal year in which the Special Taxes were levied, except as noted herein.

⁽²⁾ Delinquency information as of June 5, 2015.

⁽³⁾ The Amount Delinquent for the FY 2014-15 Levy shown above reflects the June 8, 2015 payment of two FY 2014-15 Special Tax second installments totaling \$109,344. These Special Tax installments of \$41,202.01 and \$68,141.78 for Assessor Parcel Nos. 496-020-017 and 496-020-027 were due on April 10, 2015.

⁽⁴⁾ Delinquent amounts do not include penalties, interest or fees.

Source: *Special Tax Collections - Placer County Tax Collector as compiled by Willdan Financial Services.*

Source: *Special Tax Levy information per Willdan Financial Services.*

Future delinquencies in the payment of property taxes (including the Special Taxes) with respect to property in the District could result in draws on the Reserve Fund established, and perhaps, ultimately, a default in the payment on the Bonds. See "BOND OWNERS' RISKS."

Value to Special Tax Burden Ratios

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of a Special Tax, the County's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Taxes. See "SECURITY FOR THE BONDS - Delinquent Payment of Special Tax; Covenant to Commence Superior Court Foreclosure" and "BOND OWNERS' RISKS - Bankruptcy Delays." Reductions in District property values due to a downturn in the economy, natural disasters such as earthquakes or floods, stricter land use regulations or other events could have an adverse impact on the security for payment of the Special Taxes.

The Special Tax is levied on each parcel within the District and only the respective individual parcel is responsible for its allocated Special Tax.

In comparing the value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

The Appraisal estimates the value of the properties subject to the Appraisal, all of which are subject to the Special Tax, to be \$156,580,000. For properties subject to the Special Tax and not included in the Appraisal, the 2014-15 County assessed valuation is \$801,095,421. The aggregate value of the property in the District includes both the appraised value of the subject properties of the Appraisal and the assessed value of the remainder. Based upon the \$957,675,421 total valuation of property in the District subject to the Special Tax and an aggregate outstanding principal amount of Bonds of \$67,860,000, the value-to-lien ratio for property in the District is approximately 14 to 1 (this does not include Overlapping Debt).

In comparing the value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Overlapping Liens and Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Other public agencies whose boundaries overlap those of the District could, without the consent of the City and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. The lien created on the land within the District through the levy of such additional taxes or assessments may be secured on parity with the lien of the Special Tax. In addition, construction loans may be obtained by the homebuilder owners and home loans are likely to be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the District, however, will be subordinate to the lien of the Special Tax.

Set forth below is an overlapping debt table showing the existing authorized indebtedness payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The City has not reviewed the data for completeness or accuracy and makes no representations in connection therewith.

**City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Summary of Overlapping Debt**

2014-15 Assessed Valuation: \$884,290,969 (Land and Improvement)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 7/1/15</u>
Roseville Joint Union High School District General Obligation Bonds	3.753%	\$ 2,995,998
Roseville Joint Union High School District SFID No. 1 General Obligation Bonds	53.597	2,535,480
Roseville City School District General Obligation Bonds	6.726	1,559,823
City of Roseville – Westpark Community Facilities District No. 1	100.000	72,565,000⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$79,656,301
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Placer County Certificates of Participation	1.475%	\$ 557,476
Placer County Office of Education Certificates of Participation	1.475	24,338
Sierra Joint Community College District Certificates of Participation	1.105	93,450
Roseville Joint Union High School District Certificates of Participation	3.753	60,986
Roseville City School District Certificates of Participation	6.726	652,086
Placer Mosquito and Vector Control District Certificates of Participation	1.475	57,673
City of Roseville Certificates of Participation	5.006	691,855
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$2,137,864
Less: City of Roseville Certificates of Participation supported by golf course enterprise		200,154
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$1,937,710
 GROSS COMBINED TOTAL DEBT		\$81,794,165⁽²⁾
NET COMBINED TOTAL DEBT		\$81,594,011

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Direct Debt (\$72,565,000)	8.21%
Total Direct and Overlapping Tax and Assessment Debt.....	9.01%
Gross Combined Total Debt.....	9.25%
Net Combined Total Debt.....	9.23%

Source: California Municipal Statistics.

Property in the District is also subject to an annual non-bonded special taxes of the City's Westpark Community Facilities District No. 2 (Public Services) in an annual maximum special tax amount of \$323 per low-density or medium-density residential unit, \$112 per high-density (multifamily) residential unit (\$56 for affordable units), and \$700 per acre for non-residential uses, each rate subject to a 4% annual escalation commencing with Fiscal Year 2005-06, and (ii) the City's Community Facilities District No. 3 (Municipal Services) in an annual maximum special tax amount of \$293 per low-density or medium-density residential unit and \$196 for per high-density unit (maximum tax rate of any affordable unit within CFD No. 3 shall be reduced by 50%) each rate subject to an annual escalation commencing with Fiscal Year 2005-06 by no more than 4% annually. All of the property in the District is also within these service districts. These districts are not authorized to issue bonds. The special tax levy of these service districts will be on a parity to the lien securing the Special Tax.

Property in the District is not subject to any other special tax or assessment liens (other than the lien of the Special Tax).

There can be no assurance that the current owners, or any subsequent owner, will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities, however no other special districts are currently contemplated or foreseen by the City.

Private liens, such as deeds of trust securing loans obtained by the owners, or any subsequent owner, may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

Estimated Tax Burden on Single Family Home

The following table sets forth the estimated total tax burden on a hypothetical \$500,000 single family home in the District, based on estimated Special Tax rates for fiscal year 2014-15.

Table 10
City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Hypothetical Estimated Total Tax Burden

Item	Ad Valorem Tax Rate	Single Family (market-rate) Low-Density
Sales Price (est, 2,100 sq. foot home) (1)		\$500,000.00
Less: Homeowner's Exemption		(7,000.00)
Estimated Assessed Value of Home		\$493,000.00
<u>Property Taxes – Ad Valorem (2)(3)</u>		
Proposition 13 Property Tax (1%)	1.000000%	\$4,930.00
Roseville Elementary School District B&I 1992 Series A	0.031265	154.14
Roseville Elementary School District B&I 2002 Series A Non Refunding	0.000338	1.67
Roseville Elementary School District B&I 2002 Series A&B Ref 2011	0.014102	69.52
Roseville High School District B&I 1992	0.024749	122.01
Roseville High School District B&I 2004 Series B Non Refunding	0.001328	6.55
Roseville High School District B&I 2004 Series C Non Refunding	0.004019	19.81
Roseville High School District B&I 2004 A B & C Ref 2013	0.018376	90.59
Roseville High School District B&I 2008 SFID #1	<u>0.012505</u>	<u>61.65</u>
Subtotal Ad Valorem	1.106682%	\$5,455.94
<u>Direct Charges (Infrastructure and Services)</u>		
City of Roseville Westpark CFD 1 (Public Facilities) (4)		\$1,584.68
City of Roseville Westpark CFD 2 (Public Services) (4)		380.64
City of Roseville CFD 3 (Municipal Services) (4)		388.06
Placer County Mosquito Abatement District (5)		25.96
Subtotal Direct Charges		\$2,379.34
Total Taxes and Assessments (FY 2014/15)		\$7,835.28
Taxes/Assessments as a % of Sales Price		1.567%

(1) Based on hypothetical pricing of \$500,000. See "OWNERSHIP OF PROPERTY IN THE DISTRICT – Undeveloped Property" for current new home prices in the District.

(2) The District lies within Tax Rate Areas 005-062 and 005-066. The FY 2014-15 ad valorem property tax rates for parcels within Tax Rate Areas 005-062 and 005-066 are 1.094177% and 1.106682%, respectively. *Source: California Municipal Statistics Inc.*

(3) The above estimated ad valorem taxes are based upon the tax rates of Tax Rate Area 005-066. *Source: County of Placer.*

(4) Fiscal Year 2014/15 Special Tax Rates per Willdan Financial Services

(5) Per County of Placer.

Sources: County of Placer, Willdan Financial Services, California Municipal Statistics, Inc.

BOND OWNERS' RISKS

The purchase of the Bonds involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks that should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive or a complete statement of all factors that may be considered as risks in evaluating the credit quality of the Bonds.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. The City is not obligated to advance funds to pay debt service on the Bonds.

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District.

Limitation on Maximum Annual Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Special Tax Formula. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds.

In addition to the maximum annual Special Tax rate limitation in the Special Tax Formula, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such fiscal year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax Formula is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See "- Property Tax Delinquencies" below. For a summary of recent Special Tax collection and delinquency rates in the District, see "SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT - Special Tax Collection and Delinquency Rate" below.

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary ad valorem property taxes are collected and, except as provided in the special covenant for foreclosure described in "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure" and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary ad valorem property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Fund is depleted. See "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

The ability of the City to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the "**FDIC**") has or obtains an interest. The FDIC would obtain such an interest by taking over a financial institution that has made a loan that is secured by property within the District. See " – FDIC/Federal Government Interests in Properties" below.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Property Tax Delinquencies

General. Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the County in a timely manner, including situations in which the County initially sent property tax bills to the property developer or merchant builder at a time when the parcels in question had already been sold to individual homeowners. Delinquencies can also reflect economic difficulties and duress by the property owner.

Numerous future delinquencies by the owners of Taxable Property in the District in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax Revenues necessary to pay debt service on the Bonds, which could in turn result in the depletion of the Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that

event, there could be a delay or failure in payments of the principal of and interest on the Bonds. See "SECURITY FOR THE BONDS – Reserve Fund," and "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure."

The City intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see "SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure"); and increasing the levy of Special Taxes against non-delinquent property owners in the District, to the extent permitted under the Special Tax Formula and the Act and to the extent the Special Taxes are not already being levied at the Maximum Annual Special Tax rate. For a summary of recent Special Tax collection and delinquency rates in the District, see "SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT – Special Tax Collection and Delinquency Rate."

Risks Related to Homeowners With High Loan-to-Value Ratios

Any future decline in home values in the District could result in property owner unwillingness or inability to pay mortgage payments, as well as ad valorem property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the City to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

Payment of Special Tax is Not a Personal Obligation of the Property Owners

An owner of Taxable Property is not personally obligated to pay the Special Taxes. Rather, the Special Taxes are an obligation running only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the City, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the affected parcels of Taxable Property, the City has no recourse against the owner.

Property Values

The value of Taxable Property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the City's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, wildfires, or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

The following is a discussion of specific risk factors that could affect the value of property in the District.

Risks Related to Availability of Mortgage Loans. The current state of the world-wide capital markets has adversely affected the availability of mortgage loans to homeowners, including potential buyers of homes within the District. Any such unavailability could hinder the ability of the current homeowners to resell their homes, or the sale of newly completed homes in the future.

Natural Disasters. The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements.

The areas in and surrounding the District, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes. See "THE DISTRICT – Location and Description of the District and the Immediate Area."

Other natural disasters could include, without limitation, floods, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the Taxable Property may well depreciate or disappear.

Legal Requirements. Other events that may affect the value of Taxable Property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition.

The property values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the City is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may

arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency.

Concentration of Ownership of Undeveloped Property

A significant portion of the undeveloped land within the District is currently owned by only four entities (affiliates of Lennar Corporation, PulteGroup Inc., KB Homes and Meritage Homes Corporation). Although there are likely to be transfers of ownership of property within the District as development progresses, the timely payment of the Bonds depends upon the willingness and ability of all of the owners of taxable property within the District to pay the Special Taxes when due. The only assets of the owners of property within the District which constitute security for the Bonds are such owners' real property holdings located within the District, and each parcel may only be foreclosed against for delinquent Special Taxes levied against such parcel. If the current landowners choose to pay some but not all of the Special Taxes, they may, as owners of parcels in the District, choose to default on payments of the Special Tax on parcels. Also see "– Bankruptcy Delays" below.

Development of undeveloped property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the four homebuilders or other property owners to pay the Special Taxes when due. Certain infrastructure improvements remain to be completed in order to complete construction of the remaining homes in the District. No assurance can be given that the remaining proposed residential development will be partially or fully completed, and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and only partially improved. See the information set forth under the caption "THE DISTRICT – Infrastructure Improvements" and "– Current and Anticipated Development in the District."

Future Property Development

Continuing development of the parcels in the District may be adversely affected by changes in general or local economic conditions, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing and marketing capabilities of the developer, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, and other similar factors. Development in the District may also be affected by development in surrounding areas, which may compete with the property in the District. A slowdown of the development process could adversely affect land values and reduce the ability or desire of the property owners to pay the annual Special Taxes. In that event, there could be a default in the payment of the Bonds.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled "SPECIAL TAX REVENUE AND VALUE OF PROPERTY WITHIN THE DISTRICT – Overlapping Liens and Priority of Lien" shows the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table also states the additional amount of general obligation bonds the tax for which, if and when issued, may become

an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See "– Bankruptcy Delays" below.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Special Tax Formula and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. See "SECURITY FOR THE BONDS – Special Tax Methodology."

In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

California Drought; State of Emergency Proclamation

On January 17, 2014, with California facing water shortfalls in the then-driest year in recorded state history, Governor Edmund G. Brown Jr. proclaimed a State of Emergency and directed state officials to take all necessary actions to prepare for these drought conditions. In the State of Emergency declaration, Governor Brown directed state officials to assist farmers and communities that are economically impacted by dry conditions and to ensure the State can respond if Californians face drinking water shortages. The Governor also directed state agencies to use less water and hire more firefighters and initiated a greatly expanded water conservation public awareness. In addition, the proclamation gave state water officials more flexibility to manage supply throughout California under drought conditions.

The Governor's drought State of Emergency follows a series of actions the administration has taken to ensure that California is prepared for record dry conditions. In May 2013, Governor Brown issued an Executive Order to direct state water officials to expedite the review and processing of voluntary transfers of water and water rights. In December 2014, the Governor formed a Drought Task Force to review expected water allocations, California's preparedness for water scarcity and whether conditions merit a drought declaration.

On April 1, 2015, for the first time in state history, the Governor directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. This savings amounts to approximately 1.5 million acre-feet of water over the following nine months.

California set a new "low water" mark on April 1, 2015, with its early-April snowpack measurement. The statewide electronic reading of the snowpack's water content stood at 5 percent of the April 1st average. April 1, 2015's content was only 1.4 inches, or 5 percent, of the 28-inch average. The lowest previous reading since 1950 was 25 percent of average, so water year 2015 is the driest winter in California's written record.

The implementation of mandatory water reductions is ongoing. For more information on the City's water supply and related matters, see "THE DISTRICT – Location and Description of the District and the Immediate Area – Water Supply" above. The City cannot predict how long the drought conditions will last, what effect drought conditions may have on property values or whether or to what extent water reduction requirements may affect the District.

FDIC/Federal Government Interests in Properties

General. The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "**FDIC**"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding."

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal

government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("**FNMA**") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from special taxes levied under the Act.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement for the Bonds. See "SECURITY FOR THE BONDS – Reserve Fund." The Reserve Fund will be used to pay principal of and interest on the Bonds (and the Prior Bonds and any Additional Bonds, the principal of and interest on which is payable from amounts in the Reserve Fund) if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within the District. If the Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the owners of the Bonds (and the Prior Bonds and any Additional Bonds, the principal of and interest on which is payable from amounts in the Reserve Fund) under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the annual Maximum Annual Special Tax rates, it is possible that no replenishment would be achieved if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus it is possible that the Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Bankruptcy Delays

The payment of the Special Tax and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax, as discussed in "SECURITY FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Special Taxes not being paid in full.

To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Reserve Fund could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Reserve Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the Bonds on a timely basis.

Disclosure to Future Purchasers

The City has recorded a notice of the Special Tax lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that

such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the District or the lending of money secured by property in the District. The Act and the Goals and Policies require the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

No Acceleration Provisions

The Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bondowner is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. So long as the Bonds are in book-entry form, DTC will be the sole Bondowner and will be entitled to exercise all rights and remedies of Bond holders, in accordance with its procedures and rules. See APPENDIX G.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS – Tax Exemption," interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to become includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional redemption, mandatory sinking fund redemption or special mandatory redemption upon prepayment of the Special Taxes. See "THE BONDS – Redemption."

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of such Bonds might be affected as a result of such an audit of such Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bondowners from realizing the full current benefit of the tax status of such interest.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act". Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes ("special taxes") require a two-thirds vote.

The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the landowners within the District who constituted the qualified electors at the time of such voted authorization. The City believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the District and its obligations can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or

result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

LEGAL MATTERS

Legal Opinions

The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, approving the validity of the Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX E.

Jones Hall, A Professional Law Corporation, San Francisco, California, has served as Disclosure Counsel to the City. The City Attorney will pass upon certain legal matters for the City as its general counsel. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California will pass upon certain legal matters for the Underwriters.

Tax Exemption

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") that must be satisfied subsequent to the issuance of the Bonds. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the

Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

No Litigation

At the time of delivery of and payment for the Bonds, the City Attorney will deliver his opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the City affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any of said documents.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the City's fiscal year (presently June 30) in each year (the "**City Annual Report**") commencing with its report for the 2014-15 fiscal year (due April 1, 2016) and to provide notices of the occurrence of certain enumerated events.

The City Annual Report and notices of material events will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriters in

complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of material events by the City is summarized in "APPENDIX F — Form of Continuing Disclosure Agreement."

The City believes that for the past five year period it currently is in material compliance with all of its continuing disclosure undertakings. Notwithstanding the foregoing:

(1) The Annual Reports for fiscal years 2011, 2012 and 2013 for certain of the City's then-outstanding obligations omitted two required tables, which the City subsequently filed in August 2014.

(2) The Audited Financial Statements of the City for fiscal years 2011, 2012 and 2013 for certain of the City's then-outstanding obligations were filed between 1 and 660days after the dates required for such filings.

(3) In the last five years, the City may not have in a timely manner filed all significant event notices of changes in the ratings of certain then-outstanding obligations resulting from changes in ratings to the bond insurers who insured such obligations or the underlying rates for such obligations. However, the City has submitted all previously undisclosed significant event notices of changes in ratings on all currently outstanding obligations.

The City expects to engage contract support for the preparation and filing of its continuing disclosure reports, including as to the District, in order to ensure compliance with future continuing disclosure obligations.

RATINGS

The City has not applied to a rating agency for the assignment of a rating to the Bonds and does not contemplate applying for a rating.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated and Piper Jaffray & Co. (together, the "**Underwriters**"), at a purchase price of \$71,446,924.75, which represents the aggregate principal amount of the Bonds (\$67,860,000) less an Underwriters' discount of \$644,670.00 and plus a net original issue premium of \$4,231,594.75.

The purchase agreement relating to the Bonds provides that the Underwriters will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters.

MUNICIPAL ADVISOR

The City has retained First Southwest Company, LLC, of Santa Monica, California, as Municipal Advisor (the “**Municipal Advisor**”) in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

PROFESSIONAL FEES

In connection with the issuance of the Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the Bonds. Those professionals include: the Underwriters; Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel; Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriters; First Southwest Company, LLC, as Municipal Advisor; and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent for the Bonds.

EXECUTION

The execution and delivery of the Official Statement by the City has been duly authorized by the City Council, acting as the legislative body of the District.

CITY OF ROSEVILLE

By: _____ /s/ Jay Panzica
Treasurer/Chief Financial Executive

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APPENDIX A

PLACER COUNTY AND CITY OF ROSEVILLE DEMOGRAPHIC INFORMATION

The City of Roseville (the "City") is located in Placer County (the "County"), in California's Sacramento Valley near the foothills of the Sierra Nevada mountain range, about 16 miles northeast of Sacramento and 110 miles east of San Francisco. The City, with a population estimated to be approximately 128,382 at January 1, 2015, is the largest city in the County, as well as the residential and industrial center of the County.

The City has warm summers typical of central California, with an average July temperature of 77 degrees. Winter temperatures are moderate; the average January temperature is 46 degrees. The temperature drops below freezing an average of eight days per year. Rainfall averages 20 inches annually and falls mostly during the winter.

There is a wide variety of land uses within the City. Most of the City's residential neighborhoods are located west of Interstate Highway 80; industrial facilities, including Hewlett-Packard, NEC Electronics, Inc. and Consolidated Communications, Inc. (CCI) are concentrated in the north Roseville area.

Municipal Government

The City was incorporated on April 10, 1909 and is a charter city. The City operates under the council-manager form of government, with a five-member City Council elected at large for staggered four-year terms. At each election, the council member receiving the most votes is appointed mayor pro-tempore for two years and becomes mayor for the final two years.

City services include, among others, police and fire protection, library services, street maintenance, and parks and recreation. The City also owns two golf courses and provides its own electricity, water, sewer and refuse services to its citizens.

Population

The City's population has increased substantially over the past five years.

City of Roseville Population - 2011 through 2015

<u>Year</u>	<u>City of Roseville</u>	<u>Placer County</u>	<u>State of California</u>
2011	120,307	351,463	37,427,946
2012	122,104	355,455	37,668,804
2013	124,673	360,802	37,984,138
2014	127,153	366,678	38,357,121
2015	128,382	369,454	38,714,725

Source: California State Department of Finance.

Effective Buying Income

Effective buying income ("EBI") is designated as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of Owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the County, the State of California and the United States.

The following table summarizes the total effective buying income for the County, the State and the United States for the period 2010 through 2014. Effective buying income data is not yet available for calendar year 2015.

Table A-1
Effective Buying Income
As of January 1, 2010 through 2014

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2010	City of Roseville	\$ 3,073,595	\$55,878
	Placer County	9,455,123	56,109
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Roseville	\$ 3,030,070	\$56,309
	Placer County	9,797,178	55,993
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of Roseville	\$ 3,308,060	\$55,367
	Placer County	9,955,120	55,173
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Roseville	\$ 3,327,535	\$56,270
	Placer County	9,811,843	56,393
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Roseville	\$ 3,507,655	\$59,074
	Placer County	10,287,888	58,583
	California	901,189,699	50,072
	United States	7,357,153,421	45,448

Source: The Nielsen Company (US), Inc.

Employment and Industry

The unemployment rate in the Sacramento-Roseville-Arden Arcade MSA was 6.0 percent in March 2015, down from a revised 6.3 percent in February 2015, and below the year-ago estimate of 8.1 percent. This compares with an unadjusted unemployment rate of 6.5 percent for California and 5.6 percent for the nation during the same period. The unemployment rate was 5.8 percent in El Dorado County, 5.1 percent in Placer County, 6.0 percent in Sacramento County, and 7.0 percent in Yolo County. The following table summarizes the civilian labor force, employment and unemployment, as well as employment by industry, in the Sacramento Arden Arcade Rocklin Metropolitan Statistical Area (which is comprised of Sacramento, Placer and El Dorado Counties) for the years 2010 through 2014.

Table A-2
Sacramento Arden Arcade Roseville Metropolitan Statistical Area
(El Dorado, Placer, Sacramento, and Yolo Counties)
Civilian Labor Force, Employment and Unemployment
March 2014 Benchmark
(Annual Averages)

	2010	2011	2012	2013	2014
Civilian Labor Force (1)	1,048,900	1,039,400	1,051,600	1,046,600	1,049,200
Employment	918,000	916,200	942,900	956,400	974,100
Unemployment	130,900	123,200	108,700	90,200	75,100
Unemployment Rate	12.5%	11.9%	10.3%	8.6%	7.2%
<u>Wage and Salary Employment: (2)</u>					
Agriculture	8,100	8,200	8,600	8,800	9,200
Mining and Logging	400	500	400	500	500
Construction	38,400	36,900	38,400	42,900	45,500
Manufacturing	32,800	33,200	33,900	33,700	34,800
Wholesale Trade	22,800	23,600	25,100	25,000	24,700
Retail Trade	88,000	89,400	91,800	93,900	95,600
Transportation, Warehousing and Utilities	21,700	21,100	21,900	23,200	23,400
Information	17,200	16,300	15,600	15,000	13,700
Finance and Insurance	36,100	34,600	35,700	36,600	35,300
Real Estate and Rental and Leasing	12,200	12,000	12,400	13,000	13,400
Professional and Business Services	102,200	104,200	110,800	114,300	119,100
Educational and Health Services	115,000	116,900	121,300	127,700	134,900
Leisure and Hospitality	80,200	81,700	84,500	88,000	91,900
Other Services	28,100	28,000	28,500	28,900	30,400
Federal Government	14,600	14,000	13,700	13,500	13,500
State Government	110,900	109,600	108,200	109,800	113,500
Local Government	104,700	100,900	99,600	98,700	100,400
Total, All Industries	833,500	831,200	850,400	873,200	899,600

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest manufacturing and non-manufacturing employers within the County as of July 2015.

**Table A-3
Placer County
Largest Employers
July 2015
(In Alphabetical Order)**

Employer Name	Location	Industry
Adventist Health	Roseville	Health Services
Agilent Technologies Inc	Roseville	Instruments-Measuring (Mfrs)
Alpine Meadows	Alpine Meadows	Resorts
AT&T	Auburn	Telephone Companies
C-Tech Systems Inc	Roseville	Computers-Service & Repair
Composite Engineering Inc	Roseville	Engineers-Professional
Kaiser Roseville Medical Ctr	Roseville	Hospitals
Northstar At Tahoe Resort	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Placer County Fire Dept	Auburn	County Government-Fire Protection
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County of Education	Auburn	Schools
Placer County Sheriff	Auburn	Sheriff
Progressive Technology	Rocklin	Machine Shops (Mfrs)
Resort At Squaw Creek	Alpine Meadows	Hotels & Motels
Ritz-Carlton-Lake Tahoe	Truckee	Hotels & Motels
Roseville Golfland-Sun Splash	Roseville	Water Parks
Roseville Toyota & Scion	Roseville	Automobile Dealers-New Cars
Sheriff's Training	Auburn	Sheriff
Sutter Roseville Medical Ctr	Roseville	Hospitals
Tami Saner & Assoc	Roseville	Real Estate
Thunder Valley Casino	Lincoln	Casinos
Unfi Western Region Div	Rocklin	Food Products (Whls)
Union Pacific Railroad Co	Roseville	Railroads
Walmart Supercenter	Roseville	Department Stores

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2015 2nd Edition.

Construction Permits

The County's 2013-2014 assessment roll totaled \$54,452,236,134 as compared to the prior year's assessment roll of \$51,307,476,072, which reflected a 6.13% increase this year. These numbers over the last two years contrast with the real estate decline years of 2008 and after, where the County assessment roll experienced declines.

In May of 2013, the City issued 41 single-family building permits and 3 commercial building permits. The City maintains building permit data, which can be viewed on its website.

The following table shows residential and non-residential building permits issued, for calendar years 2009 through 2013.

Table A-4
City of Roseville*
Building Permit Valuation
(Valuation in Thousands of Dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Permit Valuation</u>					
New Single-family	\$125,257.4	\$133,206.3	\$91,310.0	\$249,559.2	\$118,547.9
New Multi-family	3,746.7	0.0	0.0	0.0	\$6,632.0
Res. Alterations/Additions	<u>1,620.6</u>	<u>2,808.4</u>	<u>7,329.2</u>	<u>3,082.0</u>	<u>\$3,395.0</u>
Total Residential	\$130,624.7	\$136,014.7	\$98,639.2	\$252,641.2	\$128,575.0
New Commercial	\$ 1,439.2	\$ 1,625.8	\$ 707.9	\$16,280.4	\$26,058.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	6,435.5	5,026.5	0.0	0.0	\$2,627.4
Com. Alterations/Additions	<u>49,481.4</u>	<u>46,534.4</u>	<u>67,245.2</u>	<u>31,868.5</u>	<u>\$45,489.0</u>
Total Nonresidential	\$57,356.1	\$53,186.7	\$67,953.1	\$48,148.9	\$74,175.4
<u>New Dwelling Units</u>					
Single Family	602	635	411	663	528
Multiple Family	<u>49</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>224</u>
Total New Dwelling Units	651	635	411	663	752

* 2014 data available but not comparable to previous years.

Source: Construction Industry Research Board, Building Permit Summary.

The following table shows residential and non-residential building permits issued within the County for calendar years 2010 through 2014. Annual figures are not yet available for 2015.

**Table A-5
Placer County
Building Permit Valuation
(Valuation in Thousands of Dollars)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Permit Valuation</u>					
New Single-family	\$272,263.0	\$230,831.8	\$431,611.6	\$378,286.0	523,638.2
New Multi-family	11,385.1	6,549.5	11,368.0	\$7,078.5	48,645.5
Res. Alterations/Additions	<u>50,586.8</u>	<u>62,155.8</u>	<u>35,481.3</u>	<u>\$50,358.2</u>	<u>59,428.5</u>
Total Residential	\$334,234.9	\$299,537.1	\$478,460.9	\$435,722.7	631,712.2
New Commercial	\$ 5,551.8	\$ 7,014.3	\$ 44,303.0	\$70,876.0	\$38,343.5
New Industrial	0.0	860.0	164.0	\$1,092.0	199.8
New Other	29,303.2	12,112.3	414.5	\$25,673.5	44,159.8
Com. Alterations/Additions	<u>73,789.4</u>	<u>88,639.9</u>	<u>55,512.0</u>	<u>\$73,037.0</u>	<u>\$101,977.7</u>
Total Nonresidential	\$108,644.4	\$108,626.5	\$100,393.5	\$170,678.5	\$184,680.8
<u>New Dwelling Units</u>					
Single Family	1,090	802	1,209	1,249	1,620
Multiple Family	<u>79</u>	<u>28</u>	<u>111</u>	<u>227</u>	<u>376</u>
TOTAL	1,169	830	1,320	1,476	1,996

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables. Annual figures are not yet available for calendar years 2014 or 2015.

Total taxable sales during the calendar year 2013 in the City were reported to be \$4,171,738,000 a 10.58% increase over the total taxable sales of \$3,772,583,000 reported during calendar year 2012.

**Table A-6
City of Roseville
Taxable Transactions
Calendar Years 2009 through 2013
(Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2009	3,400	\$2,708,864	4,441	\$3,104,840
2010	3,640	2,814,546	4,698	3,251,045
2011	3,405	3,024,189	4,476	3,499,616
2012	3,765	3,332,827	4,861	3,772,583
2013	3,757	3,558,765	4,819	4,171,738

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable transactions reported in the County during calendar year 2013 amounted to \$7,724,406,000 a 9.32 percent increase over the total taxable transactions of \$7,065,597,000 that were reported during calendar year 2012. A summary of historic taxable sales within the County is shown in the following table.

**Table A-7
Placer County
Taxable Transactions
Calendar Years 2009 through 2013
(Dollars in Thousands)**

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	7,819	\$4,453,186	11,135	\$5,796,644
2010	8,110	4,678,785	11,439	6,017,542
2011	7,803	5,112,781	11,120	6,568,195
2012	8,272	5,613,981	11,621	7,065,597
2013	8,487	6,050,198	11,713	7,724,406

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Transportation

The County's transportation network is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the County, connecting San Francisco to New York. Highway 65 runs north from I-80 to Lincoln and Marysville. Interstate 5, which is west of the County, runs north to Seattle and south to Los Angeles. In the City, the major highways in the area are Interstate 80 and Interstate 5, and State Highways 65, 50, and 99.

Union Pacific Railroad bought Southern Pacific in 1996 and the J.R. Davis Yard, located in the City, is the largest rail facility on the West Coast. Union Pacific owns and operates track in 23 states, primarily west of the Mississippi River. Amtrak provides passenger service daily to San Francisco and San Jose, and the California Zephyr connects the County to the Midwest and Chicago.

Greyhound operates a station in the City, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

Sacramento International Airport serves the area in and around the City. Served by ten major carriers and several commuter airlines, as well as air freight carriers, the airport handles passenger flights to over 140 cities with more than 130 scheduled departures per day and 4.3 million passengers annually. Nearby Auburn Municipal Airport serves charter and private aircraft for coastal, state and transcontinental flights. Executive air service is available as well. Auburn Municipal has an elevation of 1,520 feet and an east/west runway 3,100 feet in length.

Several trucking companies serve the County, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

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APPENDIX B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT No. 1
(PUBLIC FACILITIES)

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Special Taxes applicable to each Assessor's Parcel in Westpark Community Facilities District No. 1 (Public Facilities) [herein "CFD No. 1" or "the CFD"] shall be levied and collected according to the tax liability determined by the City Council of the City of Roseville, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 1 unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other Development Plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 1 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"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 Unit built on a Parcel of Single Family Detached Property or Single Family Attached Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in a deed of trust on the Parcel in favor of the City. The City’s Affordable Housing Director shall determine which Units are designated as Affordable Units and maintain an Affordable Unit Listing which shall contain all designated buildable parcels by tract and lot number, and in the case of Large Lots parcels remaining prior to May 1 of the preceding Fiscal Year, the number of designated Affordable Units for each such Large Lot parcel; all entries shall indicate the effective date of designation. The Affordable Unit Listing shall also be updated to reflect those Units no longer qualifying as Affordable Units. The Affordable Unit Listing, which shall contain all qualifying Affordable Units as of April 30, shall be made available to Administrator by July 1 of each year for purposes of determining the Maximum Special Tax for Parcels pursuant to Sections C and D below.

“Affordable Unit Adjustment” means a reduction in the Assigned Maximum Special Tax for a Large Lot due to the assignment of Affordable Units to the Large Lot. No Affordable Unit Adjustment shall occur on Multi-Family Property, as the Assigned Special Tax for such property has already been adjusted to account for affordable units.

“Annual Tax Escalation Factor” means, in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in an amount equal to two percent (2%) of the Maximum Special Tax in effect in the prior Fiscal Year.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating parcels by Assessor’s Parcel number.

“Assigned Maximum Special Tax” means the Maximum Special Tax assigned to each Large Lot at CFD Formation based on the Expected Land Uses, as shown in Attachment 2 of this RMA.

“Base Year” means Fiscal Year 2004-05.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, issued, insured or assumed by CFD No. 1 related to public infrastructure and/or improvements that are authorized to be funded by CFD No. 1.

“Buildable Lot” means an individual lot within a Final Map for which a building permit may be issued without further subdivision of such lot.

“CFD Formation” means the date on which the Resolution of Formation to form CFD No. 1 was adopted by the City Council.

“CFD Maximum Special Tax Revenue” means the cumulative Maximum Special Tax revenue that can be collected from all property within CFD No. 1 after adjusting for the Expected Affordable

Units. The CFD Maximum Special Tax Revenue is shown in Attachment 2 of this RMA and may be reduced due to prepayments in future Fiscal Years.

“City” means the City of Roseville.

“City Council” means the City Council of the City of Roseville, acting as the legislative body of CFD No. 1.

“County” means the County of Placer.

“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 a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Multi-Family Property, all Parcels for which a use permit or building permit for new construction of a residential structure was issued prior to May 1 of the preceding Fiscal Year.
- for Non-Residential Property, all Parcels for which a building permit for new construction of a building was issued prior to May 1 of the preceding Fiscal Year.

“Development Plan” means a condominium plan, apartment plan, site plan or other development plan that identifies such information as the type of structure, acreage, square footage, and/or number of Units that are approved to be developed on Single Family Attached Property, Multi-Family Property and Non-Residential Property. This information may be obtained from the City’s Development Activity Updates, which are published periodically by the City’s Planning Department.

“Expected Affordable Units” means a total of 85 medium density residential Units within CFD No. 1 that are expected to be Affordable Units. Upon recordation of Final Maps within CFD No. 1, the Affordable Housing Director will determine which Large Lots will include Affordable Units, and, upon such determination, the Administrator shall reduce the Assigned Maximum Special Tax for the Large Lot pursuant to the steps set forth in Section C.3a, C.3b, or C.3d (as applicable) below. If, in any Fiscal Year, the Affordable Housing Director identifies a total number of Affordable Units within CFD No. 1 that exceeds 85 Units, no Affordable Unit adjustment will be applied for the Affordable Units identified after the 85th Affordable Unit has been designated.

“Expected Land Uses” means the total number of single family and multi-family units, and acres of Non-Residential Property expected within each Large Lot at the time of CFD Formation. The Expected Land Uses are identified in Attachment 2 of this Rate and Method.

“Final Map” means a final map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*) that creates Buildable Lots. The term “Final Map” shall not include any Large-Lot Subdivision Map, Small Lot Tentative Map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create Buildable Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Finance Director” means the Finance Director for the City of Roseville or his or her designee.

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

“Land Use Class” means, individually, Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, and Undeveloped Property.

“Large Lot” means a specific geographic area within CFD No. 1 that (i) is created upon recordation of a Large-Lot Subdivision Map within CFD No. 1, (ii) is expected to have Buildable Lots of a similar size, and (iii) has an Assigned Maximum Special Tax that will ultimately be allocated to the Buildable Lots within the Large Lot as Final Maps are recorded. The Large Lots expected at CFD Formation are shown in Attachment 1 of this RMA, and the Assigned Maximum Special Tax for each Large Lot within CFD No. 1 is shown in Attachment 2.

“Large-Lot Subdivision Map” means a subdivision map recorded at the County Recorder’s Office that subdivides the property in CFD No. 1 into Large Lots.

“Large-Lot Subdivision Map Property” means, in any Fiscal Year, all Parcels which are included within a Large-Lot Subdivision Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Small Lot Tentative Map Property.

“Market-Rate Unit” means a unit that is not an Affordable Unit.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C and D below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure with multiple units that share common walls, all of which are offered for rent to the general public.

“Non-Residential Property” means, in any Fiscal Year, all Parcels of Developed Property within CFD No. 1 which are not Single Family Detached Property, Single Family Attached Property, Multi-Family Property, or Taxable Public Property.

“Original Parcel” means an Assessor’s Parcel in CFD No. 1 at the time of CFD Formation, as identified in Attachment 1. A Successor Parcel that is being further subdivided shall also be considered an Original Parcel for purposes of determining the Maximum Special Taxes pursuant to Section C.

“Public Property” means any property within the boundaries of CFD No. 1 that is owned by the federal government, State of California, County, City, or other public agency.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Single Family Attached Property” means, in any Fiscal Year, all Buildable Lots in CFD No. 1 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Units that share common walls and are offered as for-sale 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 Parcels in CFD No. 1 for which a building permit was issued or may be issued for construction of a Unit that does not share a common wall with another Unit.

“Small Lot Tentative Map” means a map that is made for the purpose of showing the design of a proposed subdivision, including the individual Buildable Lots that are expected within the subdivision, as well as the conditions pertaining thereto. A Small Lot Tentative Map is not based on a detailed survey of the property within the map and is not recorded at the County Recorder’s Office to create legal lots.

“Small Lot Tentative Map Property” means, in any Fiscal Year, all Parcels which are included within a Small Lot Tentative Map that was approved prior to May 1 of the prior Fiscal Year, and which have not yet become Developed Property.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement, as defined below.

“Special Tax Requirement” means the amount necessary in any Fiscal Year (i) to pay principal and interest on Bonds, (ii) to create or replenish reserve funds, (iii) to pay Administrative Expenses, (iv) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 1 which have occurred in the prior Fiscal Year or (based on delinquencies in the payment of the Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected, and (v) to pay construction expenses to be funded directly from Special Tax proceeds. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to a Bond indenture, Bond resolution, or other legal document that sets forth these terms; (ii) proceeds received by CFD No. 1 from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay debt service on the Bonds as determined by the Administrator.

“Successor Parcel” means an Assessor’s Parcel of Taxable Property created by the subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means, in any Fiscal Year, all Parcels of Public Property within CFD No. 1 that, based on a tentative map or other Development Plan, were expected to be Taxable Property and, based on this expectation, Maximum Special Taxes were assigned to the Parcels in prior Fiscal Years.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property within CFD No. 1 that are not yet Developed Property, Small Lot Tentative Map Property, or Large-Lot Subdivision Map Property.

“Unit” means (i) for Single Family Detached Property, an individual single-family detached unit, and (ii) for Single Family Attached Property, an individual residential unit within a duplex, triplex, fourplex, townhome, or condominium structure.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Taxable Property within CFD No. 1. The Administrator shall also determine: (i) whether each Assessor’s Parcel of Taxable Property is Developed Property, Small Lot Tentative Map Property, Large-Lot Subdivision Map Property, or Undeveloped Property, (ii) for Parcels of Single Family Attached Property, the number of Units on each Parcel, (iii) for Non-Residential Property, the Acreage of each Parcel, (iv) for Buildable Lots within the Large Lots designated as W-1 and W-2 in Attachment 1, the square footage of each Buildable Lot, and (v) the Special Tax Requirement. For Single Family Attached Property, the number of Units shall be determined by referencing the Development Plan for the property.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Land Use Class than other parcels created by the subdivision, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Land Use Class, then applying the sum of the individual Special Taxes to the Original Parcel or Successor Parcel that was subdivided by recordation of the parcel map.

If, in any Fiscal Year, it is determined that, based on building permits that have been issued, for-sale residential Units will be built within a structure constructed on a Parcel of Non-Residential Property, the Administrator shall determine whether (i) Units that have been or will be built on the Parcel will be offered for sale to individual home buyers, and (ii) a separate Assessor’s Parcel number will be assigned to the airspace parcel associated with each Unit. Once separate Parcel numbers have been assigned to the residential airspace Parcels, the Administrator shall assign a Maximum Special Tax

to the airspace Parcel for each residential unit. The Maximum Special Tax for the Base Year for such Units is \$500, which amount shall be increased each Fiscal Year thereafter by the Annual Tax Escalation Factor. The Administrator shall also tax commercial land uses on the Parcel using the Maximum Special Tax for the commercial uses within that Large Lot as shown in Attachment 2. The acreage to be used to calculate the Maximum Special Tax on the commercial uses shall be the full land area of the underlying Assessor's Parcel on which the residential and commercial land uses are located.

Upon recordation of each Final Map creating Single Family Detached Property and/or Single Family Attached Property, the Affordable Housing Director is to determine the number of Affordable Units included within the Final Map. As set forth in Sections C.3a, C.3b and C.3d below, once the Affordable Housing Director has designated the number of Affordable Units on each Parcel, the Administrator shall reduce the Maximum Special Tax for each Affordable Unit to fifty percent (50%) of the Maximum Special Tax that applies to the market-rate Units created by recordation of that Final Map. This reduction shall not be applied if the Administrator determines that the Expected Affordable Units have already been designated on other Parcels, and the designation of additional Affordable Units would reduce the CFD Maximum Special Tax Revenues. After May 1 of each Fiscal Year, the Administrator shall obtain the Affordable Unit Listing from the Affordable Housing Director to confirm which Parcels and Large Lots qualify for an Affordable Unit Adjustment in the following Fiscal Year.

C. CALCULATING THE MAXIMUM SPECIAL TAX

The Administrator shall apply the applicable subsection below to determine the Maximum Special Tax for each Parcel of Taxable Property within CFD No. 1:

1. Prior to Recordation of a Large-Lot Subdivision Map

Prior to recordation of a Large-Lot Subdivision Map, the Maximum Special Tax assigned to Original Parcels within the CFD shall be as follows:

Fiscal Year 2004-05 Assessor's Parcel Number	Fiscal Year 2004-05 Maximum Special Tax *
017-0150-037	\$2,899,194
017-0150-003	\$681,669
017-0100-043	\$1,021,354
017-0100-044	\$325,533
<i>* Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.</i>	

If an Assessor's Parcel number shown above is changed, the Maximum Special Tax shall continue to apply to the Parcel to which it was assigned. If Parcels are reconfigured due to an action other than recordation of a Large-Lot Subdivision Map, the Maximum Special Tax shall be spread on a per-acre basis to all new Assessor's Parcels created by the reconfiguration.

2. *After Recordation of a Large-Lot Subdivision Map, Prior to Recordation of a Final Map*

The Maximum Special Tax assigned to each Large Lot expected at CFD Formation is identified in Attachment 2 of this RMA. If, upon recordation of the Large-Lot Subdivision Map for property within the CFD, it is determined that the actual boundaries of the Large Lots are different than that shown in Attachment 1, Attachment 1 shall be updated and the correct boundaries of each Large Lot shall be reflected in the attachment. If, at the same time changes are being made to Attachment 1, it is determined that the number of Buildable Lots, Acreage of Multi-Family Property, or Acreage of Non-Residential Property within a Large Lot has changed, the Assigned Maximum Special Tax for each Large Lot in Attachment 2 may, in the City's sole discretion, also be changed as long as the CFD Maximum Special Tax Revenues are not reduced. If the City determines that such an adjustment is needed, the adjustment shall be effective immediately after recordation of the Large-Lot Subdivision Map, after which time the Assigned Maximum Special Tax for each Large Lot shall be fixed for all future Fiscal Years, except as otherwise provided in Section D below. After both attachments have been updated, the Administrator shall record, or cause to be recorded, an amended Notice of Special Tax Lien that includes the revised attachments. If such an adjustment and recording takes place, the property owner that requested the adjustment shall bear the costs to effect the adjustment and prepare the required amendments to the Notice of Special Tax Lien and Attachments 1 and 2. Prior to approval of the adjustment, the City may require a deposit from the requesting property owner for the estimated cost to perform such adjustment.

Unless an adjustment is made pursuant to the prior paragraph, the Maximum Special Tax for property within a Large Lot shall be the Assigned Maximum Special Tax identified in Attachment 2 of this RMA. If there are multiple Assessor's Parcels within a Large Lot prior to recordation of a Final Map within the Large Lot, the Assigned Maximum Special Tax shall be allocated on a per-Acre basis to each Parcel of Taxable Property to determine the Maximum Special Tax for each Parcel. Upon recordation of the Large-Lot Subdivision Map, the actual boundary of each Large Lot may change slightly from that shown in Attachment 1; such change shall have no impact on the Assigned Maximum Special Tax for each Large Lot unless an adjustment is also made to the Assigned Maximum Special Tax as permitted in the paragraph above.

3. *After Recordation of a Final Map*

a. **Final Map Creating Buildable Lots of Single Family Detached Property Throughout Entire Large Lot**

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Detached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Buildable Lots created by the subdivision:

- Step 1:** Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2a: For Large Lots W-1 and W-2 (as identified in Attachment 1)

Determine how many Buildable Lots are greater than 5,000 square feet and multiply the number of such lots by an equivalent dwelling unit (EDU) factor of 1.3 to calculate the total EDUs associated with the lots.

Determine how many Buildable Lots are less than or equal to 5,000 square feet and add this total number of lots to the EDUs calculated above to determine the total EDUs for all Buildable Lots within the Final Map.

Divide the Assigned Maximum Special Tax by the total EDUs calculated above to determine the Maximum Special Tax per EDU, which will also be the Maximum Special Tax for all Buildable Lots that are less than or equal to 5,000 square feet. Multiply the Maximum Special Tax per EDU by 1.3 to calculate the Maximum Special Tax for each Buildable Lot greater than 5,000 square feet.

Step 2b: For Large Lots Other Than W-1 and W-2

Divide the Assigned Maximum Special Tax from Step 1 by the number of Buildable Lots created by the Final Map to determine the Maximum Special Tax for each Buildable Lot.

Step 3: Determine if Affordable Units have been designated within the Large Lot by the Affordable Housing Director. If **yes**, each Parcel on which an Affordable Unit has been designated by the Affordable Housing Director shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2a or 2b, and all other Buildable Lots will be assigned the amount from Step 2a or 2b as the Maximum Special Tax for the Fiscal Year. If **no**, all Buildable Lots in the Final Map shall be assigned the Maximum Special Tax determined in Step 2a or 2b.

b. Final Map Creating Buildable Lots of Single Family Attached Property Throughout Entire Large Lot

If the Parcels created by a recorded Final Map within a Large Lot are all Buildable Lots of Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Units that are expected to be built based on reference to the Development Plan for the Single Family Attached Property:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot for the then-current Fiscal Year.

Step 2: Divide the Assigned Maximum Special Tax from Step 1 by the number of Units expected to be built on the property within the Final Map to determine the Maximum Special Tax for each Unit.

Step 3: Determine if any of the Units have been designated as Affordable Units by the Affordable Housing Director. If *yes*, each Parcel on which an Affordable Unit has been designated shall be assigned one-half (1/2) of the Maximum Special Tax determined in Step 2, and all other Units will be assigned the amount from Step 2 as the Maximum Special Tax for the Fiscal Year. If *no*, all Units created within the Final Map shall be assigned the Maximum Special Tax determined in Step 2.

c. Final Map Creating No Buildable Lots of Single Family Detached Property or Single Family Attached Property

If none of the Successor Parcels created by recordation of a Final Map are Buildable Lots of Single Family Detached Property or Single Family Attached Property, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the total Acreage of Taxable Property created by subdivision of the Large Lot.

Step 3: Divide the Assigned Maximum Special Tax from Step 1 by the Acreage from Step 2 to calculate Maximum Special Tax per acre.

Step 4: Multiply the per-acre Maximum Special Tax from Step 3 by the Acreage in each Successor Parcel to calculate the Maximum Special Tax for each Successor Parcel.

d. Final Map Creating Buildable Lots in a Portion of the Large Lot

If a Final Map records creating Buildable Lots within only a portion of a Large Lot, the Administrator shall apply the following steps to allocate the Assigned Maximum Special Tax for the Large Lot to each of the Successor Parcels:

Step 1: Identify the Assigned Maximum Special Tax for the Large Lot.

Step 2: Determine the number of Buildable Lots created within the Final Map area.

Step 3: Multiply the Buildable Lots from Step 2 by the “Base Tax Rate per Unit” shown in Attachment 2 for the Large Lot that has been subdivided

by the Final Map to determine the Maximum Special Tax associated with the Buildable Lots created by the Final Map. The Base Tax Rate per Unit shall be used as the Maximum Special Tax for all Buildable Lots included in the Final Map, except Affordable Units (as designated by the Affordable Housing Director) which shall be set at one-half of the rate of Market Units within the Final Map.

- Step 4:** Subtract the Maximum Special Tax associated with the Buildable Lots as determined in Step 3 from the Assigned Maximum Special Tax for the Large Lot that was identified in Step 1.
- Step 5:** Subtract the Acreage of Taxable Property included within the Final Map from the total Acreage of Taxable Property in all Successor Parcels within the Large Lot that resulted after recordation of the Final Map to determine the Acreage of Taxable Property that is not included within the Final Map.
- Step 6:** Divide the remainder determined in Step 4 by the remainder determined in Step 5 to calculate the per-acre Maximum Special Tax that will apply to Taxable Property not included within the Final Map.
- Step 7:** Multiply the per-acre Maximum Special Tax from Step 6 by the Acreage in each Successor Parcel not included within the Final Map to calculate the Maximum Special Tax for each such Successor Parcel.

If, after subdivision of a Large Lot, a Successor Parcel is further subdivided, the Successor Parcel shall be treated as an Original Parcel for purposes of allocating Maximum Special Taxes pursuant to Section C.3c, or C.3d, as appropriate.

After each reallocation of the Maximum Special Tax upon subdivision or reconfiguration of a Large Lot, the sum of the Maximum Special Taxes assigned to Successor Parcels shall never be less than the Assigned Maximum Special Tax for that Large Lot as shown in Attachment 2. Once a Maximum Special Tax has been assigned to a Parcel within a Final Map, the Maximum Special Tax shall not be reduced in future Fiscal Years regardless of changes in land use, Parcel size, ownership or Special Taxes assigned elsewhere in the Large Lot.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. Annual Escalation of Special Tax

Beginning in Fiscal Year 2005-06, and each Fiscal Year thereafter, the Assigned Maximum Special Tax for each Large Lot shown in Attachment 2, and the Maximum Special Tax assigned to each Parcel of Taxable Property within the CFD, shall be adjusted by the Annual Special Tax Escalation Factor.

2. *Affordable Units that Become Market-Rate Units*

If, in any Fiscal Year, the Affordable Housing Director determines that a Unit that had previously been designated as an Affordable Unit no longer qualifies as such, the Affordable Housing Director shall update the Affordable Unit Listing by denoting the change in status of the Unit, together with the effective date thereof. The Maximum Special Tax on the Unit that no longer qualifies as an Affordable Unit shall be increased to double the amount that would have applied in that Fiscal Year if the Unit had remained as an Affordable Unit. In subsequent Fiscal Years, this increased Maximum Special Tax shall continue to escalate two percent (2%) per year.

3. *Transfer of the Assigned Maximum Special Tax from One Large Lot to Another*

The Assigned Maximum Special Taxes in Attachment 2 were determined based on the Expected Land Uses for each Large Lot. If the number of planned residential units or non-residential acreage is transferred from one Large Lot to another prior to recordation of a Final Map within any portion of the Large Lot, the City may, in its sole discretion, allow for a transfer of the Assigned Special Tax from one Large Lot to the other. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the Finance Director, and (ii) there is no reduction in the CFD Maximum Special Tax Revenues as a result of the transfer. Should a transfer result in an amendment to Attachment Nos. 1 or 2 of the Notice of Special Tax Lien, the requesting property owner shall bear the costs to effect the transfer in the District records and prepare the required amendments to the Notice of Special Tax Lien and Attachment Nos. 1 and 2. Prior to the transfer, the City may require a deposit from the requesting property owner for such costs. If such a transfer is requested, the Administrator shall apply the following steps to redistribute the Maximum Special Tax among the Parcels:

- Step 1:** Determine the Maximum Special Tax associated with the land uses that will be transferred by multiplying the number of residential units or non-residential acreage by the “Base Tax Rate” identified for the units or acreage in Attachment 2 (escalated to the then-current Fiscal Year).
- Step 2:** Subtract the amount determined in Step 1 from the Assigned Maximum Special Tax for the Large Lot from which the units or acreage will be transferred to determine the new Assigned Maximum Special Tax for the Large Lot.
- Step 3:** Add the amount determined in Step 1 to the Assigned Maximum Special Tax for the Large Lot to which the units or acreage is being transferred to determine the new Assigned Maximum Special Tax for the Large Lot.

4. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the average Maximum Special Tax per unit or acre for Parcels with similar land use designations, as determined by the Finance Director.

E. METHOD OF LEVY OF THE SPECIAL TAX

Commencing with Fiscal Year 2005-06 and for each following Fiscal Year, the Administrator shall determine the Special Tax Requirement for that Fiscal Year and levy the Special Tax on all Parcels of Taxable Property as follows:

- Step 1:*** The Special Tax shall be levied proportionately on each Parcel of Developed Property within the CFD up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 2:*** If additional revenue is needed after Step 1, the Special Tax shall be levied proportionately on each Assessor's Parcel of Small Lot Tentative Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 3:*** If additional revenue is needed after Step 2, the Special Tax shall be levied proportionately on each Assessor's Parcel of Large-Lot Subdivision Map Property within the CFD, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 4:*** If additional revenue is needed after Step 3, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 1 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 5:*** If additional revenue is needed after Step 4, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 2 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 6:*** If additional revenue is needed after Step 5, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 3 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;
- Step 7:*** If additional revenue is needed after Step 6, the Special Tax shall be levied proportionately on each Assessor's Parcel of Undeveloped Property partially or wholly included within Phase 4 of Westpark, as identified in Attachment 1 hereto, up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year;

Step 8: If additional revenue is needed after Step 7, the Special Tax shall be levied proportionately on each Assessor's Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax assigned to each Parcel.

F. COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid, costs of constructing or acquiring authorized facilities from Special Tax proceeds have been paid, and all administrative expenses have been reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2050-51. Under no circumstances may the Special Tax on one Parcel in the CFD be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels in the CFD.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Public Property, except Taxable Public Property, as defined herein. In addition, no Special Tax shall be levied on Parcels that are not Public Property but are (i) designated as permanent open space or common space on which no structure is permitted to be built, (ii) owned by a public utility for use as an unmanned facility, or (iii) subject to an easement that precludes any other use on the Parcel. Notwithstanding the foregoing, if a Maximum Special Tax was assigned to a Parcel, and the entire Parcel ends up subject to one of the exemptions set forth above, the Parcel shall remain subject to the Special Tax levy until a prepayment is received that releases such Parcel from the Special Tax obligation.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

“Public Facilities Requirements” means either \$60,000,000 in 2004 dollars, which shall increase on January 1, 2005, and on each January 1 thereafter by the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or such other number as shall be determined by the City to be an appropriate estimate of the net construction proceeds that will be generated from all Bonds that have been or are expected to be issued on behalf of CFD No. 1. The Public Facilities Requirements shown above may be adjusted or a separate Public Facilities Requirements identified each time property annexes into CFD No. 1; at no time shall the added Public Facilities Requirement for that annexation area exceed the amount of public improvement costs that are expected to be supportable by the Maximum Special Tax revenues generated within that annexation area.

“Remaining Facilities Costs” means the Public Facilities Requirements (as defined above), minus public facility costs funded by Previously Issued Bonds (as defined above), developer equity, and/or any other source of funding.

1. *Full Prepayment*

The Special Tax obligation applicable to an Assessor’s Parcel in the CFD may be prepaid and the obligation of the Assessor’s Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Assessor’s Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Determine the Maximum Special Tax that could be collected from the Assessor's Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2.** Divide the Maximum Special Tax from Step 1 by the CFD Maximum Special Tax Revenues for the Fiscal Year in which prepayment would be received by the City.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the "Remaining Facilities Amount"*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, which, depending on the Bond offering document, may be as early as the next interest payment date.
- Step 8:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Take the amount computed pursuant to Step 7 and subtract the amount computed pursuant to Step 8 (the *"Defeasance Requirement"*).
- Step 10.** Determine the costs of computing the prepayment amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the *"Administrative Fees and Expenses"*).
- Step 11.** If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding

Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of administrative fees and expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made is equal to the Maximum Special Tax that could have been levied prior to the prepayment, reduced by the percentage of the full prepayment that the partial prepayment represents, all as determined by or at the direction of the Administrator.

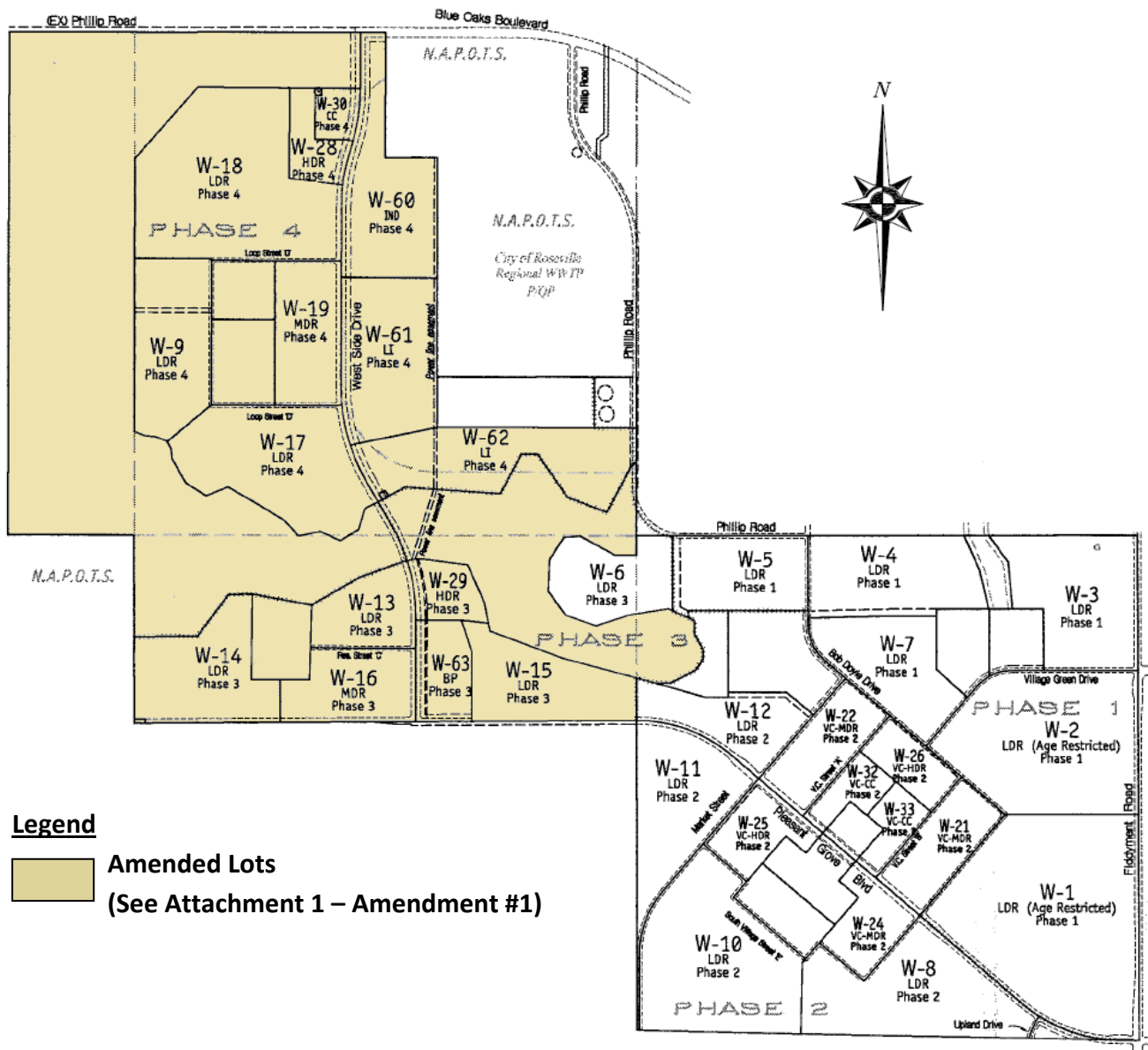
I. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the rate and method of apportioning the Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City’s discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

ATTACHMENT 1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

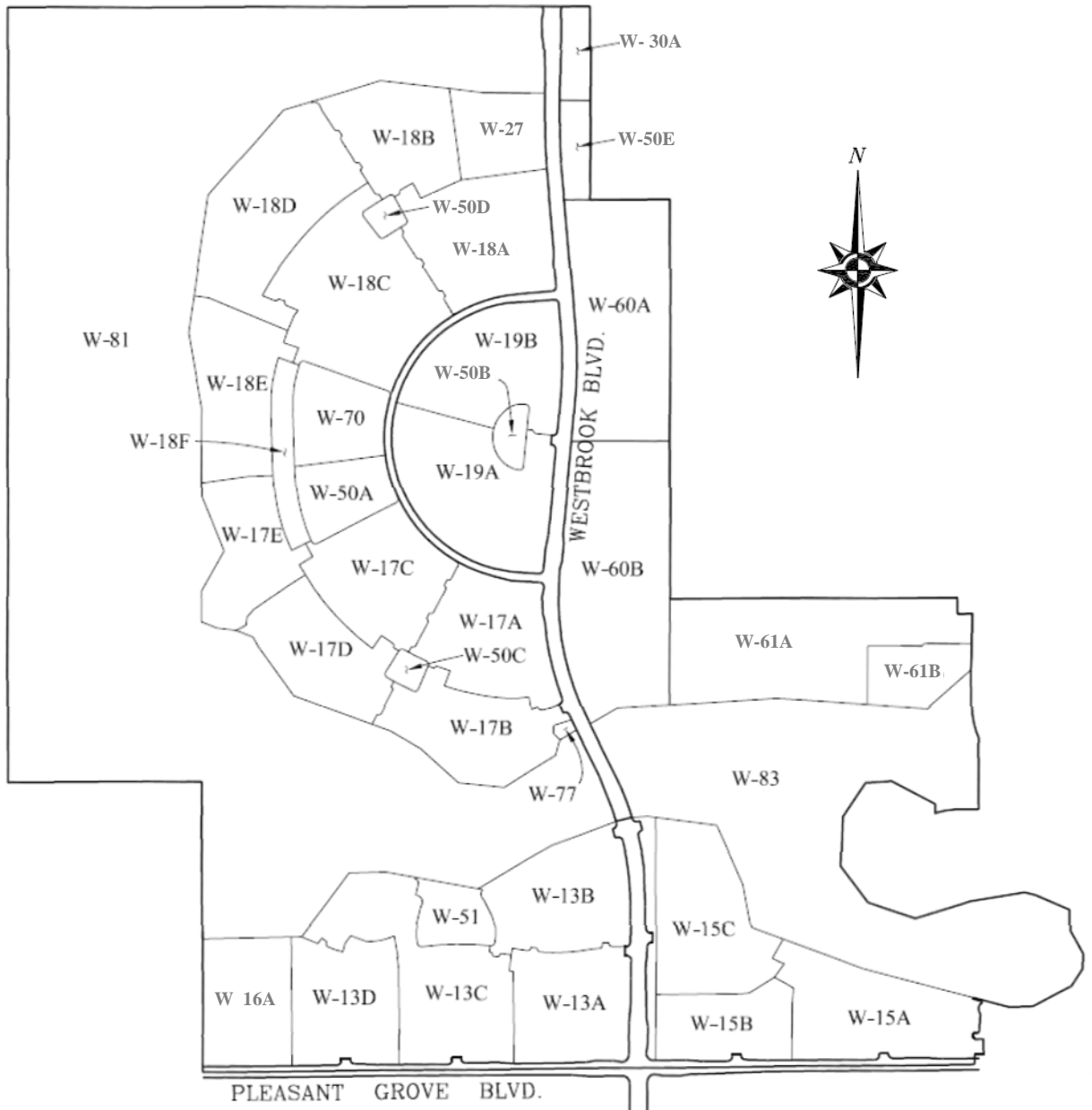
IDENTIFICATION OF LARGE LOTS



ATTACHMENT 1 – AMENDMENT #1

CITY OF ROSEVILLE WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

IDENTIFICATION OF LARGE LOTS (AMENDED PHASE 3 AND PHASE 4 LOTS)



ATTACHMENT 2 (AMENDMENT #1)

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)**

EXPECTED LAND USES AND ASSIGNED MAXIMUM SPECIAL TAXES

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) (FY 2004-05) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
PHASE I						
W-1	LDR (Active Adult)	Lots > 5,000 sqft Lots <= 5,000 sqft	225 173	\$1,200 \$900	\$270,000 \$155,700	\$270,000 \$155,700
W-2	LDR (Active Adult)	Lots > 5,000 sqft Lots <= 5,000 sqft	137 169	\$1,200 \$900	\$164,400 \$152,100	\$164,400 \$152,100
W-3	LDR	38.1	198	\$1,300	\$257,400	\$257,400
W-4	LDR	31.4	147	\$1,300	\$191,100	\$191,100
W-5	LDR	23	88	\$1,300	\$114,400	\$114,400
W-7	LDR	27.9	111	\$1,300	\$144,300	\$144,300
PHASE II						
W-8	LDR	42.3	180	\$1,300	\$234,000	\$234,000
W-10	LDR	54.1	261	\$1,300	\$339,300	\$339,300
W-11	LDR	32.3	148	\$1,300	\$192,400	\$192,400
W-12	LDR	18.9	61	\$1,300	\$79,300	\$79,300
W-21	VC-MDR	16.8	144	\$1,000	\$144,000	\$144,000
W-22	VC-MDR	16.8	144	\$1,000	\$129,836	\$129,836 ⁽⁴⁾
W-24	VC-MDR	12.5	95	\$1,000	\$95,000	\$95,000
W-25	VC-HDR (Affordable) VC-HDR (Market)	12.4	144 96	\$250 \$500	\$98,164	\$98,164 ⁽⁴⁾
W-26	VC-HDR	10	132	\$500	\$66,000	\$66,000
W-32	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
W-33	VC-CC	7.2	N/A	\$5,000	\$36,000	\$36,000
PHASE III						
W-6	LDR	22.8	77	\$1,300	\$100,100	\$100,100
W-13	LDR	17	60	\$1,300	\$78,000	
W-13A	LDR	14	74	\$1,300		\$96,200
W-13B	LDR	15.3	60	\$1,300		\$78,000
W-13C	LDR	21.1	87	\$1,300		\$113,100
W-13D	LDR	14.1	88	\$1,300		\$114,400
W-14	LDR	31.7	115	\$1,300	\$149,500	
W-15	LDR	27.6	80	\$1,300	\$104,000	
W-15A	LDR	17.8	83	\$1,300		\$107,900
W-15B	LDR	10.7	72	\$1,300		\$93,600
W-15C	LDR	19.4	69	\$1,300		\$89,700
W-16	MDR	20.6	160	\$1,000	\$160,000	
W-16A	HDR (Affordable) HDR (Market)	12.2	162 88	\$90.55 \$500		\$14,668 \$44,000
W-29	HDR (Affordable)	8	150	\$250	\$37,500	
W-63	BP	10.5	N/A	\$5,000	\$52,500	
PHASE IV						
W-9	LDR	31.9	95	\$1,300	\$123,500	
W-17	LDR	46	210	\$1,300	\$273,000	
W-17A	LDR	14.9	66	\$1,300		\$85,800
W-17B	LDR	14.1	56	\$1,300		\$72,800
W-17C	LDR	14.9	69	\$1,300		\$89,700

Large Lot ⁽¹⁾	Land Use ⁽²⁾	Expected Acreage or Lot Size	Expected # of Residential Units	Base Tax Rate per Unit (Residential) and per Acre (Non-Residential) (FY 2004-05) ⁽³⁾	Original Assigned Maximum Special Tax (FY 2004-05) ⁽³⁾	AMENDED Maximum Special Tax (FY 2004-05)
W-17D	LDR	13.1	53	\$1,300		\$68,900
W-17E	LDR	11.4	41	\$1,300		\$53,300
W-18	LDR	71.2	280	\$1,300	\$364,000	
W-18A	LDR	17.6	86	\$1,300		\$111,800
W-18B	LDR	12.6	57	\$1,300		\$74,100
W-18C	LDR	23	102	\$1,300		\$132,600
W-18D	LDR	21.5	92	\$1,300		\$119,600
W-18E	LDR	14.4	52	\$1,300		\$67,600
W-18F	LDR	4.4	19	\$1,300		\$24,700
W-19	MDR	21.9	165	\$1,000	\$165,000	
W-19A	LDR	20.4	109	\$1,300		\$141,700
W-19B	LDR	16.7	85	\$1,300		\$110,500
W-27	HDR (Affordable)	7.92	150	\$90.55		\$13,582
	HDR (Market)		20	\$500		\$10,000
W-28	HDR (Affordable)	9	47	\$250	\$11,750	
	HDR (Market)		128	\$500	\$64,000	
W-30	CC	4	N/A	\$5,000	\$20,000	
W-30A	CC	3	N/A	\$0		\$0
W-60	IND	34.3	N/A	\$3,000	\$102,900	
W-60A	LI	25.2	N/A	\$0		\$0
W-60B	LI	30	N/A	\$0		\$0
W-61	L1	35.9	N/A	\$3,000	\$107,700	
W-61A	IND	26.9	N/A	\$0		\$0
W-61B	IND	6	N/A	\$0		\$0
W-62	L1	38.3	N/A	\$3,000	\$114,900	
Total Assigned Maximum Special Tax Revenues (Fiscal Year 2004-05)					\$4,927,750	\$4,927,750

⁽¹⁾ See Attachment 1 for geographic area associated with each Large Lot.

⁽²⁾ LDR = Low Density Residential
MDR = Medium Density Residential
HDR = High Density Residential
VC-MDR = Village Center Medium Density Residential
VC-HDR = Village Center High Density Residential
VC-CC = Village Center Community Commercial
BP = Business Park
CC = Community Commercial
IND = Industrial
LI = Light Industrial

⁽³⁾ Beginning July 1, 2005 and each July 1 thereafter, the Maximum Special Taxes shown above shall be adjusted by applying the Annual Tax Escalation Factor.

⁽⁴⁾ Max Tax Transfer 1 (\$14,164 from W-22 to W-25)

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

The following summary of the Fiscal Agent Agreement is a summary only and does not purport to be a complete statement of the contents thereof. Reference is made to the Fiscal Agent Agreement for the complete terms thereof.

Definitions

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

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties under the Agreement (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to the Agreement, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties under the Agreement (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the CFD. Administrative Expenses will include any such expenses incurred in prior years but not yet paid.

"Agreement" means the Fiscal Agent Agreement dated as of August 1, 2015, by and between the City and the Fiscal Agent, as it may be amended or supplemented from time to time by any Supplemental Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

"Authorized Officer" means, with respect to the City, its Treasurer/Chief Financial Executive, City Manager, Finance Director or City Clerk, or any other person authorized by the City to perform an act or sign a document on behalf of the City for purposes of the Agreement.

"Bond Counsel" means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"Bond Fund" means the fund by that name established pursuant to the Agreement.

"Bond Year" means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year will begin on the Closing Date and end on September 1, 2016.

"Bonds" means the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

"*CDIAC*" means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

"*CFD*" means the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) formed pursuant to the Resolution of Formation.

"*City*" means the City of Roseville, California, and any successor thereto.

"*Closing Date*" means August 12, 2015, the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"*Continuing Disclosure Agreement*" means the Continuing Disclosure Agreement, dated as of August 12, 2015, by and among the City and Willdan Financial Services, in its capacity as initial Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Cost of Issuance*" means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense will include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses and fees of the Fiscal Agent Counsel, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

"*Costs of Issuance Fund*" means the fund by that name established pursuant to the Agreement.

"*Debt Service*" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"*Depository*" means (a) initially, DTC, and (b) any other securities depository acting as Depository pursuant to the Agreement.

"*DTC*" means the Depository Trust Company, New York, New York, and its successors and assigns.

"*Facilities*" means the facilities authorized to be financed for the CFD pursuant to the Resolution of Formation.

"*Fair Market Value*" means, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security - State

and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or passthrough obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

"Fiscal Agent" means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Agreement.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Interest Payment Dates" means March 1 and September 1 of each year, commencing March 1, 2016.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Officer's Certificate" means a written certificate of the City signed by an Authorized Officer of the City.

"Ordinance" means any ordinance of the City levying the Special Taxes.

"Original Purchaser" means, collectively, Stifel, Nicolaus & Company, Incorporated and Piper Jaffray & Co., the first purchasers of the Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Agreement) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of the Agreement; and (iii) Bonds in lieu of or in substitution for which other Bonds will have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

"Owner" or "Bondowner" means any person who will be the registered owner of any Outstanding Bond.

"Participating Underwriter" will have the meaning ascribed thereto in the Continuing Disclosure Agreement.

"Permitted Investments" means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a Permitted Investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and (d) bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent and its affiliates), provided that (a) in the case of a savings and loan association, such demand or time deposits will be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association will be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits will be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) will be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank will be rated in one of the top two rating categories by a nationally recognized rating service, or such bank will be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank will be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation will be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) will have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in

the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (b) the Fiscal Agent collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Fiscal Agent or an affiliate of the Fiscal Agent receives fees from funds for services rendered, (b) the Fiscal Agent collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper which at the time of purchase is of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long-term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Charter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program;

(xiv) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, provided, however, that the Fiscal Agent will be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement; or

(xv) any other lawful investment for City funds.

"Prepayment Account" means the account within the Bond Fund by that name established pursuant to the Agreement.

"Principal Office" means the corporate trust office of the Fiscal Agent in the Agreement, or such other or additional offices as may be designated by the Fiscal Agent.

"Prior Bonds" means the (i) \$57,905,000 original principal amount of City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds issued in 2005 and (ii) \$22,095,000 City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds issued in 2006.

"Prior Bonds Fiscal Agent" means The Bank of New York Mellon Trust Company, N.A., as fiscal agent with respect to the Prior Bonds under the Prior Bonds Fiscal Agent Agreement.

"Prior Bonds Fiscal Agent Agreement" means the Fiscal Agent Agreement, dated as of August 1, 2005 and First Supplement to Fiscal Agent Agreement dated as of August 1, 2006, between the City, for and on behalf of the CFD, and the Prior Bonds Fiscal Agent.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent pursuant to the Agreement, provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company is rated at the time of issuance in a "AA" Rating Category or higher by S&P or Moody's; (ii) such letter of credit or surety bond has a term of at least twelve (12) months; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the Agreement; and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to the Agreement.

"Rating Agencies" means, as of any date, (i) Moody's, if Moody's then maintains a rating on the Bonds, and (ii) S&P, if S&P then maintains a rating on the Bonds.

"Rating Category" means any generic rating category of a Rating Agency, without regard to any refinement of such category by plus or minus sign or by numerical or other qualifying designation.

"Record Date" means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date whether or not such day is a Business Day.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Reserve Fund" means the fund by that name established pursuant to the Agreement.

"Reserve Requirement" means an amount equal to the lesser of (i) Maximum Annual Debt Service on the Outstanding Bonds, (ii) 125% of average Annual Debt Service, or (iii) ten percent (10%) of the total proceeds of the Bonds deposited under the Agreement.

"Resolution" means Resolution No. 15-323, adopted by the City Council of the City on July 15, 2015, which resolution, among other matters, authorized the issuance of the Bonds.

"Resolution of Formation" means Resolution No. 04-439, adopted by the City Council of the City on September 15, 2004, establishing the CFD for the purpose of providing for the financing of certain public facilities in and for such CFD.

"Series" means a series of bonds issued under the Agreement.

"Special Tax Fund" means the fund by that name established under the Agreement.

"*Special Tax Revenues*" means the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes.

"*Special Taxes*" means the special taxes levied within the CFD pursuant to the Act, the Ordinance and the Agreement.

"*Supplemental Agreement*" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the City under the Act and which agreement is amendatory of or supplemental to the Agreement, but only if and to the extent that such agreement is specifically authorized under the Agreement.

"*Treasurer*" means the duly acting Treasurer of the City or if the City has no Treasurer, the City Manager or Finance Director of the City, or other person holding a similar position.

"*2005 Improvement Fund*" means the fund by that name established pursuant to the Agreement.

Pledge of Special Tax Revenues and Other Amounts

All of the Special Tax Revenues and all moneys deposited in the Bond Fund, the Reserve Fund and the Special Tax Fund are pledged to secure the repayment of the Bonds. Such pledge will constitute a first lien on the Special Tax Revenues and said amounts. The Special Tax Revenues and all moneys deposited into the such funds (except as otherwise provided in the Agreement) are dedicated in their entirety to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided in the Agreement and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with the Agreement.

Amounts in the Costs of Issuance Fund are not pledged to the repayment of the Bonds. The facilities acquired with the proceeds of the Bonds are not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation, destruction or other disposition of any facilities financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed under the Agreement.

Special Tax Fund

Establishment of Special Tax Fund. There is established under the Agreement as a separate fund to be held by the Treasurer, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Special Tax Fund, to the credit of which the City will deposit, immediately upon receipt, all Special Tax Revenues received by the City and any amounts required by the Agreement to be deposited in the Special Tax Fund, and within such fund, a Prepayment Account, to the credit of which the City will deposit prepayments of Special Taxes described in the Agreement, and a Surplus Account, to the credit of which the City will deposit surplus Special Tax Revenues described in the Agreement. Moneys in the Special Tax Fund will be held in trust by the City for the benefit of the City and the Owners of the Bonds, will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds.

Disbursements. As soon as practicable after the receipt by the City of any Special Tax Revenues, other than from prepayment of Special Taxes, or the transfer of amounts to the Special Tax Fund pursuant to the terms of the Agreement, but no later than ten (10) Business Days after such receipt or transfer, the City will withdraw from the Special Tax Fund and transfer: (i) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds during the then-current Bond Year, and (ii) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein is equal to the Reserve Requirement. At such time as deposits to the Special Tax Fund other than from prepayment of Special

Taxes equal the principal, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the Reserve Fund balance to the Reserve Requirement, the amount in the Special Tax Fund in excess of such amount will be transferred by the City, on or after September 2nd of each year, to the Surplus Account, whereupon such moneys transferred will be free of the pledge for payment of the Bonds.

Prepayment Account. As soon as practicable after the receipt by the City of any Special Tax Revenues derived from prepayments of the Special Tax, the City will, from the money in the Special Tax Fund constituting such prepayments, deposit in the Prepayment Account the amount of money constituting such prepayments, and all money in the Prepayment Account will be used and withdrawn by the City for deposit in the Bond Fund to implement a mandatory redemption of Bonds in accordance with the Agreement. To implement such mandatory redemption, the City will deliver to the Fiscal Agent an Officer's Certificate which includes directions to the Fiscal Agent regarding the Bonds to be redeemed.

Surplus Account. From time to time, the City may withdraw from the Surplus Account, in the following order of priority, amounts needed to pay: (i) Administrative Expenses; (ii) any amounts required to be deposited to the Reserve Fund pursuant to the Agreement due to a downgrade of a provider of a Qualified Reserve Fund Credit Instrument; and (iii) any costs of acquisition or construction of Facilities, or for payment of any other CFD costs authorized under the Act. .

Investment. Moneys in the Special Tax Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the Special Tax Fund to be used for the purposes thereof.

Costs of Issuance Fund

Establishment of Costs of Issuance Fund. There is established under the Agreement as a separate fund to be held by the Fiscal Agent, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Costs of Issuance Fund, to the credit of which a deposit will be made as required by the Agreement. Moneys in the Costs of Issuance Fund will be held in trust by the Fiscal Agent and will be disbursed as provided in the Agreement for the payment or reimbursement of Costs of Issuance of the Bonds.

Disbursements. Amounts in the Costs of Issuance Fund will be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate of the City containing respective amounts to be paid to the designated payees and delivered to the Fiscal Agent. The Fiscal Agent will pay all Costs of Issuance of the Bonds upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate of the City requesting payment of a Cost of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date of the Bonds. The Fiscal Agent will maintain the Costs of Issuance Fund for a period of 2 months, from the Closing Date of the Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Treasurer for deposit by the Treasurer in the Special Tax Fund. Thereafter, every invoice received by the Fiscal Agent will be submitted to the Treasurer or Finance Director for payment from amounts on deposit in the Special Tax Fund.

Investment. Moneys in the Costs of Issuance Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from said investment will be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

2005 Improvement Fund

Establishment of 2005 Improvement Fund. The "Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2005 Improvement Fund" (the "2005 Improvement Fund")

was previously established pursuant to the Prior Bonds Fiscal Agent Agreement. The 2005 Improvement Fund will be transferred from the Prior Bonds Fiscal Agent to the Fiscal Agent as of the Closing Date (which fund has an approximate current balance of \$32,926.42), and the Fiscal Agent will hold the 2005 Improvement Fund as a separate fund under the Agreement. Moneys in the 2005 Improvement Fund will be held in trust and will be disbursed as provided in the Agreement. Prior to disbursement, amounts on deposit in the 2005 Improvement Fund will be subject to a lien in favor of the Owners of the Bonds.

Procedure for Disbursement. Amounts in the 2005 Improvement Fund represent a retention held back for warranty purposes from 2005 Bond proceeds. Amounts in the 2005 Improvement Fund will be applied by the Fiscal Agent as directed in one or more Officer's Certificates, each of which shall state (i) the amounts, purposes and payees of the disbursement, (ii) that the disbursement is a proper charge against the 2005 Improvement Fund and (iii) that the disbursement has not previously been paid from the 2005 Improvement Fund. Each such Officer's Certificate will be sufficient evidence to the Fiscal Agent of the facts stated therein, and the Fiscal Agent will have no duty to confirm the accuracy of such facts. Any amount remaining in the 2005 Improvement Fund after the retention period, as evidenced by an Officer's Certificate, shall be transferred to the Bond Fund, and following such transfer the 2005 Improvement Fund will be closed.

Bond Fund

Establishment of the Bond Fund. There is established under the Agreement as a separate fund to be held by the Fiscal Agent, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Bond Fund, to the credit of which deposits will be made as required by the Agreement or the Act. Moneys in the Bond Fund will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, will be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, will be subject to a lien in favor of the Owners of the Bonds.

Within the Bond Fund there is established the Prepayment Account, which will be used exclusively for the administration of any prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account will be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to the Agreement. In the event all of the Special Taxes are prepaid in full, the Prepayment Account will be closed.

Disbursements. On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, however, that if the amounts so transferred equal the amount due on the Bonds for the then-current Bond Year and if there is excess moneys in the Bond Fund, such excess will be paid to the City upon receiving a request from an Authorized Officer to do so.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent will withdraw from the Reserve Fund to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent will provide written notice to the Treasurer or Finance Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund will be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled will be added to the sinking payment to be made on the next sinking payment date.

Investment. Moneys in the Bond Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the Bond Fund to be used for the purposes of such fund.

Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent will report to the Treasurer or Finance Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent will notify the Treasurer or Finance Director in writing of such fact, and the Treasurer or Finance Director will notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under the Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Reserve Fund

Establishment of Reserve Fund. There is established as a separate fund to be held by the Fiscal Agent, the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 Reserve Fund, to the credit of which a deposit will be made as required by the Agreement and deposits will be made as provided in the Agreement. Moneys in the Reserve Fund will be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest on, the Bonds and will be subject to a lien in favor of the Owners of the Bonds.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Fund Credit Instrument, and (2) an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the Bonds to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, the Fiscal Agent will transfer such funds from the Reserve Fund to the City.

In the event the rating of the provider of a Qualified Reserve Fund Credit Instrument is reduced below a rating within the "AA" category, the City will deposit or cause to be deposited with the Fiscal Agent an amount of money, as and when available in the Surplus Account established under Section 3.03, sufficient to cause the amount in the Reserve Fund, without regard to such Qualified Reserve Fund Credit Instrument deposited therein, to equal the Reserve Requirement. Such obligation to deposit money into the Reserve Fund will be limited to moneys available within the Surplus Account.

Use of Fund. Except as otherwise provided in the Agreement, all amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency within five days prior to any Interest Payment Date in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds on such Interest Payment Date. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the Treasurer or the Finance Director.

Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent will provide written notice to the Treasurer or Finance Director of the amount of the excess and, following any transfer required for rebate purposes as described below, will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the

payment of the principal of and interest on the Bonds in accordance with the Agreement; provided, however, that to the extent that such excess results from the prepayment of Special Taxes, such amount will be transferred to the Prepayment Account and applied to the corresponding redemption of Bonds.

Transfer for Rebate Purposes. Investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the federal government to comply with rebate requirements in the Agreement.

Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and after making any transfer required for rebate purposes as described above and upon receipt of an Officer's Certificate directing it to do so, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with the Agreement, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent hereunder, to be used for any lawful purpose of the City. Notwithstanding the foregoing, no amounts will be transferred from the Reserve Fund pursuant to this section until after the calculation of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount for purposes of making such payment to the federal government, and payment of any fees and expenses due to the Fiscal Agent.

Investment. Moneys in the Reserve Fund will be invested and deposited in accordance with the Agreement. Interest earnings and profits resulting from such investment and deposit will be retained in the Reserve Fund to be used and disbursed as provided in the Agreement.

Certain Covenants of the City

Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of the Agreement and all Supplemental Agreements and of the Bonds.

Limited Obligation. The Bonds are limited obligations of the City on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund created under the Agreement.

Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest will be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded will not be entitled, in case of default under the Agreement, to the benefits of the Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which will not have been so extended or funded.

Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Agreement.

Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries will be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax

Fund and to the Special Tax Revenues. Such books of record and accounts will at all times during business hours be subject to the inspection of the Fiscal Agent and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds will be incontestable by the City.

Private Activity Bond Limitation. The City will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Federal Guarantee Prohibition. The City will not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Collection of Special Tax Revenues. The City will comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. On or within five (5) Business Days of each June 1, the Fiscal Agent will provide the Treasurer or Finance Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Treasurer or Finance Director will in no way affect the obligations of the Treasurer or Finance Director under the following two paragraphs. Upon receipt of such notice, the City will ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City will effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which County Auditor will accept the transmission of the Special Tax amounts for the parcels within the CFD for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City will prepare or cause to be prepared, and will transmit to the Treasurer or Finance Director, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City will fix and levy the amount of Special Taxes within the CFD required for the payment of principal of and interest on any outstanding Bonds of the CFD becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the rate and method of apportionment of the Special Taxes for the CFD and the Ordinance. In any event, the Special Taxes so levied will not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes will be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City will prescribe if necessary to pay the debt service on the Bonds.

No Arbitrage. The City will not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Maintenance of Tax-Exemption. The City will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Covenant to Foreclose. The City covenants with and for the benefit of the Owners of the Bonds that it will annually on or before September 1 of each year review the public records of the County of Placer relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the City determines on the basis of such review that the amount so collected is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year, it will within thirty (30) days thereafter institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in the CFD for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; provided, that if the City determines on the basis of such review that (a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in the CFD in such Fiscal Year, but that property owned by any single property owner in the CFD is delinquent by more than \$5,000 with respect to the Special Tax due and payable by such property owner in such Fiscal Year, or (b) that property owned by any single property owner in the CFD is delinquent cumulatively by more than \$3,000 with respect to the current and past Special Tax due (irrespective of the total delinquencies in the CFD) then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against each such property owner. The Treasurer or Finance Director will notify the City Attorney of any such delinquency of which it is aware, and the City Attorney will commence, or cause to be commenced, such proceedings.

Continuing Disclosure to Owners. The City covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Agreement, failure of the City to comply with the Continuing Disclosure Agreement will not be considered a default under the Agreement; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations thereunder, including seeking mandate or specific performance by court order.

No Additional Bonds. The City covenants not to issue additional Bonds payable from Special Taxes and by the Special Tax Revenues equally and ratably with Bonds previously issued, except that the City may issue bonds to refund all or part of the Bonds.

Yield of the Bonds. In determining the yield of the Bonds to comply with the Agreement, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

Investments; Disposition of Investment Proceeds

Deposit and Investment of Moneys in Funds. Subject in all respects to the rebate provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Fiscal Agent, will be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent will invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out hereunder provided, however, that any such investment will be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent will have received an Officer's Certificate specifying a specific money market fund and, if no such an Officer's Certificate is so received, the Fiscal Agent will hold such moneys uninvested. Subject in all respects to the rebate provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Treasurer or Finance Director

will be invested by the Treasurer or Finance Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent, Treasurer or Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent, the Treasurer nor the Finance Director will incur any liability for losses arising from any investments made pursuant to this section. Any losses arising from any investments made pursuant to this section will be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), will be acquired, disposed of, and valued (as of the date that valuation is required by the Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination hereunder, the Fiscal Agent will be entitled to conclusively rely on an Officer's Certificate of the City and will be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund will be valued by the City at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Treasurer hereunder, provided that the Fiscal Agent or the Treasurer, as applicable, will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Agreement.

The Fiscal Agent or the Treasurer, as applicable, will sell or present for redemption, any investment security whenever it will be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the Treasurer will be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent under the Agreement.

Rebate of Excess Investment Earnings to the United States. The City covenants to calculate and rebate to the federal government, in accordance with the Regulations, excess investment earnings to the extent required by Section 148(f) of the Code. The City will notify the Fiscal Agent of any amounts determined to be due to the federal government, and the Fiscal Agent will, upon receipt of an Officer's Certificate of the City, withdraw such amounts from the Reserve Fund pursuant to the Agreement, and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available to make such payments under the Agreement, the Fiscal Agent will notify the Treasurer or Finance Director in writing of the amount of the shortfall and the Treasurer or Finance Director will make such payment from any amounts available in the Special Tax Fund. Any fees or expenses incurred by the Fiscal Agent or the City under or pursuant to this section will be Administrative Expenses. The Fiscal Agent may rely conclusively upon the City's determinations, calculations and certifications required by this section. The Fiscal Agent will have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder.

Limited Obligation. The City's obligations under the Agreement are limited obligations of the City on behalf of the CFD and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund created thereunder.

The Fiscal Agent

Appointment, Removal and Resignation of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., at its Principal Office, is appointed Fiscal Agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in the Agreement, and no implied covenants or obligations will be read into the Agreement against the Fiscal Agent.

The City may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor will be a bank, national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000) including, for such purpose, the combined capital and surplus of any parent holding company, and subject to supervision or examination by federal or state authority.

The Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the City will promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent will become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent has been made within thirty (30) days after the Fiscal Agent has given to the City written notice or after a vacancy in the office of the Fiscal Agent will have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Liability of Fiscal Agent. The recitals of facts, covenants and agreements in the Agreement and in the Bonds contained will be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Agreement or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent will not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

Modification or Amendment of Agreement

The Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Agreement. No such modification or amendment will (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Agreement), or reduce the percentage of Bonds required for the amendment of the Agreement. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

The Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in the Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power in the Agreement reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Agreement, or in regard to questions arising under the Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which will not adversely affect the rights of the Owners of the Bonds; and

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required, will be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request will not affect the validity of the Supplemental Agreement when assented to as in the Agreement.

If consent of the Owners is required, such Supplemental Agreement will not become effective unless there will be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Agreement) and a notice will have been mailed as provided in the Agreement. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by the Agreement. Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice provided for under the Agreement has been mailed.

Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to the Agreement, the Agreement will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Agreement of the City and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement will be deemed to be part of the terms and conditions of the Agreement for any and all purposes.

Discharge of Agreement

If the City has paid and discharged the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in the Agreement, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City will determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in the Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as in the Agreement provided or provision satisfactory to the Fiscal Agent has been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds will not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in the Agreement and all other obligations of the City under the Agreement with respect to such Bonds Outstanding will cease and terminate, except only the obligations of the City with respect to maintenance of the tax exemption of the Bonds and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent; and thereafter Special Taxes will not be payable to the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, will be paid over to the City.

Miscellaneous

Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument, which the Agreement may require or permit to be executed by Owners, may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing. Except as otherwise expressly provided in the Agreement, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Except as otherwise expressly provided in the Agreement, the ownership of registered Bonds and the amount, maturity, number and date of holding the same will be proved by the registry books. Any request, consent, declaration or other instrument or writing of the Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in good faith and in accordance therewith.

Waiver of Personal Liability. No member, officer, agent or employee of the City will be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Unclaimed Moneys. Anything contained in the Agreement to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, will be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent will thereupon be released and discharged with respect thereto and

the Bond Owners will look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Conclusive Evidence of Regularity. Bonds issued pursuant to the Agreement will constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest will accrue for the period from and after such date.

APPENDIX D
APPRAISAL

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Appraisal Report

Westpark Community Facilities
District No. 1 (*portion of*)
Roseville, California 95747



Date of Report: July 15, 2015

Prepared For:

Mr. Monty Hanks - Finance Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

Prepared By:

Kevin K. Ziegenmeyer, MAI
Lance C. Jordan, MAI
Justin E. Kobilis, Appraiser



July 15, 2015

Mr. Monty Hanks, Finance Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

**RE: Westpark Community Facilities District No. 1 (*portion of*)
Roseville, California 95747**

Dear Mr. Hanks:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has prepared an appraisal of certain undeveloped properties within the boundaries of the Westpark Community Facilities District No. 1 (the “CFD”), under the assumptions and limiting conditions contained in this report.

The attached Appraisal Report was prepared in compliance with the reporting requirements set forth under Standards Rule 2-2(a) of the 2014/15 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004).

The subject property comprises the properties within the CFD without property tax assessments for vertical improvements. The appraisers identified the subject using documentation provided by Willdan Financial Services. This documentation is included in the Appendix to this report and is assumed to be correct. Further, it is noted that any properties not subject to the lien of the Special Tax securing the CFD Bonds are also not part of the subject property.

The CFD is located within the northwest portion of the city of Roseville, Placer County, California, in the city’s primary area of future growth. In general, the subject property is situated west of Fiddymment Road, north of Pleasant Grove Boulevard and south of Blue Oaks Boulevard. At groundbreaking, the CFD was planned for four phases, with the construction fund proceeds provided through the Bond issuance used for improvements to Fiddymment Road, Del Webb Boulevard, Pleasant Grove Boulevard, Village Green Drive, Bob Doyle Drive, Phillip Road, Upland Drive, West Side Drive, Market Street and other public roads. These improvements include, but are not limited to, drainage, water, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals, transportation, wastewater and solid waste treatment, parks, open space, utilities, and other miscellaneous improvements.

As a result of our analysis, our opinion of market value, by ownership and aggregate (or cumulative value) of the appraised properties, in accordance with the general and extraordinary assumptions and limiting conditions set forth herein, as of May 29, 2015, is provided at the top of the following page.

Ownership	Description	Value by Ownership
Lennar	376 Improved Lots* & 236 Paper Lots	\$ 45,440,000
KB Home	134 Improved Lots & 175 Paper Lots	\$ 26,200,000
Meritage Homes	224 Improved Lots* & 250 Paper Lots	\$ 42,570,000
Pulte Homes, Inc.	279 Improved Lots*, 142 Paper Lots, (2) Commercial Sites & (1) Multifamily Site	\$ 39,740,000
West Roseville, LLC	(1) Multifamily Site	\$ -
Individual Owners	22 Improved Lots*	\$ 2,630,000
Aggregate Value		\$ 156,580,000

* Includes some completed homes and/or model homes and/or homes under construction

Please note the aggregate value noted in the table above *is not* the market value of the subject property in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this report, market value is estimated by ownership. The estimates of market value account for the impact of the lien of the Special Taxes securing the Bonds.

The estimate of aggregate value above represents a “not-less-than” value due to the fact numerous lots are improved with completed homes, model homes and homes under construction. As requested, our valuation does not capture any increment of value associated with vertical improvements.

The estimates of market value provided assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimates are also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller acting prudently, knowledgeably, for their own self-interest and assuming neither is under duress.

We hereby certify the property has been inspected and have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the property. This letter must remain attached to the report, which contains 139 pages, plus related exhibits and Appendix, in order for the value opinions set forth herein to be considered valid.

Mr. Monty Hanks
July 15, 2015
Page 3

The subject property does not have any significant natural, cultural, recreational or scientific value. The appraisers certify this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

This appraisal has been performed in accordance with the requirements of USPAP, the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Standards for Land Secured Financing, published by the California Debt and Investment Advisory Commission (2004). Additionally, this valuation is offered in accordance with the limiting conditions, assumptions and significant factors set forth in this report.

Thank you for the opportunity to work with your office on this assignment.

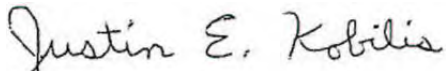
Respectfully submitted,



Kevin K. Ziegenmeyer, MAI
State Certification No.: AG013567
Expiration Date: June 4, 2017



Lance C. Jordan, MAI
State Certification No.: AG012709
Expiration Date: January 8, 2016



Justin E. Kobilis, Appraiser
State Certification No. AG044370
Expires: June 16, 2017

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property:	The appraised property comprises certain land areas within the boundaries of Westpark Community Facilities District No. 1. Tables identifying the subject property are contained within the <i>Property Description and History</i> section of this report.
Location:	In general, the subject property is contained within the boundaries identified as follows: west of Fiddymont Road, north of Pleasant Grove Boulevard and south of Blue Oaks Boulevard, within the city of Roseville, Placer County, California 95747.
Assessor Parcel Numbers:	Assessor's parcel numbers are included, by property ownership group, within the <i>Property Description and History</i> section of this report.
Owners of Record:	Lennar Corporation, KB Home, Meritage Homes Corporation, Pulte Home, Inc., West Roseville, LLC and 22 individual homeowners.
Land Area:	The subject property encompasses approximately 1,035 improved lots (of which there are numerous lots improved with completed and partially completed homes), 803 paper lots (540 of which have rough cut roads), 20.12± acres of multifamily land with affordable housing requirements (420 units total) and 13.80± acres of commercial land.
Zoning:	R1/DS – single family residential with development standard overlay RS/DS – small lot residential with development standard overlay R3 – multiple family housing CC – community commercial
Flood Zone:	Flood Zone X – Areas outside of the 100 and 500-year floodplains. Flood insurance is not required.
Earthquake Zone:	Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)
Entitlements:	Current entitlements for the subject property are summarized in the table at the top of the following page.

Entitlements (continued):

Subject Property Land Uses	Acres	No. of Units
Improved Lots (single family)*	n/a	1,035
Unimproved/Paper Lots (single family)	n/a	803
Multifamily	20.12	
Commercial	13.80	
TOTAL	33.92	1,838

It should be noted that some properties without vertical improvements are excluded from the table above. These properties include those not subject to the lien of the Special Tax securing the Bonds (public and quasi-public land uses and the industrial-use sites).

Lot Sizing:

The typical lot size of the subject's single-family lots range from 2,750 to 7,700 square feet.

Highest and Best Use:

Near term single-family residential development and an interim hold until demand warrants construction on the multifamily and commercial parcels.

Property Rights Appraised:

Fee simple estate

Date of Inspection:

May 29, 2015

Effective Date of Value:

May 29, 2015

Date of Report:

July 15, 2015

Exposure Time:

12 months

Conclusions of Value:

Value conclusions are summarized in the table at the top of the following page.

Conclusions of Value (continued):

Ownership	Description	Value by Ownership
Lennar	376 Improved Lots* & 236 Paper Lots	\$ 45,440,000
KB Home	134 Improved Lots & 175 Paper Lots	\$ 26,200,000
Meritage Homes	224 Improved Lots* & 250 Paper Lots	\$ 42,570,000
Pulte Homes, Inc.	279 Improved Lots*, 142 Paper Lots, (2) Commercial Sites & (1) Multifamily Site	\$ 39,740,000
West Roseville, LLC	(1) Multifamily Site	\$ -
Individual Owners	22 Improved Lots*	\$ 2,630,000
Aggregate Value		\$ 156,580,000

* Includes some completed homes and/or model homes and/or homes under construction

Note: *The estimate of aggregate value above represents a “not-less-than” value due to the fact a number of the lots are improved with completed homes, model homes and homes under construction. As requested, our valuation does not capture any increment of value associated with vertical improvements.*

The market value conclusions noted above are subject to the Extraordinary Assumptions and Significant Factors, as well as the General Assumptions and Limiting Conditions referenced on pages 8 through 10 of this report. No Hypothetical Conditions were part of this valuation analysis.

CLIENT, INTENDED USER AND INTENDED USE

The client and intended user of this Appraisal Report is the City of Roseville. The Appraisal Report is intended for use as an aid in bond underwriting. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this Appraisal Report for inclusion in the Preliminary Official Statement (POS) and Official Statement (OS) for the express purpose of marketing the Bonds.

APPRAISAL REPORT FORMAT

This document is an Appraisal Report, intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the 2014-15 edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

TYPE AND DEFINITION OF VALUE

The purpose this appraisal is to estimate the market value (fee simple estate) of the appraised property, by ownership and aggregate, or cumulative value of the appraised property, as of the date of inspection (May 29, 2015). Market value and aggregate value are defined as follows:

Market Value: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ Code of Federal Regulations, Title 12, Section 34.42 (55 Federal Register 34696, Aug. 24, 1990; as amended at 57 Federal Register 12202, Apr. 9, 1992; 59 Federal Register 29499, June 7, 1994).

Aggregate Value: The sum of separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simple the total of multiple market value conclusions²

PROPERTY RIGHTS APPRAISED

The market values estimated herein are for the fee simple estate, defined as follows:

Fee Simple Estate: absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

DATES OF INSPECTION, VALUE AND REPORT

An inspection of the subject property was completed on May 29, 2015, which represents the effective date of market value. This Appraisal Report was completed and assembled on July 15, 2015.

SCOPE OF WORK

This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an “appraisal assignment,” as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions, or conclusion be that of a disinterested third party.

Several legal and physical aspects of the subject property were researched and documented. A physical inspection of the property was completed and serves as the basis for the site description contained in this report. Interviews were conducted with Mr. John Tallman, representing West Roseville, LLC (master developer), who provided project maps and a status update on the overall project. Documentation identifying the subject parcels by Assessor’s parcel number (APN) and owner was provided by Willdan Financial Services for use in the appraisal. This documentation is included within the Appendix to this report. The sales history was verified by consulting public records. Zoning and entitlement information was collected from the City of Roseville Planning Department. The subject’s earthquake zones, flood zones and utilities were obtained from the respective agencies, and property tax information was obtained from the County of Placer Assessor’s Office on-line resources.

² The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 6.

³ The Dictionary of Real Estate Appraisal, 78.

Data relating to the subject's neighborhood and surrounding market area were analyzed and documented. This information was obtained through personal inspections of portions of the neighborhood and market area; newspaper articles; real estate conferences; and interviews with various market participants, including property owners, property managers, land brokers, developers and local government agencies.

In this appraisal we determined the highest and best use of the subject property as though vacant based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). As will be shown in the *Highest and Best Use Analysis* section, the highest and best use of the subject property is for near term single-family residential development (production homes), with an interim hold for development of the subject's commercial and multifamily parcels (affordable housing restrictions apply).

In the valuation of the subject lots we utilized the sales comparison approach and extraction technique to estimate the market value of the large lot category ($\geq 4,500$ SF). In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value for this benchmark lot category was concluded. Then, as a support of reasonableness, we utilized an extraction analysis, which was reconciled with the sales comparison approach conclusion. For the subject's small lot category ($< 4,500$ SF), we used the extraction technique as the sole basis in estimating the value of the subject's smaller lots. We also used the extraction technique to estimate the lot value for the subject's nine single-family lots with an affordable housing requirement. Next, adjustments were applied to determine values for each residential lot category (by ownership). The sales comparison approach was also utilized to determine the value of the subject's commercial land component. We considered using this approach to value the subject's two multifamily sites. However, given the substantial affordable housing requirement on these two parcels, it is our opinion these sites currently possess no value. Lastly, we estimated the bulk market value of the holdings of each ownership group for the purpose of arriving at the aggregate value of the subject property. To estimate the market value of the properties held by 22 individual owners and the multifamily site held by Westpark, LLC, no discounts were applied. For the four major ownerships possessing a significant number of residential lots and other land, the subdivision development method (or discounted cash flow analysis) was used to determine these bulk market values. Then, the bulk market values were summed to provide an estimate of the aggregate value of the subject property.

Our analysis excluded a typical income capitalization approach, since the subject land uses represent vacant land with limited extended income potential.

The individuals involved in the preparation of this appraisal include Kevin K. Ziegenmeyer, MAI, Lance Jordan, MAI and Justin Kobilis, Appraiser. Messrs. Jordan and Kobilis assisted in 1) inspecting the subject property, 2) reviewing the subject property information provided by the master developer, 3) the collection and confirmation of market data, 4) the analysis of the market data and 5) preparing the draft report. Mr. Ziegenmeyer 1) inspected the subject property, 2) reviewed the subject property information provided by the owner/developer, 3) reviewed Messrs. Jordan Kobilis' research, 4) provided professional input and direction, 5) made any necessary revisions and/or amplifications to the draft report and 6) completed the final report.

EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL CONDITIONS
AND SIGNIFICANT FACTORS

It is noted the use of an extraordinary assumption or hypothetical condition may have affected the results of the appraisal.

Extraordinary Assumptions

1. The Master Developer reported the remaining backbone infrastructure costs are approximately \$6,000,000. This remaining work is to be completed within the next six months with the cost shared by two of the subject property owners (Pulte Homes and Lennar Corporation). The reported cost sharing structure indicates Pulte is responsible for 68% of the costs and Lennar is responsible for 32%. The \$6,000,000 in remaining costs will be divided as noted above and applied to the lots held by each of these ownership entities (Pulte - 421 lots @ \$9,691 per lot and Lennar – 612 lots @ \$3,137 per lot).

Hypothetical Conditions

None

Significant Factors

1. It is presumed there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit development of the subject properties. If, at some future date, items are discovered that are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion of value stated herein.
2. This report utilizes lot sizes and configurations as reflected by a combination of maps (Assessor parcel maps and project maps provided by the Master Developer representative and City of Roseville staff).
3. The aggregate value presented herein is not the market value in bulk of the entire subject property. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is “the total of multiple market value conclusions.” For purpose of this report, market value has been estimated by the individual ownerships only.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No responsibility is assumed for matters of law or legal interpretation.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.
5. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
6. It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
7. It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
8. It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
9. It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.
10. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics,

the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.

12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
13. Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers • Jordan • Ziegenmeyer.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers • Jordan • Ziegenmeyer. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this document to aid in bond underwriting and in the issuance of Bonds.
15. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.
16. An inspection of the subject properties revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed typical easements do not have an impact on the opinion (s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion (s) of value.
17. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser. Seevers • Jordan • Ziegenmeyer authorizes the reproduction of this document to aid in bond underwriting and in the issuance of Bonds.

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made an inspection of the property that is the subject of this report.
- Lance Jordan, MAI and Justin Kobilis, Appraiser, provided significant real property appraisal assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Appendix to this report for additional information.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute.



Kevin K. Ziegenmeyer, MAI
State Certification No.: AG013567 (Expires June 4, 2017)

July 15, 2015

DATE

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made an inspection of the property that is the subject of this report.
- Justin Kobilis, Appraiser, provided significant real property appraisal assistance to the person signing this certification. Kevin Ziegenmeyer, MAI reviewed this report.
- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Appendix to this report for additional information.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute.



Lance Jordan, MAI
State Certification No.: AG012709 (Expires January 8, 2016)

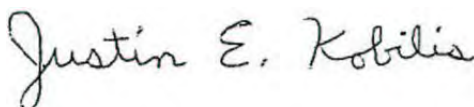
July 15, 2015

DATE

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- I have made an inspection of the property that is the subject of this report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment. Please see the Qualifications of Appraiser(s) portion of the Appendix to this report for additional information.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



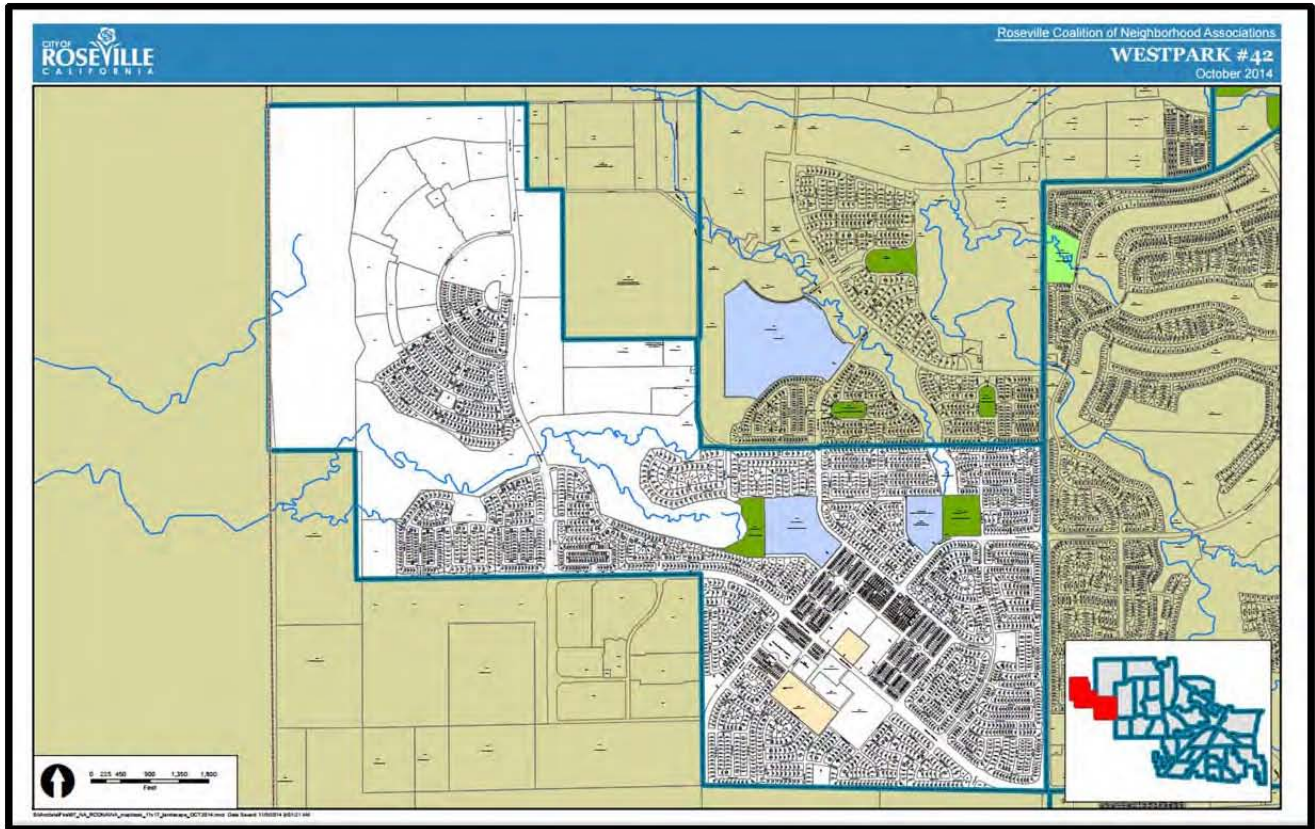
Justin E. Kobilis, Appraiser
State Certification No.: AG044370 (June 16, 2017)

July 15, 2015

DATE

PROPERTY OWNERSHIP AND HISTORY

Westpark Map (subject is a portion of)



Source: Google Maps, boundaries are approximate

Introduction

The Westpark Community Facilities District No. 1 encompasses the Westpark master planned community in the northwestern portion of the city of Roseville, Placer County, California. In total, Westpark will consist of approximately 928.5 acres of land that at build out will contain just over 3,500 single-family residential homes, three multifamily sites containing a substantial affordable component, three commercial sites, several industrial sites, open space and recreational areas, as well as public facilities. It should be noted that one of the commercial sites, all of the industrial land and the public use land areas are not subject to the Special Tax lien securing the CFD Bonds and are therefore not part of the subject property.

Development of Westpark has been underway since 2006 and significant portions of the CFD are complete. The subject property is a portion of the Westpark CFD identified below.

Subject Property Land Uses	Acres	No. of Units
Improved Lots (single family)*	n/a	1,035
Unimproved/Paper Lots (single family)	n/a	803
Multifamily	20.12	
Commercial	13.80	
TOTAL	33.92	1,838

The subject property is divided into six ownership groups, the holdings of which are summarized in the following tables:

WEST ROSEVILLE, LLC					
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Lot Size (SF)
W-16A	HDR (affordable - multi-family)	250	496-010-001	Unimproved	12.20± acres

INDIVIDUAL OWNERS					
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-1A	LDR (age restricted)	1	490-160-019	1 completed home	4,500
W-2A	LDR (age restricted)	11	490-290-012, 024, 025, 041, 045, 046, 051, 056, 059, 060, 074	11 completed homes	4,500
W-2B	LDR (age restricted)	8	490-290-034, 054, 062, 063, 070, 071, 072, 076	8 completed homes	4,500
W-25B	HDR	2	490-300-070 & 071	2 completed homes	2,750

MERITAGE HOMES CORPORATION					
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-18D	LDR	92	496-020-016	Paper Lots**	6,825
W-17B	LDR	56	496-030-007*	Paper Lots	6,300
W-15B	LDR	72	496-050-001 thru 072	Improved Lots	3,600
W-15C	LDR	69	496-050-073 thru 077 & 496-010-010*	Improved Lots	6,300
W-15A	LDR	83	496-040-001 thru 083	Improved Lots	5,500
W-18C	LDR	102	496-020-025	Paper Lots**	6,300
<u>Ownership Summary</u>					
Improved Lots		224			
Paper Lots		<u>250</u>			
Total		474			

* Larger parcel / APNs not assigned

** Rough cut roads

LENNAR CORPORATION

Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-24	MDR	122	017-150-057	Map submitted	3,780
W-26	HDR	99	490-372-001*	Improved Lots	3,200
W-26	HDR	66	490-371-001 thru 066	Improved Lots	3,200
W-25A	HDR	44	490-300-010 thru 053	Improved Lots	2,600
W-25B	HDR	12	490-300-068, 069 & 072 thru 081	Improved Lots	2,600
W-18A	LDR	86	496-020-027	Paper Lots**	5,775
W-17A	LDR	66	496-020-019*	Improved Lots	5,775
W-18F	LDR	19	496-020-023*	Improved Lots	6,825
W-18E	LDR	28	496-020-017*	Paper Lots**	7,700
W-18E	LDR	24	496-020-017*	Improved Lots	7,700
W-17E	LDR	41	496-020-018*	Improved Lots	7,700
W-22	MDR	5	490-258-006 thru -008; - 011, 012	Improved Lots	3,780

Ownership Summary

Improved Lots	376
Paper Lots	<u>236</u>
Total	612

* Larger parcel / APNs not assigned

** Rough cut roads

PULTE HOMES, Inc.

Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)
W-32	CC	1	017-150-074	Improved commercial lot	6.80± acres
W-33	CC	1	017-150-076	Improved commercial lot	7.00± acres
W-19A	LDR	109	496-020-027*	Improved Lots	4,725
W-19B	LDR	85	496-020-028	Paper Lots	4,725
W-17C	LDR	69	496-020-021*	Improved Lots	6,300
W-17D	LDR	53	496-030-006*	Improved Lots	6,825
W-2A	LDR (age restricted)	25	490-290-004 thru 010, 037, 040, 042, 043, 044, 047, 048, 049, 050, 052 053, 055, 057, 058 065, 073, 075, 077	Improved Lots	4,500
W-1A	LDR (age restricted)	18	490-130-001 thru 004, 490-160-015 thru 018, 020, 021, 060 thru 064 and 490-170-002, 019, 020	Improved Lots	4,500
W-1B	LDR (age restricted)	5	490-130-005, 490-160-013, 014 490-170-018, 021	Improved Lots	4,500
W-18B	LDR	57	496-020-015	Paper Lots**	6,300
W-27	HDR (affordable - multi-family)	170	496-020-014	Unimproved	7.92± acres

Ownership Summary

Improved Lots	279
Paper Lots	<u>142</u>
Total	421
Two Commercial Sites	13.80± acres
One Multi-Family Site	7.92± acres

* Larger parcel / APNs not assigned

** Rough cut roads

KB HOME						
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Typical Lot Size (SF)	
W-13D	LDR	88	496-010-002	Paper Lots**	4,275	
W-13A	LDR	74	496-010-014*	Improved Lots	5,000	
W-13C	LDR	87	496-010-012	Paper Lots**	6,825	
W-13B	LDR	60	496-060-001 thru 60	Improved Lots	6,000	
<u>Ownership Summary</u>						
Improved Lots		134				
Paper Lots		<u>175</u>				
Total		309				

* Larger parcel / APNs not assigned

** Rough cut roads

Three-year Sales History

On May 10, 2013, Meritage Homes acquired 224 unimproved lots (W-15A through C) from a developer/investor identified as WP3 Capital Partners. The price paid was \$20,000,000 (\$89,286 per lot). The terms of the transaction were all cash to the seller. In addition to the purchase price above the buyer paid a commission to a local land broker. Reportedly the offsite obligation associated with these lots was significant at approximately \$25,000 per lot. Since acquiring the property, Meritage Homes completed the in-tract site work and the lots are now all improved. Due primarily to changes in market conditions over the past 1 ½ years, this prior transfer is not considered representative of current market value for this portion of the subject property.

KB Home acquired all of their subject property holdings (W-13 A through D) in one transaction, which closed on May 17, 2013. The seller was also WP3 Capital Partners. At the time of sale, all of the 309 lots purchased were unimproved. Since the acquisition, 134 of the lots have been improved (W-13A and W-13B). The sale price was \$34,000,000 (\$110,032 per lot) and the terms of the transaction were all cash to the seller. In contrast to the Meritage transaction above, the offsite costs associated with these lots was reportedly about \$5,000 per lot. Due primarily to changes in market conditions over the past 1 ½ years, this prior transfer is not considered representative of current market value for this portion of the subject property.

Meritage Homes acquired 169 lots (Villages 17B, 18C portion, and 18D – Westpark Phase 4) from Pulte for \$20,280,000, or \$120,000 per lot on September 4, 2013. The terms of the transaction were all cash to the seller with the seller responsible for the cost of remaining backbone infrastructure. This transaction is the resale of the 169 largest lots of Pulte's same day purchase of 603 paper lots, described below. For the reasons cited and due to changes in market conditions over the past 1 ½ years, these transfers are not considered representative of current market value for this portion of the subject property.

On September 4, 2013, Pulte and Lennar acquired 485.33 gross acres of the subject (W-17A through E, W-18A through F, and W-19 A & B) proposed for 887 MDR and LDR lots and 170 HDR units from West Roseville, LLC. Pulte purchased 68% of the lots with Lennar acquiring 32%. The sale price was \$50,059,373 (\$45,000,000 plus reimbursement of \$5,059,373 in credits), or \$47,360 per residential unit (\$56,437 for MDR & LDR lots). The terms of the transaction were all cash to the seller with construction of the backbone infrastructure the obligation of the buyers. Pulte and Lennar have improved a portion of the lots and constructed models and commenced with construction and sales of new homes. This transaction is the result of exercising a First Right of Refusal obtained when previously transferring these properties to the current seller. For the reasons cited and due to changes in market conditions over the past 1 ½ years, these transfers are not considered representative of current market value for this portion of the subject property.

The Westpark MDR Site (W-24) transferred from Centex (Pulte) to Lennar in March 2015. The property was listed for sale at an asking price of \$4,000,000 and transacted at \$2,250,000 (March 25, 2015). The broker for this transaction reports the seller was motivated to eliminate this asset from their books and this motivation impacted the purchase price. Since the acquisition Lennar has completed engineering and all other work necessary to submit for tentative map approval for detached single family development (similar to Lennar's small product line at the Taylor Crossing project). Based on the analysis presented later in this report, this parcel's current market value is deemed higher than this prior transfer, due primarily to the reported seller motivation and the work completed by the buyer and their efforts in obtaining tentative map approval in the near term.

Besides the bulk transactions and individual home sales, which continue to occur on a regular basis throughout the subject property, there have been no other transfers of the subject property within three years prior to the date of value. To the best of our knowledge, the subject property (excluding existing homes) are not being marketed for sale. However, certain completed homes may be currently listed for sale or in the process of being (re)sold.

Subject Property – Strengths, Weaknesses, Opportunities, Threats

Strengths:

- Desirable regional location (South Placer County)
- Appeal to both first time and move-up buyers
- Good condition of surrounding homes and immediate path of growth
- Backbone infrastructure and in-tract development are substantially complete
- Good transportation linkages with proximity to State Highway 65 and Interstate 80

Weaknesses:

- The housing market is still in a state of recovery, which could impact pricing in the near term
- Site development is not 100% complete
- With a large number of lots (1,838), sell-out is anticipated to take several years

Opportunities:

- Strengthening residential sector may be a signal the local economy is entering an expansionary cycle

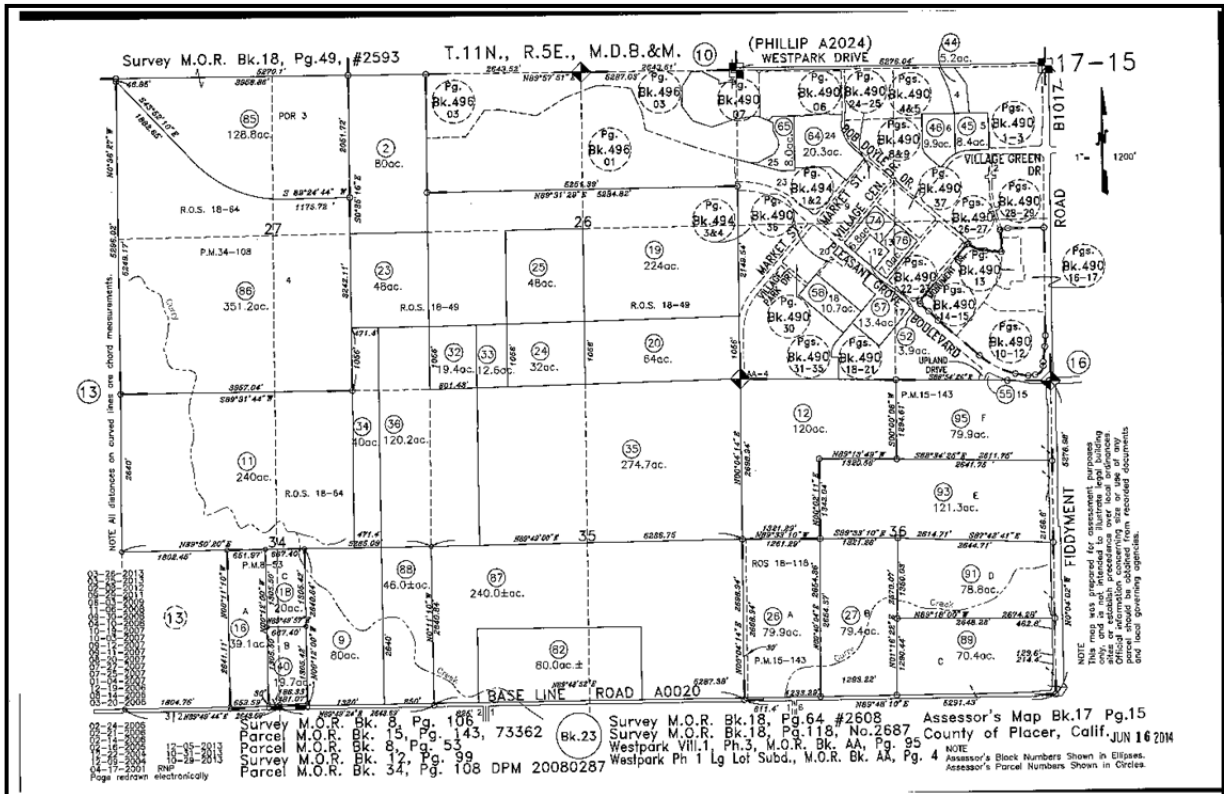
Threats:

- Macroeconomic factors, and the possibility the economy remains stagnant and the residential sector loses steam
- Unforeseen delays

PROPERTY LEGAL DATA

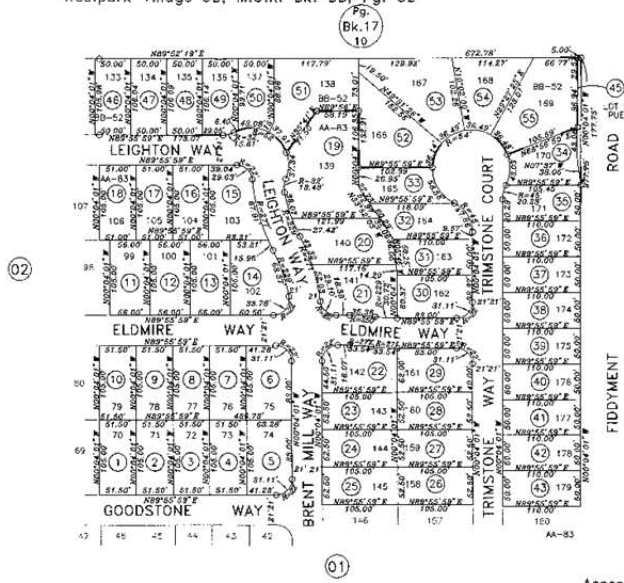
Assessor's Parcel Number(s)

The subject property parcel numbers were presented, by ownership group, in the tables on pages 15 through 19. Parcel maps covering the subject property are presented below and on the following pages. The parcel maps presented below are the most current available and do not reflect recently recorded maps.



POR. SEC.25, T.11N., R.5E., M.D.B.&M.
 Westpark Phase 1 Large Lot Subd. Bk. AA, Pg. 4
 Westpark Village 3A, M.O.R. Bk. AA, Pg. 83
 Westpark Village 3B, M.O.R. Bk. BB, Pg. 52

490-03



Pg. 17
18

Assessor's Map Bk.490Pg.03
 County of Placer, Calif.
 APR 10 2009

04-23-2007
 02-09-2006 RNP/GHM
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 Formerly Por. 017-150-043-000

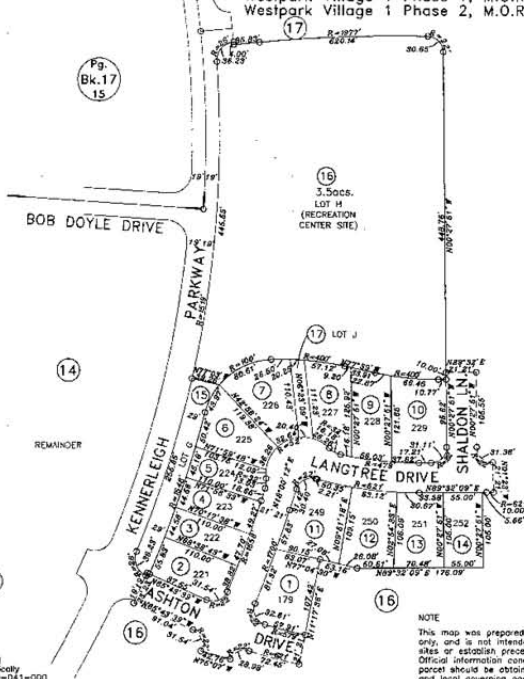
NOTE
 All distances on curved lines are chord measurements.

NOTE
 This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

NOTE
 Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.

POR. SEC.25, T.11N., R.5E., M.D.B.&M.
 Westpark Village 1 Phase 1, M.O.R. Bk.AA, Pg.93
 Westpark Village 1 Phase 2, M.O.R. Bk.AA, Pg.94

490-13



Assessor's Map Bk.490Pg.13
 County of Placer, Calif.

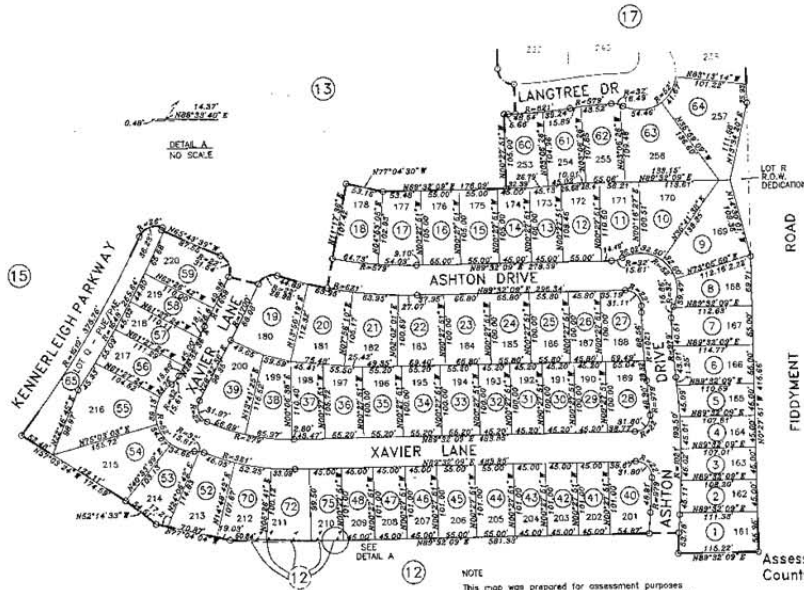
08-14-2006 RNP/GHM
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 Formerly Por. 017-150-041-000

NOTE
 This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

NOTE
 Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.

POR. SEC. 25, T.11N., R.5E., M.D.B.&M.
 Westpark Village - Phase 3, M.O.R. Bk. AA, Pg. 95
 Westpark Village 1 - Phase 4, M.O.R. Bk. BB, Pg. 10

490-16



09-02-2011
 09-31-2011
 12-13-2010
 12-10-2010
 12-19-2008 CHM
 Page Redrawn Electronically
 Formerly Por. 017-150-073-000

NOTE
 1. All distances on curved lines are chord measurements.
 2. PUE/PAC - Public Utility Easement/Public Access Easement

NOTE
 This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

Assessor's Map Bk.490Pg.16
 County of Placer, Calif.
 DEC 1 3 2011

POR. SEC. 25, T.11N., R.5E., M.D.B.&M.
 Westpark Village - Phase 3, M.O.R. Bk. AA, Pg. 95
 Westpark Village 1 - Phase 4, M.O.R. Bk. BB, Pg. 10

490-17



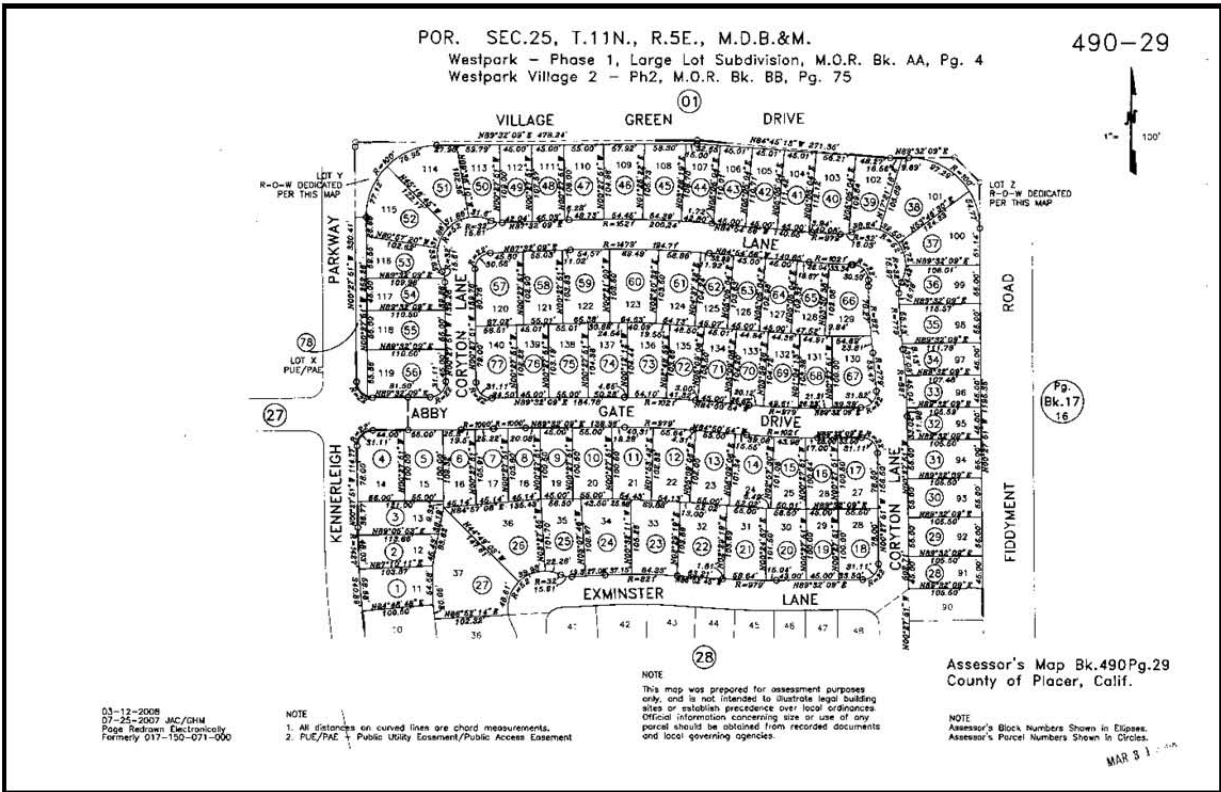
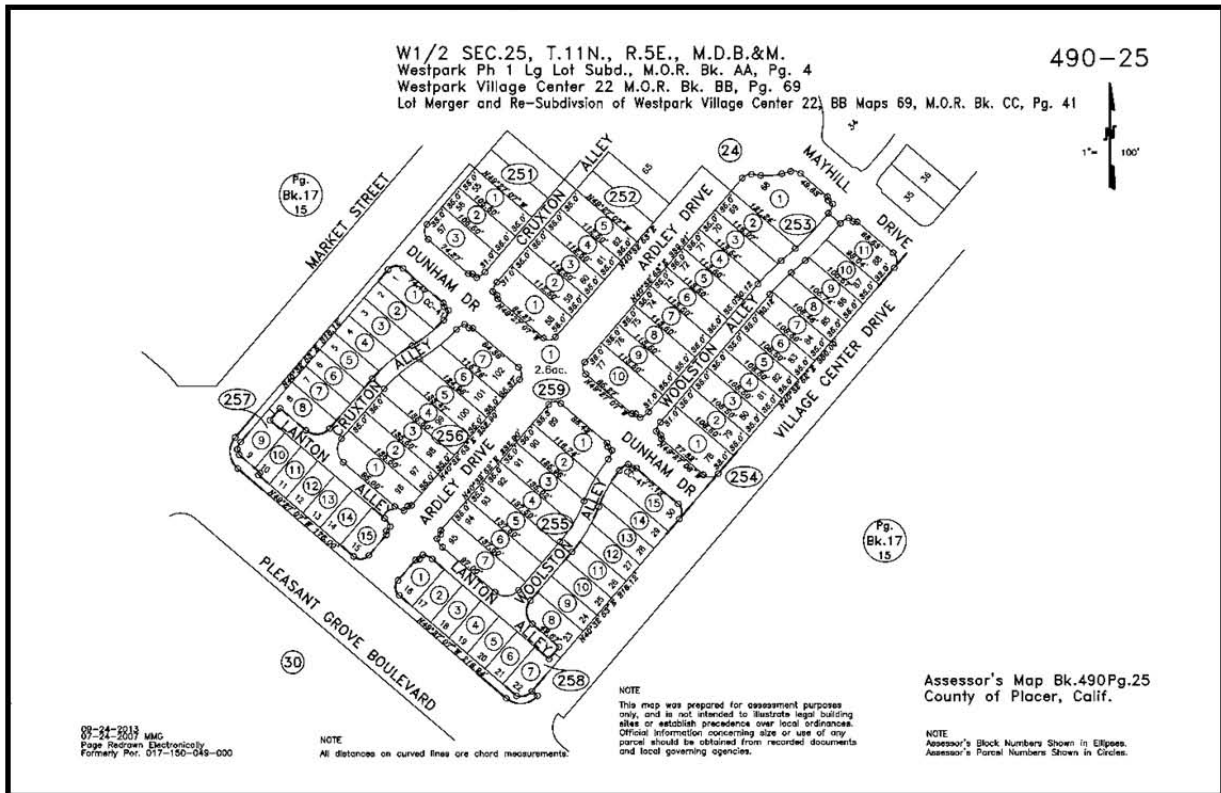
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 12-19-2008 CHM
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 Formerly Por. 017-150-073-000

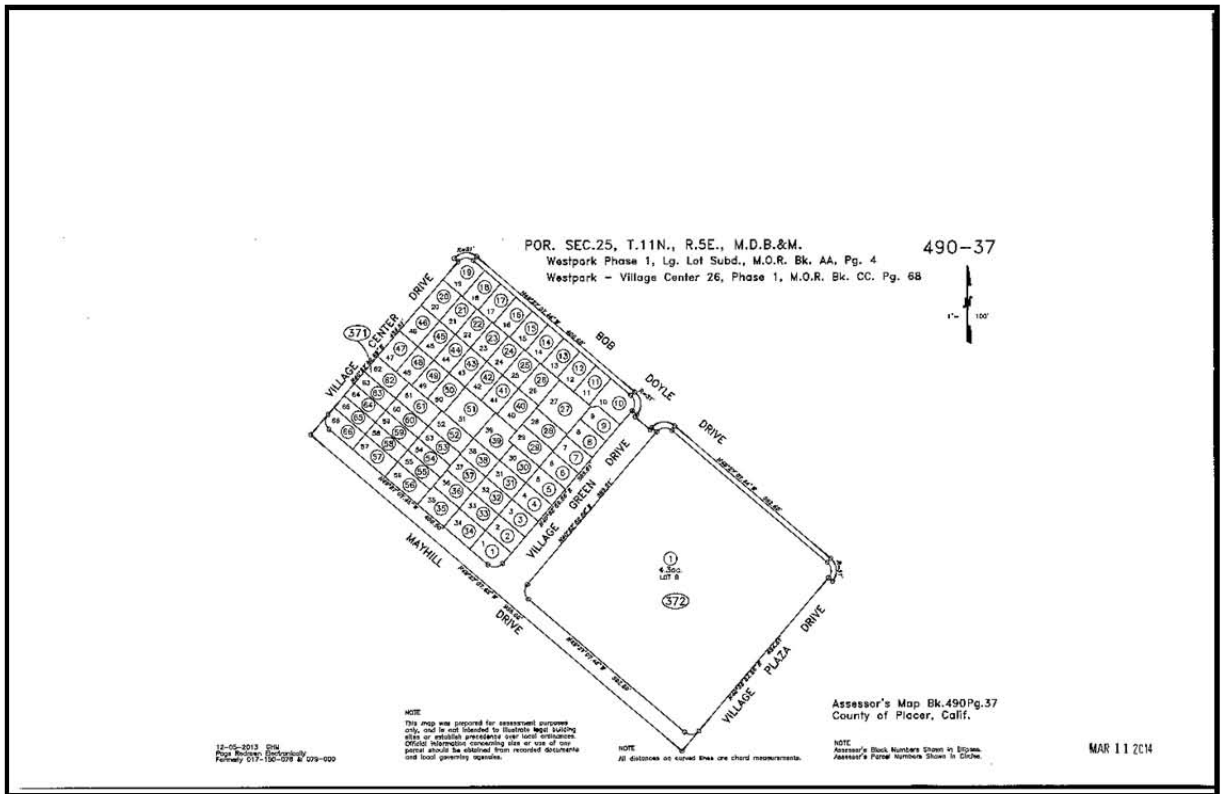
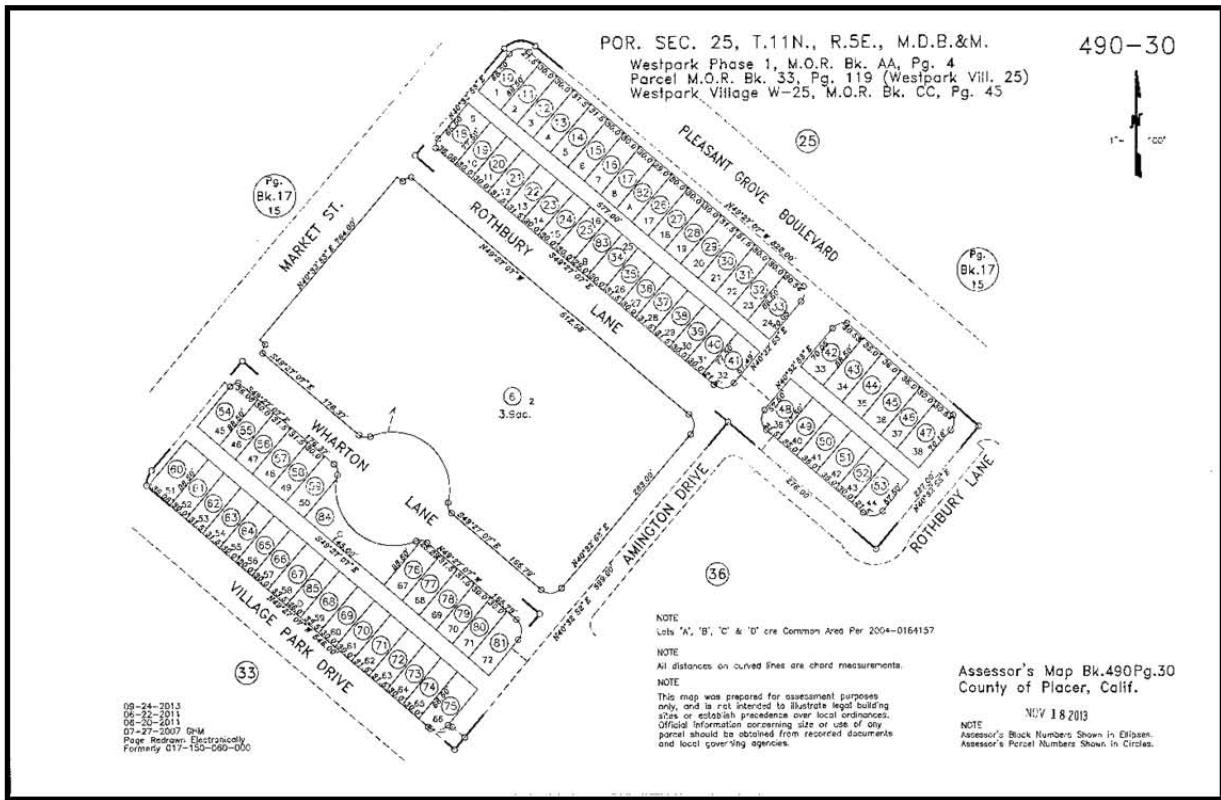
NOTE
 All distances on curved lines are chord measurements.

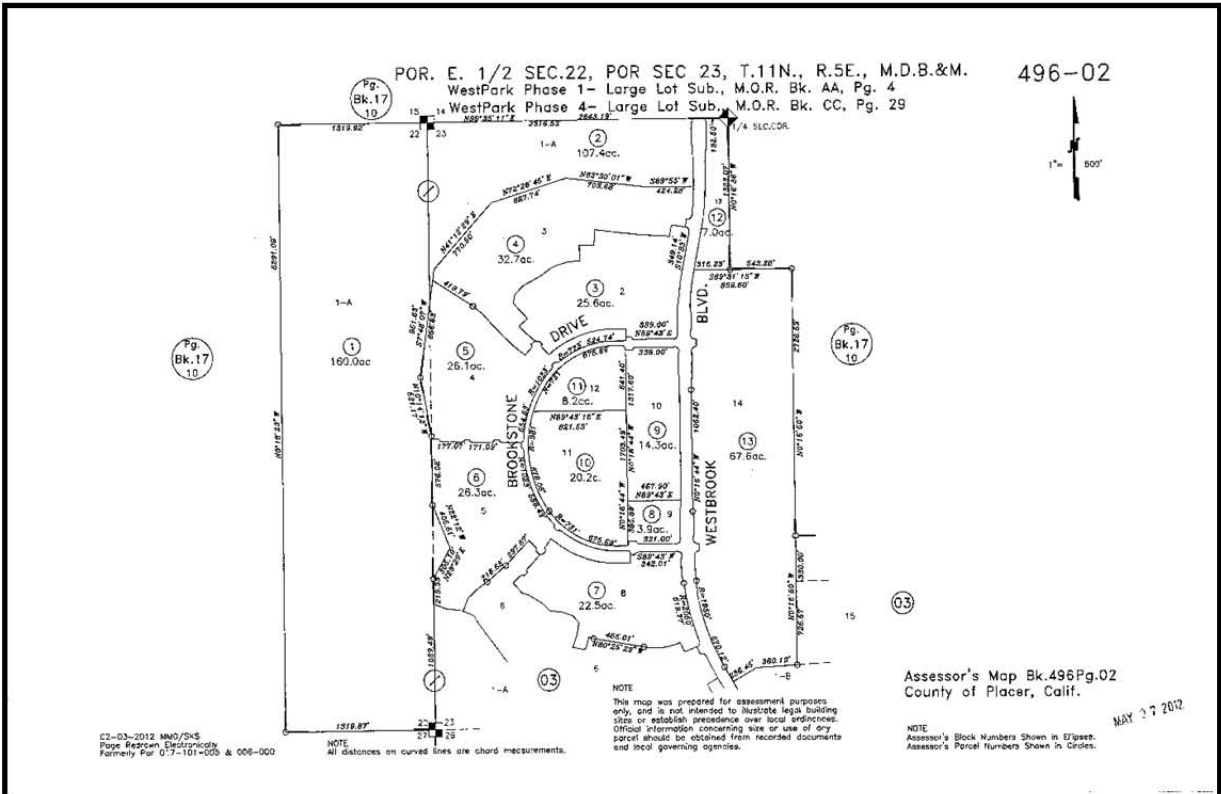
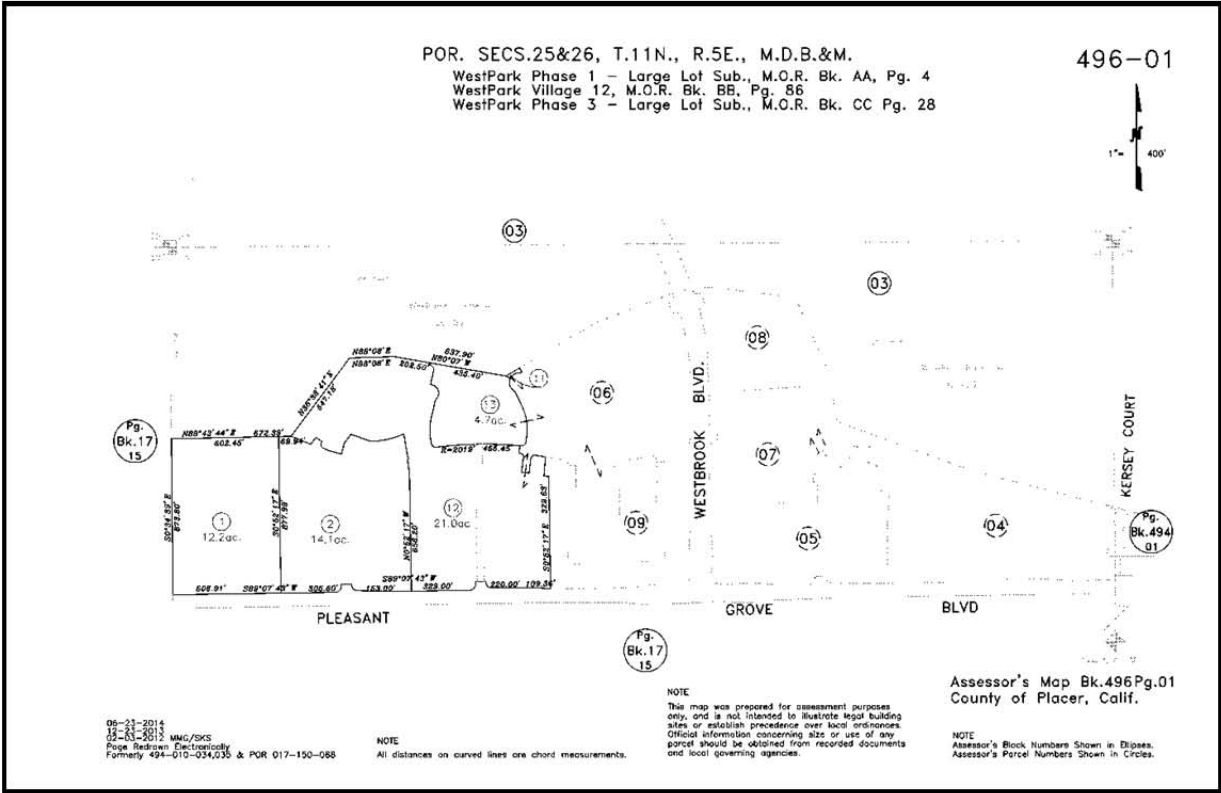
NOTE
 This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

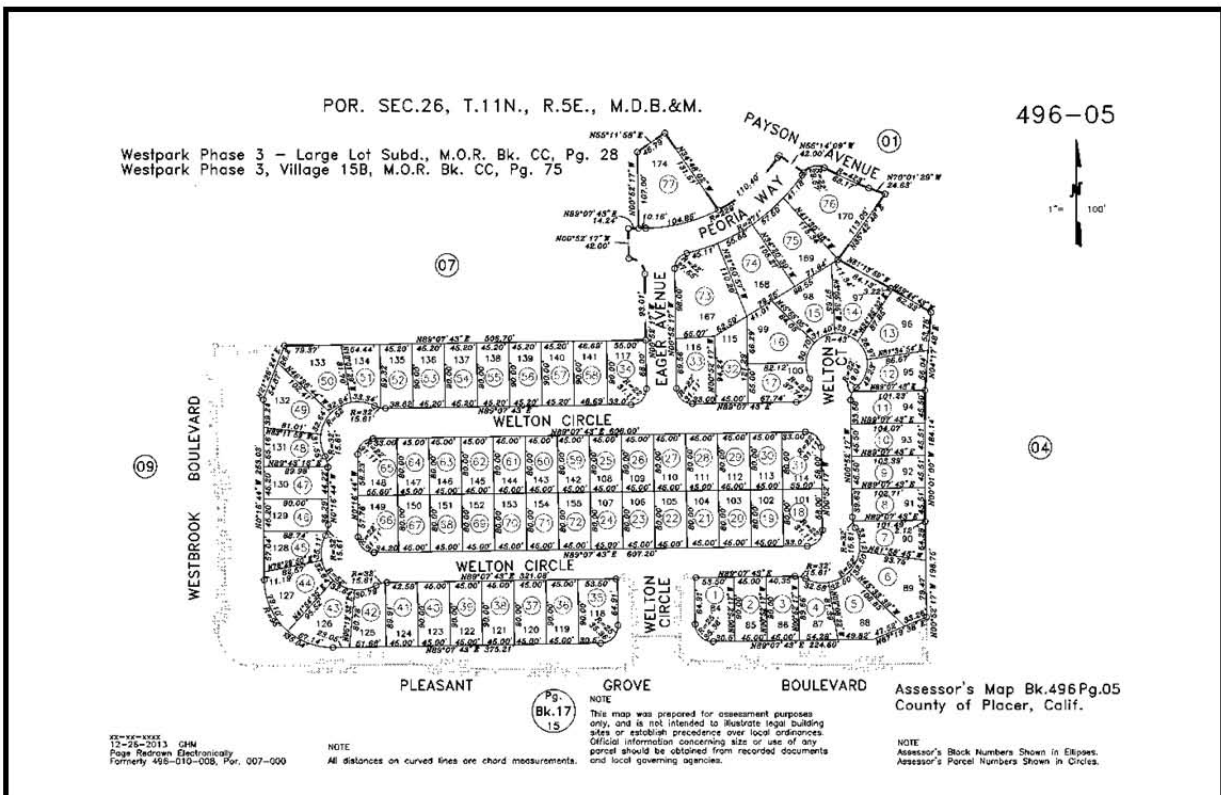
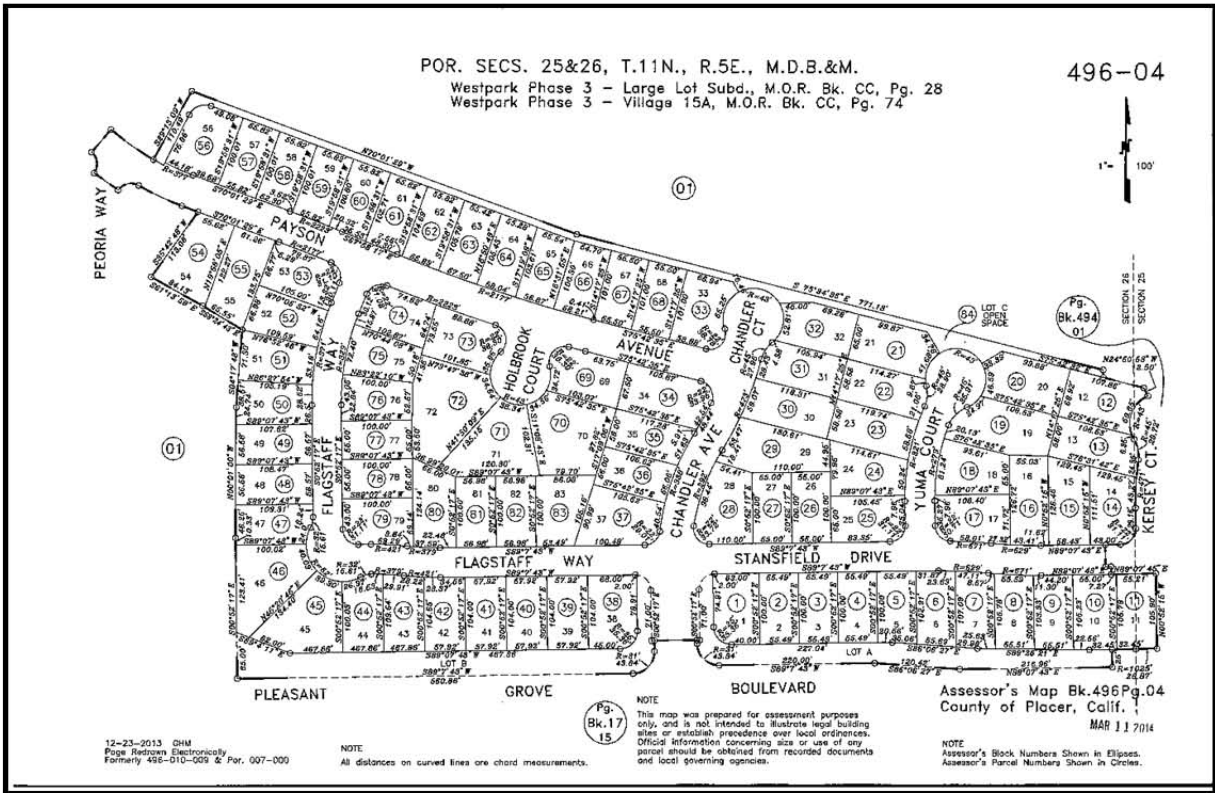
Assessor's Map Bk.490Pg.17
 County of Placer, Calif.

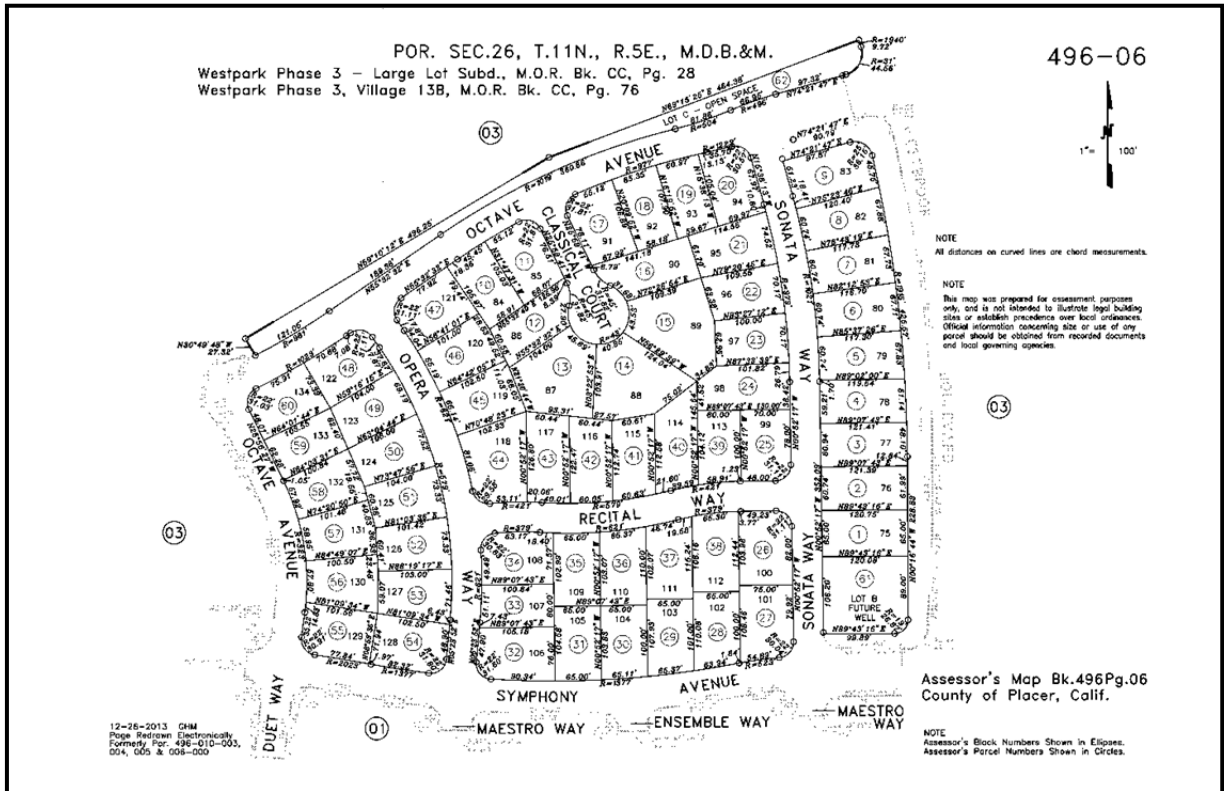
NOTE
 Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.
 NOV 0 3 2008











Location

In general, the subject property is contained within the boundaries identified as follows: west of Fiddymt Road, north of Pleasant Grove Boulevard and south of Blue Oaks Boulevard, within the city of Roseville, Placer County, California 95747.

Owner(s) of Record

Title to the subject property is presently vested with Lennar Corporation, KB Home, Meritage Homes Corporation, Pulte Home, Inc., West Roseville, LLC and 22 individual homeowners.

Legal Description

A complete legal description of the subject property, which would be contained in a preliminary title report, was not provided for use in this analysis.

Property Taxes (Ad Valorem Taxes)

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value,

which is then modified annually to reflect inflation (if any). Annual inflationary increases cannot exceed 2% per year. The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and supplemental assessments. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the political jurisdiction in which the property is located, can be added to the 1% tax rate.

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the infrastructure and property improvements are completed. Additionally, the definition of market value employed in this appraisal assumes a sale of the appraised property. A parcel representative of the entire subject property (APN 496-050-001) is located in tax rate area 005-066. According to the Placer County Treasurer-Tax Collector's Office, this parcel has a cumulative annual tax rate of 1.106682% based on assessed value.

Additionally, the appraised property is encumbered by the Westpark Community Facilities District (CFD) No. 1 bond district. The financing provided through the Westpark CFD No. 1 bond district issuance funded certain portions of the public improvements to Fiddymont Road, Del Webb Boulevard, Pleasant Grove Boulevard, Village Green Drive, Bob Doyle Drive, Phillip Road, Upland Drive, West Side Drive, Market Street and other public roads. These improvements included—but are not limited to—drainage, water, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals, transportation, wastewater, solid waste, parks, open space, utilities, and other miscellaneous improvements.

The Westpark community is also encumbered by public and municipal services special taxes, identified as Westpark CFD Nos. 2 and 3, respectively. These CFDs funded services, including open space improvements, landscape corridor maintenance, neighborhood park improvements, storm water management, and other miscellaneous services. However, unlike the public facilities bond (Westpark CFD No. 1), the public services CFDs are in perpetuity and cannot be paid off (i.e. no expiration for annual payment). It is noted that the Westpark CFD No. 3 only is assessed when a building permit is pulled, both for residential and non-residential parcels. As such, since the underlying land of the subject property is being appraised (with no consideration given to any vertical improvements with associated building permits), Westpark CFD No. 3 is NOT deemed to encumber the subject parcels.

We have relied upon the Annual Levy Report, prepared by Willdan Financial Services, to determine the annual special tax levies on the subject property. The base year maximum taxes, as well as the current (2014-2015 tax year) taxes, are shown in the tables on the following pages, per larger parcel.

WESTPARK CFD NO. 1

Larger Parcel Designation	Land Use	Base Year Max. Tax per Unit/Acre	Current Max. Tax per Unit/Acre
W-1	LDR (age rest., > 5,000 SF)	\$1,200	\$1,463
W-1	LDR (age rest., ≤ 5,000 SF)	\$900	\$1,097
W-2	LDR (age rest., > 5,000 SF)	\$1,200	\$1,463
W-2	LDR (age rest., ≤ 5,000 SF)	\$900	\$1,097
W-13A	LDR	\$1,300	\$1,585
W-13B	LDR	\$1,300	\$1,585
W-13C	LDR	\$1,300	\$1,585
W-13D	LDR	\$1,300	\$1,585
W-15A	LDR	\$1,300	\$1,585
W-15B	LDR	\$1,300	\$1,585
W-15C	LDR	\$1,300	\$1,585
W-22	VC-MDR	\$1,000	\$1,219
W-24	VC-MDR	\$1,000	\$1,219
W-25	VC-HDR, affordable	\$250	\$305
W-25	VC-HDR, market	\$500	\$609
W-26	VC-HDR	\$500	\$609
W-32	VC-CC	\$5,000	\$6,095
W-33	VC-CC	\$5,000	\$6,095
W-16A	HDR, affordable	\$91	\$111
W-16A	HDR, market	\$500	\$609
W-17A	LDR	\$1,300	\$1,585
W-17B	LDR	\$1,300	\$1,585
W-17C	LDR	\$1,300	\$1,585
W-17D	LDR	\$1,300	\$1,585
W-17E	LDR	\$1,300	\$1,585
W-18A	LDR	\$1,300	\$1,585
W-18B	LDR	\$1,300	\$1,585
W-18C	LDR	\$1,300	\$1,585
W-18D	LDR	\$1,300	\$1,585
W-18E	LDR	\$1,300	\$1,585
W-18F	LDR	\$1,300	\$1,585
W-19A	LDR	\$1,300	\$1,585
W-19B	LDR	\$1,300	\$1,585
W-27	HDR, affordable	\$91	\$111
W-27	HDR, market	\$500	\$609

WESTPARK CFD NO. 2

Larger Parcel Designation	Land Use	Base Year Max. Tax per Unit/Acre	Current Max. Tax per Unit/Acre
W-1	LDR (age rest., > 5,000 SF)	\$471	\$697
W-1	LDR (age rest., ≤ 5,000 SF)	\$471	\$697
W-2	LDR (age rest., > 5,000 SF)	\$488	\$722
W-2	LDR (age rest., ≤ 5,000 SF)	\$488	\$722
W-13A	LDR	\$478	\$708
W-13B	LDR	\$478	\$708
W-13C	LDR	\$478	\$708
W-13D	LDR	\$478	\$708
W-15A	LDR	\$478	\$708
W-15B	LDR	\$478	\$708
W-15C	LDR	\$478	\$708
W-22	VC-MDR	\$520	\$770
W-24	VC-MDR	\$520	\$770
W-25	VC-HDR, affordable	\$161	\$238
W-25	VC-HDR, market	\$161	\$238
W-26	VC-HDR	\$133	\$197
W-32	VC-CC	\$1,036	\$1,534
W-33	VC-CC	\$1,036	\$1,534
W-16A	HDR, affordable	\$111	\$164
W-16A	HDR, market	\$111	\$164
W-17A	LDR	\$478	\$708
W-17B	LDR	\$478	\$708
W-17C	LDR	\$478	\$708
W-17D	LDR	\$478	\$708
W-17E	LDR	\$478	\$708
W-18A	LDR	\$478	\$708
W-18B	LDR	\$478	\$708
W-18C	LDR	\$478	\$708
W-18D	LDR	\$478	\$708
W-18E	LDR	\$478	\$708
W-18F	LDR	\$478	\$708
W-19A	LDR	\$478	\$708
W-19B	LDR	\$478	\$708
W-27	HDR, affordable	\$91	\$135
W-27	HDR, market	\$91	\$135

The Westpark CFD 1 is subject to an annual escalation of 2%, while Westpark CFD 2 escalates at 4% annually. The bond debt and any direct charges will be accounted for in the valuation.

For the reader's reference, the total annual maximum taxes by ownership are shown in the table below:

Total Annual Maximum Special Tax by Ownership*		
Property Owner	CFD No 1	CFD No. 2
KB Home	\$489,670	\$218,635
Lennar Corporation	\$672,621	\$314,320
Meritage Homes	\$751,144	\$335,382
PL Roseville LLC (Commercial)	\$87,768	\$14,920
Pulte Homes Inc. (SFR)	\$651,618	\$298,013
Pulte Home Corporation et. al. (HDR)	<u>\$28,746</u>	<u>\$22,899</u>
Subtotal - Pulte Holdings	\$768,132	\$335,833
West Roseville, LLC	\$71,516	\$33,676
Totals	\$2,753,084	\$1,237,845

* Note: Excludes "Individual Owners"

Conditions of Title

A preliminary title report was not provided for this analysis. It is assumed there are no adverse conditions on title. The appraiser assumes no negative title restrictions and accepts no responsibility for matters pertaining to title.

Zoning and Entitlements

A description for the land use designations covering the subject property are presented on the following page. The information was obtained from our conversations with the City of Roseville Planning Department.

Land Use	Applied Zoning Districts
<u>Residential Uses</u>	
LDR – Low Density Residential	R1/DS – RS/DS
MDR – Medium Density Residential	RS/DS
HDR – High Density Residential	R3
<u>Service and Employment Uses</u>	
CC – Community Commercial	CC

R1/DS - Single-family Residential/Development Standard Overlay: The R1, Single-Family Residential district is intended for detached, single-family homes and similar and related uses inclusive of half-plexes. The Development Standard Overlay district has been applied to allow variations to development standards at lower densities (5.0 dwelling units/acre and below). The intent of these variations is to provide additional flexibility to accommodate single-family detached product types and to facilitate the use of separate sidewalks to enhance the local street scene and overall neighborhood environment.

RS/DS – Small Lot Residential/Development Standard Overlay: The RS, Small Lot Residential district is intended to allow either attached or detached single-family dwellings, and similar and related compatible uses. The Development Standard Overlay district has been applied to allow variations to development standards for age-restricted housing (Villages W-1 and W-2) and higher densities (5.1 – 6.9 dwelling units/acre).

R3 – Attached Housing: The R3, Attached Housing district is intended for multiple-family housing. The types of land use intended for the R3 zoning district include apartments, condominiums, town homes and similar or related compatible uses. All of the R3 (HDR) sites, with no affordable housing restrictions, have either been developed as “for sale” product or are planned for “for sales” product.

CC – Community Commercial: The Community Commercial district is intended to serve the principal retail shopping needs of the entire community by providing areas for shopping centers and other retail and service uses.

Flood Zone

Source: First American Flood Data Services

Flood Zone: Zone X – Areas outside the 100-year and 500-year floodplains

Map Panel: 060239-0475, -0475 and -0394

Panel Date: June 8, 1998

Flood Insurance: Flood insurance is not required.

Earthquake Zone

According to the Seismic Safety Commission, the subject property is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the subject is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology.

Easements

An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions currently impacting the subject. Please refer to a preliminary title report for information regarding potential easements, as the appraiser is not a surveyor nor qualified to determine the exact location of any easements. It is assumed that any easements noted in a preliminary title report do not have an impact on the opinion of value set forth in this report. If at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion of value contained herein.

It is worth noting there are overhead power lines throughout the CFD; however, it has been mapped in such a way that the power lines will be situated above open spaces, roads and parking areas upon completion of all site development. Thus, the power lines are considered to have nominal, if any, adverse impact on the subject property.

SITE DESCRIPTION

Property:	The subject property represents a <i>portion</i> of the Westpark Community Facilities District No. 1. Essentially, the subject includes all properties without vertical improvement assessments subject to the lien of the Special Taxes securing the CFD Bonds, as of the date of value.
Land Area:	The subject encompasses approximately 1,035 improved lots (of which there are numerous completed homes and partially completed homes), 803 paper lots (540 of which have rough cut roads), 20.12± acres of multifamily land with affordable housing requirements and 13.80± acres of commercial land. The subject does not include any of the properties within the CFD not encumbered by the lien of the Special Tax securing the CFD Bonds. These properties are the public and quasi-public land uses and the industrial-use sites.
Topography:	Generally level
Shape:	The subject land areas are primarily irregular in shape, yet functional for development under their respective land use and zoning designations.
Access, Frontage, Visibility:	The subject sites have access and/or frontage and visibility from the CFD's primary roadways including Fiddymment Road, Del Webb Boulevard, Pleasant Grove Boulevard, Village Green Drive, Bob Doyle Drive, Phillip Road, Upland Drive, West Side Drive and Market Street. Overall, the accessibility and visibility of the property are considered adequate for residential and commercial use.
Adjacent Uses:	
North	Proposed single family residential development
East	Single-family residential development
South	Proposed single-family residential development
West	Agricultural land
Utilities:	Public utilities, including electricity, natural gas, sewer, public water, telephone, etc., are available to the subject's perimeter and will be extended to individual lots upon completion of site development. The utilities for Larger Parcels W-1A, W-2A, W-1B, W-2B, W-13A, W-13B, W-15A, W-15B, W-15C, W17A, W-17C, W-17D, W-17E, W-18E, W-18F, W-19A, W-22, W-25A, W-25B and W-26, which comprise approximately 1,035

single-family residential lots, are representative of finished lots and have all utility extensions to each lot.

Improved Lots:

The subject property includes 1,035 fully improved single family lots (curbs, gutters, sidewalks, street lighting, utilities stubbed, etc.)

Unimproved Lots:

The subject property includes 803 paper lots that require all in-tract improvements.

Commercial and Multifamily Parcels:

The two commercial sites that are part of the subject property are fully improved sites, with curbs, gutters, sidewalks, street lighting and utilities available along the street frontage. Both multifamily sites (affordable) are currently unimproved, but will be fully improved within the next six months when the remaining backbone infrastructure is complete.

Drainage:

Based on our physical inspection of the subject property, it appears drainage is adequate for continued development. Upon further subdivision and development, it is assumed future site improvements would provide adequate drainage for suburban development.

Soils:

The appraiser has not been provided a soils report to determine the load bearing capacity of the subject property. Based on the surrounding improvements, no adverse subsoil conditions are apparent. The soils appear to be similar to other local parcels that, to the best of our knowledge, have been improved with no adverse effects.

Environmental Issues:

At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present, on the subject property. The appraiser has no knowledge of the existence of such materials on the property. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the property. The value estimate is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Offsite Improvements:

Offsite improvements, which include primary access roads and curbs, gutters, sidewalks and street lights, are substantially complete. As of the date of value, Pleasant

Grove Boulevard and Westbrook Boulevard require extension to the west and north, respectively.

Onsite Improvements:

1,035 lots are fully improved, while 803 lots are unimproved; however, 540 of these lots have rough cut roads and require onsite improvements

Backbone Infrastructure

According to the Master Developer, the remaining backbone infrastructure costs are approximately \$6,000,000. This remaining work is to be completed within the next six months with the cost shared by two of the subject property owners (Pulte Homes and Lennar Corporation). The reported cost sharing structure indicates Pulte is responsible for 68% of the costs and Lennar is responsible for 32%. The \$6,000,000 in remaining costs will be divided as noted above and applied to the lots held by each of these ownership entities (Pulte - 421 lots @ \$9,691 per lot and Lennar – 612 lots @ \$3,137 per lot).

In-tract Development Costs:

In-tract improvements in the region typically range from approximately \$30,000 to \$45,000 per lot. According to the Master Developer, in-tract costs are approximately \$36,000 per lot for the LDR lots and \$35,000 for the smaller lots on the MDR and HDR sites. For LDR and MDR/HDR residential lot components of the subject we will use estimates commensurate with the Master Developer's figures. For the reader's reference, the multifamily and commercial components do not have in-tract costs like the single family sites.

Permits and fees for Home Construction:

According to the Westpark Financing Plan, permits and fees due at building permit average \$59,645/lot for LDR/MDR lots and approximately \$51,771/lot for HDR/MDR lots. Permits and fees for the age-restricted lots average \$49,633 per lot.

These figures include building permit fees, development agreement fees and school fees. Note these figures represent estimates; actual permits and fees will vary by plan according to the actual home size construction.

Affordability Requirement:

The subject property includes two multifamily sites with affordability requirements. Specifically, parcel W-16A (APN 496-010-001), is required to have 23 very low income units and 138 low income units out of the total of the 250 units for which this site is approved. Further, parcel W-27 (APN 496-020-014) is restricted to 89 very

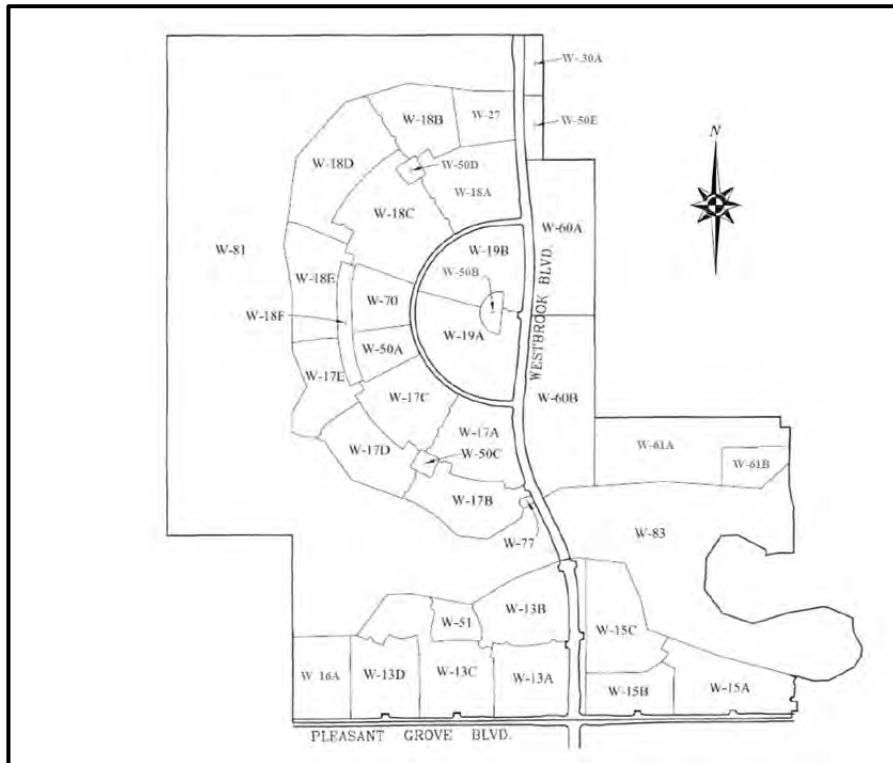
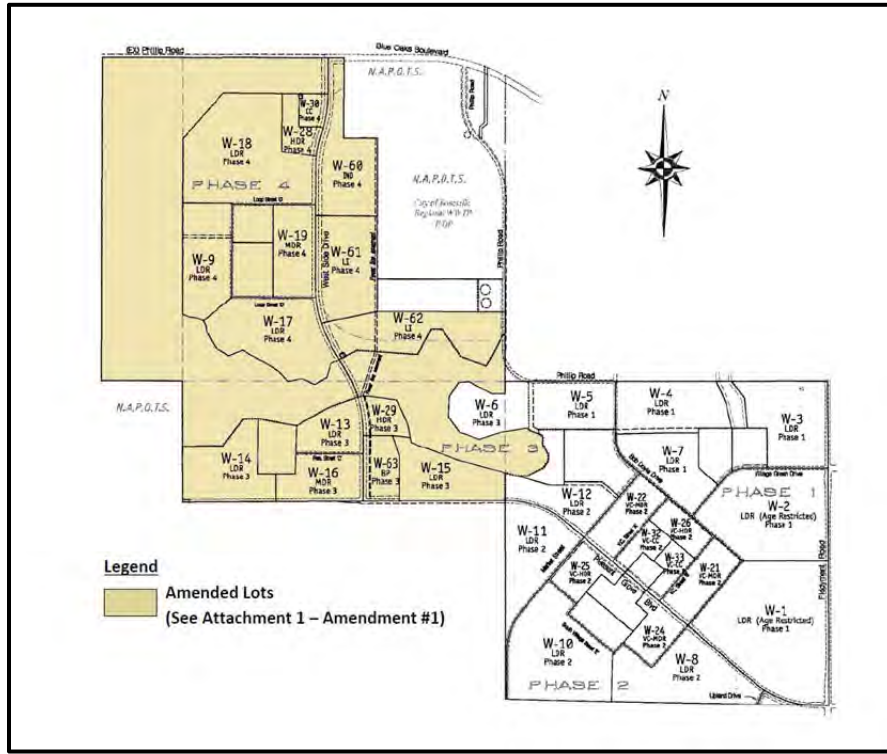
low income units and 61 low income units out of a total of 170 units. These two properties are held by West Roseville, LLC and Pulte Homes, Inc., respectively. Additionally, Lennar owns nine single family residential lots within W-25 (four lots) and W-26 (five lots) that have middle-income restrictions.

Conclusion:

Overall, the subject property is deemed functional in terms of its size, topography, shape and overall location. There appear to be no unusual or restrictive physical limitations to the property. The subject property is considered physically suitable for residential and commercial development.

PHASE 3 AND 4 AMENDMENT MAPS

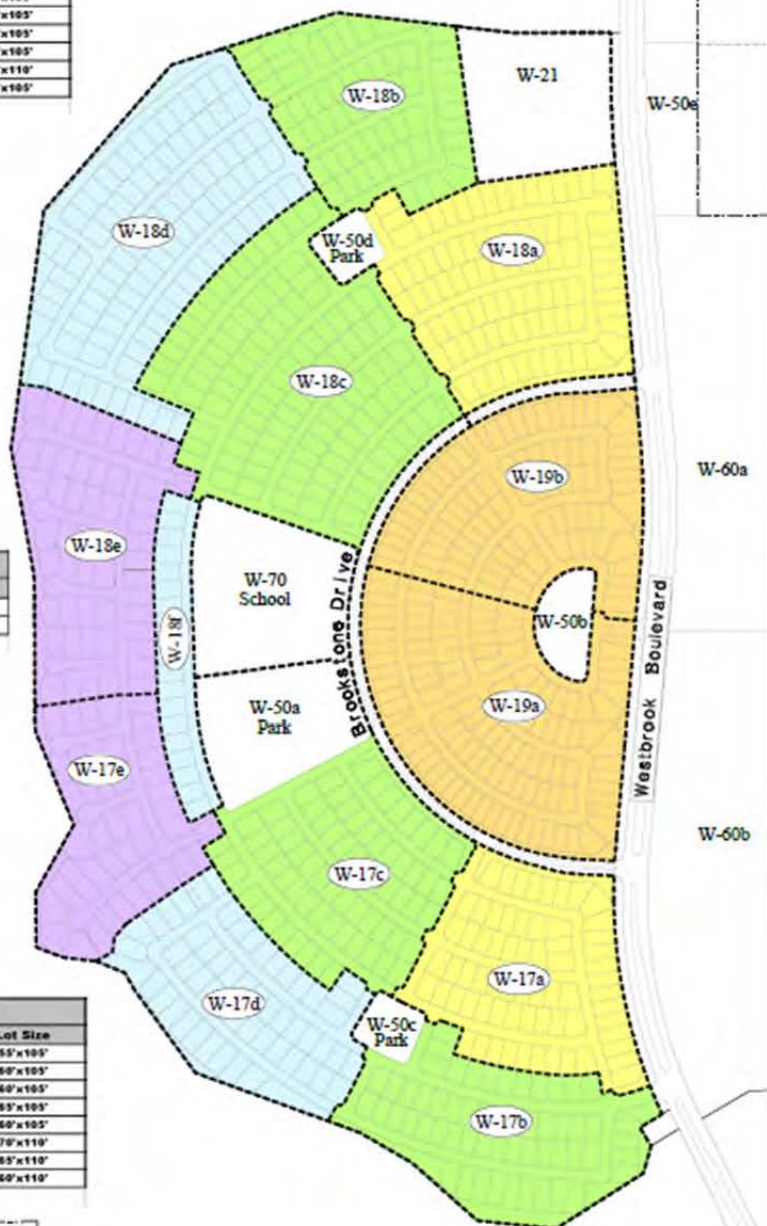
Phase 3 and 4 of the Westpark CFD underwent certain amendments since the inception of the district. Maps showing these amendments are presented below.



VILLAGE 18 SUMMARY			
Parcel	Units	Acres	Lot Size
W-18a	66	17.0	55'x105'
W-18b	56	12.6	60'x105'
	1		55'x105'
W-18c	102	13.0	60'x105'
W-18d	92	21.3	65'x105'
W-18e	52	14.4	70'x110'
W-18f	19	4.4	65'x105'
Total	408	82.7	

VILLAGE 19 SUMMARY			
Parcel	Units	Acres	Lot Size
W-19a	109	20.9	45'x105'
W-19b	85	16.6	45'x105'
Total	194	37.5	

VILLAGE 17 SUMMARY			
Parcel	Units	Acres	Lot Size
W-17a	66	14.3	55'x105'
W-17b	56	15.3	60'x105'
W-17c	69	21.5	60'x105'
W-17d	92	13.0	65'x105'
	1		60'x105'
W-17e	32	11.5	70'x110'
	8		85'x110'
	1		60'x110'
Total	285	75.6	



LOT SIZE LEGEND

- 45'x105'
- 55'x105'
- 60'x105'
- 65'x105'
- 70'x110'

WestPark PHASE 4

Roseville, California



NORTH

DATE: March, 2013

MACKEY & SOMPS
PLANNERS ARCHITECTS

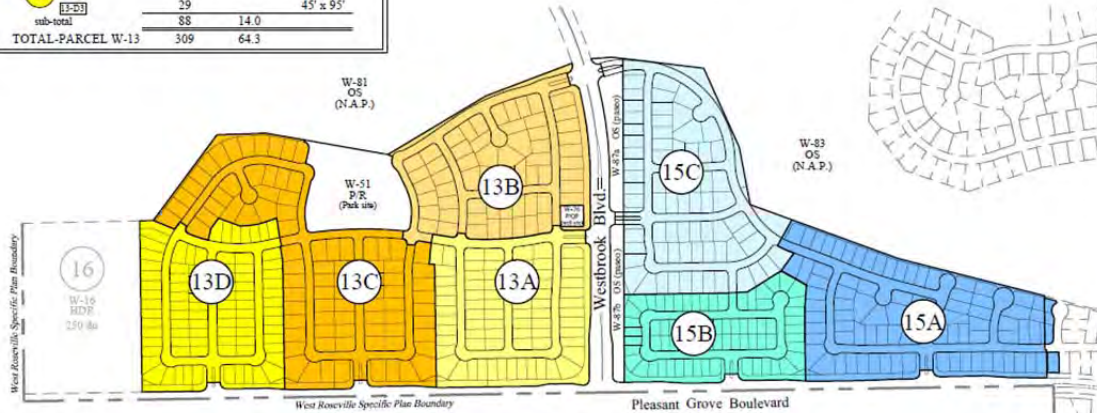
WESTPARK
COMMUNITIES

VILLAGE 13 SUMMARY

PARCEL W-13	UNITS	ACRES	LOT SIZE
13A (W-13A1)	49		50' x 100'
(W-13A2)	25		50' x 100'
sub-total	74	14.1	
13B (W-13B1)	27		60' x 100'
(W-13B2)	33		60' x 100'
sub-total	60	15.0	
13C (W-13C1)	38		65' x 105'
(W-13C2)	21		65' x 105'
(W-13C3)	28		65' x 105'
sub-total	87	21.2	
13D (W-13D1)	36		45' x 95'
(W-13D2)	23		45' x 95'
(W-13D3)	29		45' x 95'
sub-total	88	14.0	
TOTAL-PARCEL W-13	309	64.3	

VILLAGE 15 SUMMARY

PARCEL W-15	UNITS	ACRES	LOT SIZE
15A (W-15A1)	38		55' x 100'
(W-15A2)	45		55' x 100'
sub-total	83	17.4	
15B (W-15B1)	34		45' x 80'
(W-15B2)	38		45' x 80'
sub-total	72	10.1	
15C (W-15C1)	39		60' x 105'
(W-15C2)	30		60' x 105'
sub-total	69	17.4	
TOTAL-PARCEL W-15	224	44.9	



West Park PHASE 3

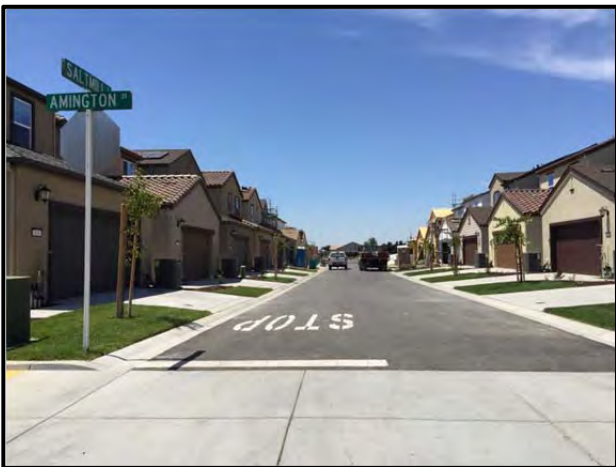
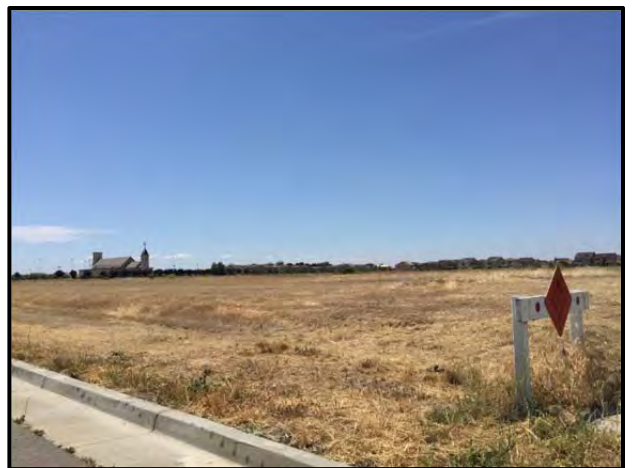
Roseville, California



SUBJECT PHOTOGRAPHS







SOUTH PLACER COUNTY

Introduction

South Placer County is the southernmost component of Placer County, commonly referred to as the Valley. The remainder of Placer County is divided into the Gold Country, where parts of Auburn and Colfax are located, and the High Country, which encompasses Tahoe City and Kings Beach along Lake Tahoe. South Placer is comprised of the cities of Auburn, Colfax, Lincoln, Rocklin and Roseville; the town of Loomis; and a number of unincorporated communities, such as Granite Bay, Foresthill, Penryn and Newcastle.

South Placer County encompasses approximately 260 square miles, from the Placer County line bordering Sacramento, Sutter and Yuba Counties to the city of Auburn. It lies in the north-central part of California, approximately 420 miles north of Los Angeles, 250 miles south of Oregon, 100 miles northeast of San Francisco, 80 miles west of Lake Tahoe, and 100 miles southwest of Reno. In the southern portion of the region is Roseville, the county's largest city, which encompasses about 31.6 square miles. Elevations range from 165 feet above sea level in Roseville to 10,000 feet above sea level at the summit of the Sierra Nevada Mountains.

South Placer is developed with a mix of urban and rural uses. The larger cities, namely Roseville and Rocklin, are mostly urban, while the smaller communities, such as Loomis and Newcastle, have remained rural. Auburn and Lincoln both exhibit a combination of urban and rural settings. However, in recent years the city of Lincoln has experienced dramatic growth and development, and has become one of the fastest-growing cities in California.

Population

South Placer County has experienced strong growth in the last decade. The primary points of origin for in-migration to the region are the Bay Area, other parts of the Sacramento region, and Southern California. The state's population data indicate a strong pattern of movement by residents from high-cost, high-density Bay Area counties to inland areas in Northern California.

Following is a table depicting the population change in Placer County and its component cities over the past few years.

POPULATION TRENDS							
City	2009	2010	2011	2012	2013	2014	%/Yr
Auburn	13,232	13,307	13,378	13,473	13,570	13,804	0.9%
Colfax	1,843	1,946	1,966	1,977	1,988	1,998	1.7%
Lincoln	41,787	42,589	43,144	43,587	44,231	45,206	1.6%
Loomis	6,416	6,427	6,460	6,502	6,554	6,608	0.6%
Rocklin	55,566	56,720	57,767	58,315	59,029	59,672	1.5%
Roseville	114,869	118,180	120,307	122,102	124,673	126,956	2.1%
Unincorporated	<u>107,282</u>	<u>107,964</u>	<u>108,441</u>	<u>109,494</u>	<u>110,757</u>	<u>111,871</u>	<u>0.9%</u>
Total	340,995	347,133	351,463	355,450	360,802	366,115	1.5%

Source: California Department of Finance

As indicated in the previous table, Placer County has experienced a strong average rate of annual growth of 1.5% over the past five years. The city of Roseville is the fastest growing part of the region. Auburn, Loomis and the unincorporated communities have had relatively little growth.

Over the past decade, Placer County has been the fastest-growing county within the four-county Sacramento MSA (which also includes Sacramento, El Dorado and Yolo Counties). It is projected this trend will continue for the near future.

Employment & Economy

The California Employment Development Department has reported the following employment data for Placer County over the past several years.

EMPLOYMENT TRENDS						
	2009	2010	2011	2012	2013	2014
Labor Force	179,800	173,200	173,700	175,300	175,900	176,600
Employment	161,100	153,100	154,900	158,900	162,300	165,500
Job Growth	(4,800)	(8,000)	1,800	4,000	3,400	3,200
Unemployment Rate	10.4%	11.6%	10.8%	9.4%	7.7%	6.3%

Source: California Employment Development Department

The unemployment rate in Placer County was 5.1% in March 2015, which compares to rates of 6.5% for California and 5.5% for the U.S. Most areas within the state and nation, including Placer County, saw declining unemployment rates in 2004 through 2006, increases from 2007 to 2010, and declines during 2011-2014.

Although many residents commute to employment centers in Sacramento, South Placer offers thousands of jobs and attracts workers from the local area as well as “reverse commuters” from Sacramento and residents of outlying areas such as Marysville/ Yuba City to the north. The largest

employers in the county, according to the Sacramento Business Journal Book of Lists 2013, are Kaiser Permanente (3,860 employees in the county), Hewlett-Packard (3,200), Sutter Health (2,299), Placer County (2,240), Thunder Valley Casino Resort (2,000), and Union Pacific Railroad (2,000).

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. In the year 2013 (most recent data available from the U.S. Census Bureau), Placer County's median household income was \$73,643, which was higher than the state of California's median income of \$60,185.

Transportation

A significant advantage of the South Placer area is its central location with respect to transportation systems. Interstate 80, State Highway 65 and State Highway 193 are the major routes traversing the region. Major urban arterials include Douglas Boulevard, Sierra College Boulevard, Roseville Parkway, Pleasant Grove Boulevard, Sunrise Avenue, Auburn-Folsom Road and Foothills Boulevard. In 2005, a major public improvement project was completed at the Douglas Boulevard/Sunrise Avenue/ Interstate 80 intersection. The project added new lanes, new on/off ramps and a tunnel that have greatly improved traffic flow in the area.

In addition to roadways within the county limits, South Placer enjoys proximity to many of the Sacramento region's freeways that provide access to the San Francisco Bay Area to the west, Central and Southern California to the south, Northern California and Oregon to the north, and Nevada to the east. South Placer is proximate to Sacramento International Airport, which is situated about 10 miles west of the county border. A smaller private airport, Lincoln Regional Airport, is located in the city of Lincoln. The region has good railroad service, including the transcontinental Union Pacific Railroad and Amtrak. The Capital Corridor system provides high-speed commuter rail service from Roseville to San Jose. Other modes of transportation in and out of South Placer include Greyhound bus lines and numerous trucking lines.

Recent growth in South Placer has fueled demand for a new transportation artery in the region. Plans are in the works for a four to six-lane expressway, referred to as Placer Parkway, which would extend from Highway 99 in the west to Highway 65 in the east, north of Roseville and south of Lincoln. This roadway is years away from being built, but is expected to eventually ease congestion on Interstate 80.

Recreation & Community Services

South Placer County has ample community services and recreational opportunities. The County, cities and various park districts operate numerous public parks, golf courses, aquatic centers, libraries and community centers. Many private golf courses are located in the region, and several ski resorts are located in the mountains. Within the county lies a portion of the Folsom Lake State Recreation Area, a boating, fishing, and swimming retreat.

In terms of higher education, South Placer County is home to Sierra College in Rocklin, a two-year community college offering a wide range of day and evening classes serving over 25,000 students. Heald College, a business and technology vocational school, is located in Roseville, as is an extension campus for Sierra College, located at the old Sutter Hospital on Sunrise Avenue. In 2004, William Jessup University, a private Christian college, moved from San Jose to a new facility in Rocklin.

South Placer County has an excellent network of health services, including hospitals and medical office facilities. Two hospitals are located in Roseville – the Sutter Roseville Medical Center and Kaiser Permanente, both of which have recent or current expansion projects. The city of Auburn is home to Sutter Auburn Faith Hospital, Sutter Medical Center-Auburn, UC Davis Medical Center, Foundation Medical Clinic and Heritage Medical Center Complex. The city of Lincoln contains medical offices/clinics operated by Sutter, UC Davis, Kaiser and Catholic Healthcare West. In addition to these institutional health care facilities, South Placer is home to a large and growing number of private physicians, dentists, clinics and other medical specialists.

The city of Roseville is South Placer's hub for fine dining and entertainment. Several upscale restaurants are situated along Eureka Road, Roseville Parkway and Galleria Boulevard. Roseville contains two multi-screen movie theatres on Eureka Road. Another theatre recently opened in Rocklin. Shopping centers are widespread, the largest of which is the Galleria at Roseville, a regional shopping mall that opened in 2000 and was expanded in 2008-2009. The mall is anchored by Nordstrom, Macy's, Sears and JC Penney.

Conclusion

South Placer County is a diverse area, with growing cities, small towns and rural areas, and an abundance of open space. The cities of Roseville, Rocklin and Lincoln have experienced strong growth in population and development over the past several years. Placer County is one of the most affluent in the greater Sacramento region in terms of household income levels. The area has a number of positive attributes, including seismic stability, a well-educated work force, good transportation systems, relative affordability and availability of housing compared to the Bay Area, and an excellent level of community services. The long-term outlook for the region is very good.

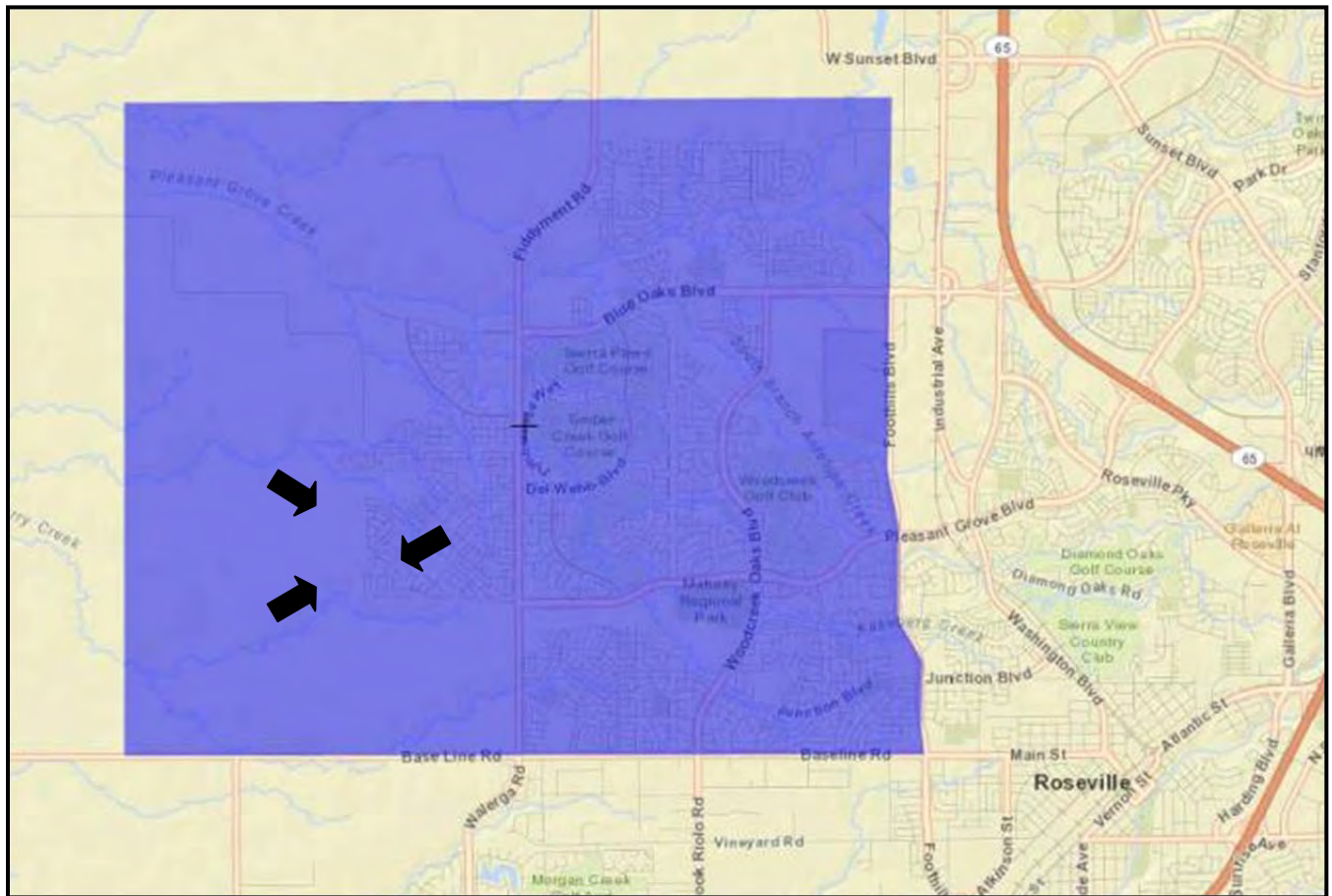
NEIGHBORHOOD

Introduction

This section of the report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings or business enterprises.”⁴

The boundaries of a neighborhood identify the physical area that influences the value of the subject property. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods. Roadways, waterways and changing elevations can also create neighborhood boundaries.

NEIGHBORHOOD MAP



⁴ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 133.

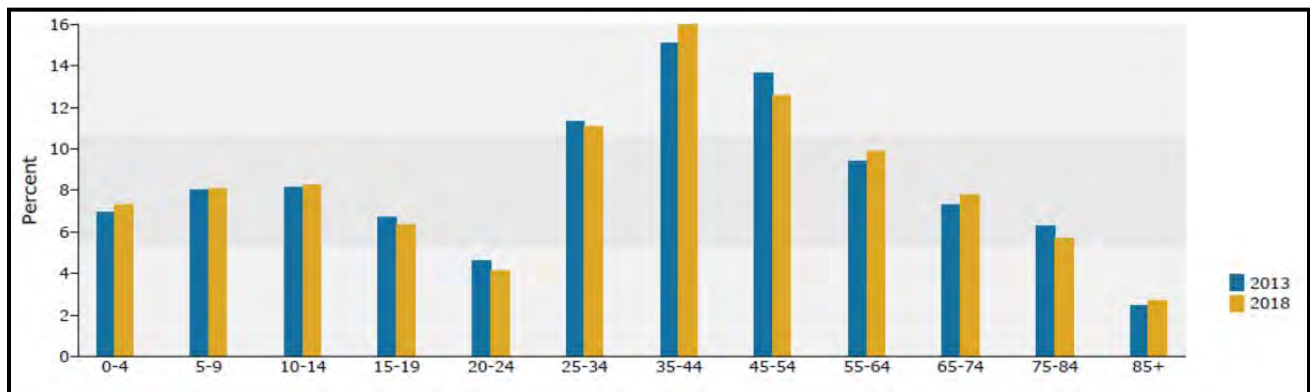
The subject property is located within the city of Roseville, Placer County, California. Specifically, the subject is situated in the west Roseville area. The subject’s neighborhood boundaries can generally be described as Foothills Boulevard to the east, Baseline Road to the south, and the city limits of Roseville to the west and north.

Demographics

According to the 2010 Census, the neighborhood boundaries (shaded area on the map) contained 45,033 people and 16,547 households, which equates to an average household size of 2.7. The median age is 38 years.

The three primary age groups are 35 to 44 years (15.5% of total), 45 to 54 (13.9% of total) and 55 to 64 years (8.8% of total). According to Site To Do Business Online (STDB), which makes projections based on Census, Department of Finance and other data sources, the 35 to 44 and 55 and older age groups are anticipated to comprise more households over the next five years.

PROJECTED POPULATION BY AGE



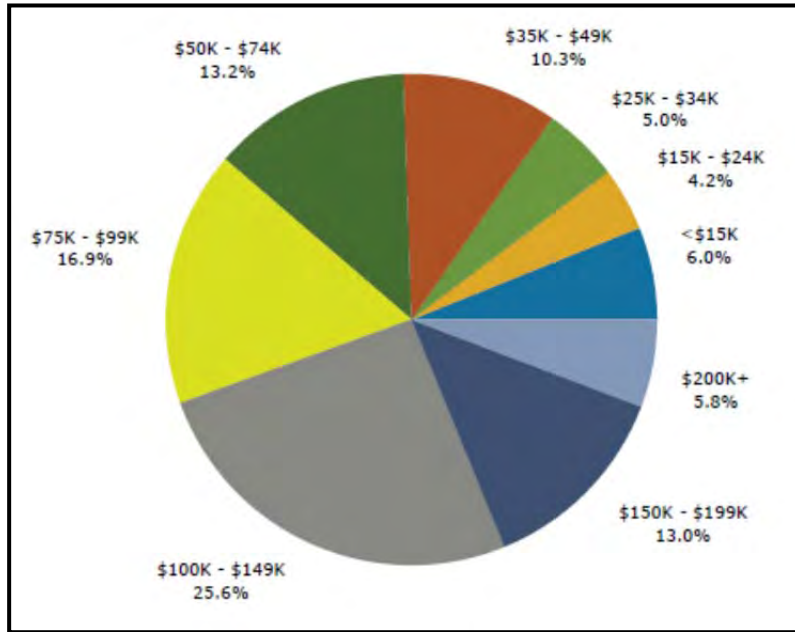
Source: Site To Do Business Online

According to the 2005-2009 American Community Survey, of the population at least 25 years of age, 96.2% have at least a high school diploma or equivalent, and 37.9% have a Bachelor’s degree or higher. Regarding travel time to work, 54.3% of workers have commute times of 24 minutes or less (reflecting local employment).

Approximately 65.8% of all households are married or unmarried partners households, and 40.6% of all households have children. Multigenerational households comprise 3.7% of total households.

STDB indicates the 2013 median household income for the neighborhood was \$89,991. Approximately 74.5% of households earn at least \$50,000 per year.

HOUSEHOLD INCOME



Source: Site To Do Business Online

In the *Residential Market Overview*, the latest sale data indicates that a new 2,500 SF home in the subject's area would have a sale price of approximately \$400,000 (interior lot, standard lot sizing). For this home price, the required annual household income using conventional financing would be approximately \$75,000. Thus, the demographic data for the neighborhood reflects a large percentage of households meet the affordability requirements for conventional financing at current price levels.

Ability to Pay in Price Range		
Home Price		\$400,000
Down Payment	20%	<u>(\$80,000)</u>
Loan Amount		\$320,000
Interest Rate	4.75%	
Term (years)	30	
Monthly Mortgage Payment		\$1,669
Taxes & Insurance as % of Price	1.5%	<u>\$500</u>
Total Monthly Housing Payment		\$2,169
Housing Payment as % of Income	35%	
Required Annual Household Income		\$74,375

Further, STDB estimates there are 19,275 housing units in the neighborhood as of 2013. Owners occupy 72.0% of the units and renters occupy 21.6%. The remaining units (6.4%) stand vacant or are unrented secondary residences. Of the total housing units, 88.4% are detached and 11.6% are attached. Housing units in the neighborhood by year built are summarized on the next page.

Year Built	Number	% of Total
Pre-1970	154	0.80%
1970-1979	209	1.08%
1980-1989	1,455	7.55%
1990-1999	7,130	36.99%
2000 thru 2010 Census	8,488	44.04%
2010 Census thru 2013	<u>1,839</u>	9.54%
Total	19,275	100.00%

Source: STDB Online; 2010 Census, 2005-2009 American Community Survey

Note that by the nature of drawing neighborhood map boundaries for demographic purposes, the demographic data reflects a minor amount of statistical error.

Transportation

The subject has primary access from Pleasant Grove Boulevard, which is a primary east-west connector that extends through the neighborhood and leads to State Highway 65. Other primary connectors in the neighborhood are Fiddlyment Road, Woodcreek Boulevard and Foothills Boulevard (which extend north-south) and Blue Oaks Boulevard (which extends east-west, and also leads to State Highway 65). State Highway 65 is a north-south route that provides access to Lincoln, Wheatland and Yuba City to the north and Interstate 80 to the south. Interstate 80 is a primary east-west corridor for the Sacramento Metropolitan Area that intersects with State Highway 65 to the east of the subject property.

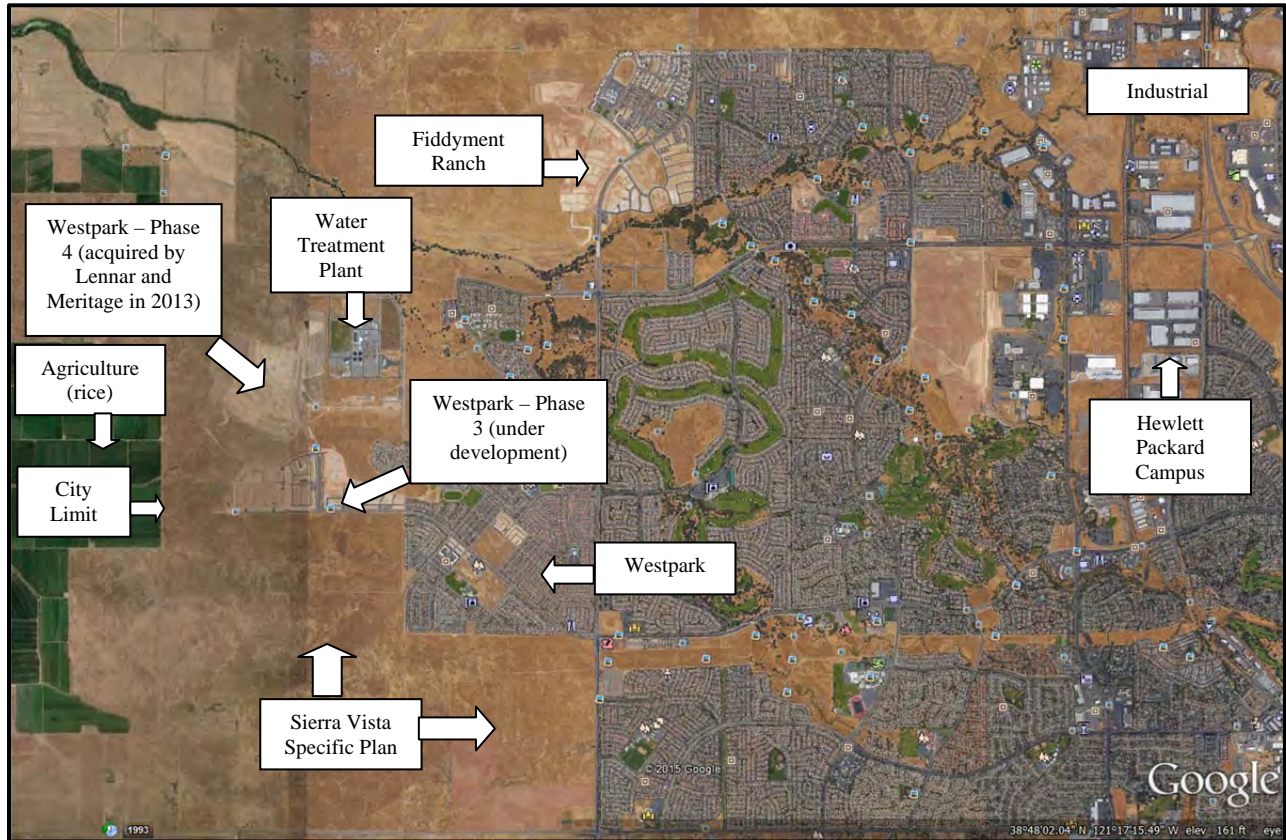
Traveling east, Interstate 80 provides access to the outlying portions of Placer County and continues toward Lake Tahoe and Reno, Nevada. To the west, Interstate 80 connects the subject neighborhood to Sacramento's Central Business District before continuing on towards Davis and San Francisco.

Roseville Transit provides public transportation for the area, which features fixed bus routes, commuter services and ride sharing minivans. Free transfers are also provided for the Placer County Transit and Sacramento Regional Transit.

Surrounding Land Uses

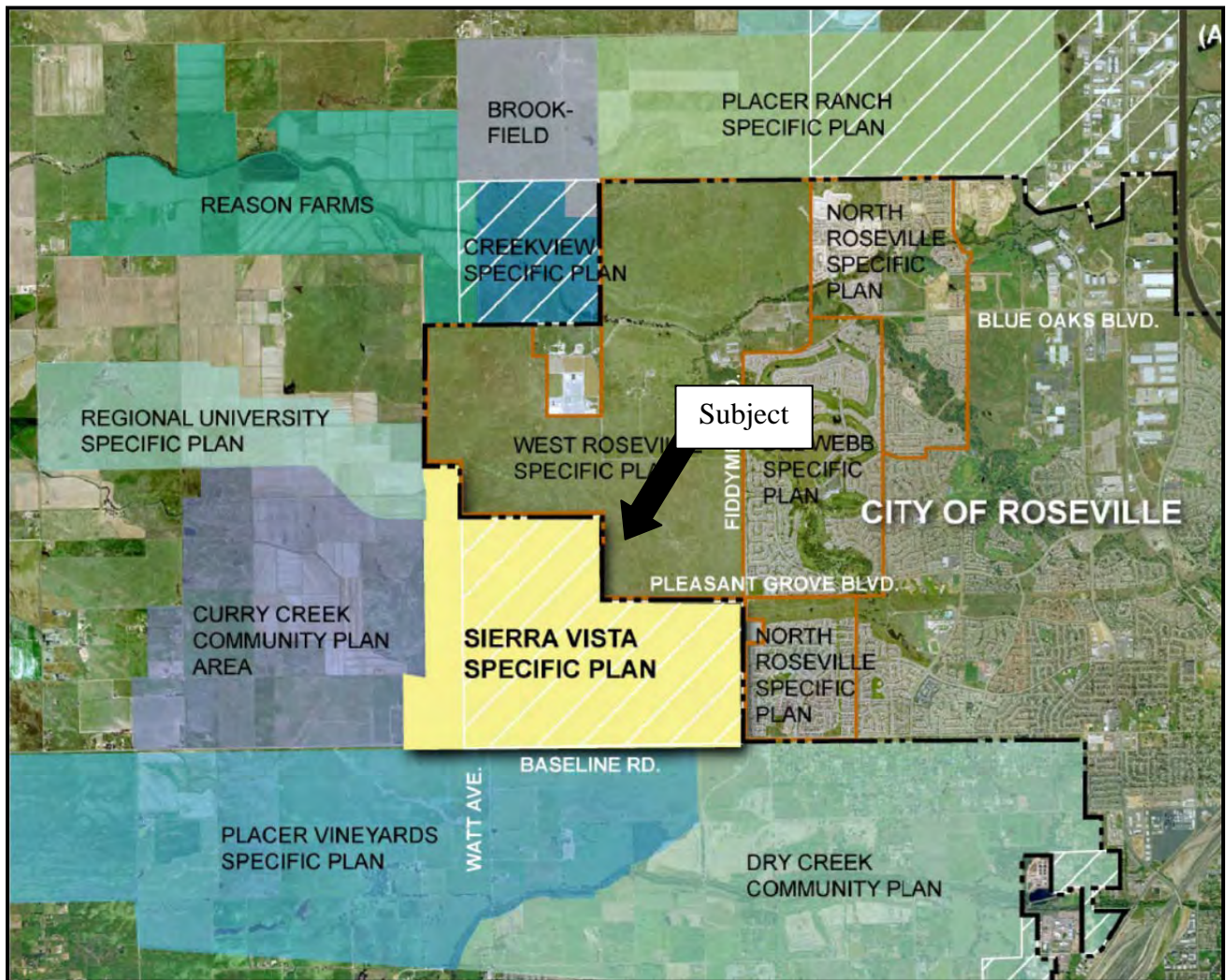
A map of land uses in the vicinity of the subject is provided below:

SURROUNDING LAND USES



West Roseville, LLC developed the subject property and has sold all of the single family villages within Westpark to merchant builders. Of note, in May 2013 the Developer sold 533 total unimproved lots (Westpark – Phase 3) to KB Home and Meritage Homes. North of this property is Westpark – Phase 4. In September 2013, West Roseville, LLC sold 887 unimproved lots within Westpark – Phase 4 to Pulte Homes and Lennar (which had first right of refusal from a prior agreement). Pulte Homes subsequently sold 250 of these lots to Meritage Homes.

Major Projects in the Area – A map and discussion of the projects proximate to the subject property is provided beginning on the following page.



Sierra Vista Specific Plan – The Sierra Vista Specific Plan contains 2,076± acres planned for 1,115 residential units, 259± commercial acres and 535 acres of open space and public/quasi public uses. The Westbrook CFD represents the first component of the Sierra Vista Specific Plan to be development. Backbone infrastructure is currently under construction for Westbrook.

West Roseville Specific Plan – This plan area includes the subject and contains approximately 3,100 acres. Two major master planned projects within this Specific Plan are under development: Westpark (*subject is a portion of*) and Fiddymint Ranch. Both of these projects are under development with active projects by merchant builders. Active projects in these competing projects are discussed in the next section of this report.

In total, the Westpark master planned community will eventually contain 3,566 single-family residential lots (including 704 age-restricted and 85 affordable housing units), three multifamily residential components, commercial and industrial sites, as well as three schools (elementary, middle and high school), a church and numerous neighborhood parks and open space.

The Fiddymment Ranch master planned community was developed by Signature Properties. The development encompasses 1,678± acres of land and, at completion, will include 3,165 single-family residences, 1,005 multifamily units, 31.0 acres of retail development, an office site containing 8.7 acres of land area, two schools, a fire station and several parks and open space areas. The project will be developed in three phases. Various merchant builders have purchased lots within the community, including Shea Homes, KB Homes, Meritage Homes, Christopherson Homes and Lennar Corporation. As will be shown in the *Residential Market Overview*, Fiddymment Ranch contains approximately 2,473 remaining lots, which were controlled by the master developer. Ownership of these lots was transferred to Wells Fargo Bank via foreclosure. Wells Fargo Bank has chosen to sell these lots in small groups (rather than in bulk) as warranted by market conditions.

Placer Vineyards Specific Plan – This 5,230-acre plan area is located immediately south of the Sierra Vista Specific Plan and is under the jurisdiction of the County of Placer, which approved the Specific Plan in 2007. No development has yet occurred in this area. The prior period of residential decline led to a fractured development group and numerous ownerships. This fact, coupled with a lack of infrastructure and a County location (as opposed to a more favorable Roseville location) have limited near term demand in this area. Market participants expect the first phases of this project may come online in 5 to 10 years.

Regional University Specific Plan – This plan area is located immediately west of the subject and is under the jurisdiction of the County of Placer, which approved the project in 2007. The project will be accessed by an extension of Pleasant Grove Boulevard. A university from England (University of Warwick) agreed in February 2015 to build a 6,000-student campus in this plan area. A timeline has yet to be set for completion.

Curry Creek Community Plan – West of the Sierra Vista Specific Plan and south of the Regional University Specific Plan, this plan area is under the jurisdiction of the County of Placer. The project contains 4,189 acres and has been identified as a future growth area. This plan area has not yet been planned for suburban development and there are no plans to develop this property in the near term.

Community Uses

There are several community uses in the neighborhood, such as schools, churches, medical facilities, parks, and recreational and cultural facilities. The most prominent recreational facility in the neighborhood is Mahany Park, a regional park at the southwest quadrant of Woodcreek Oaks Boulevard and Pleasant Grove Boulevard. This facility offers a softball complex and the neighboring Roseville Aquatics Complex and Roseville Sports Center. There are several golf courses in the neighborhood, including the public Woodcreek Oaks Golf Club and Diamond Oaks Municipal Golf

Course, as well as the private Sierra View Country Club and 27 holes in the Sun City Roseville development.

Woodcreek High School is located on the west line of Woodcreek Oaks Boulevard, south of Pleasant Grove Boulevard. The Placer County Fairgrounds is located at the intersection of Junction Boulevard and Washington Boulevard.

There are two main hospitals in Roseville, both of which are located in east Roseville, just south of Interstate 80 – Kaiser Permanente, located at the northeast corner of Rocky Ridge Drive and Douglas Boulevard, and Sutter Roseville Medical Center on Roseville Parkway. Kaiser completed a 750,000-square foot expansion at its Roseville site in early 2009. This expansion added a new women’s and children’s health center, expanded emergency department, parking garages and other medical buildings.

Conclusion

In conclusion, the subject is located in an expanding suburban area that should continue to experience adequate demand for various urban property uses. While the subject is located on the edge of its neighborhood and within an expanding area, the neighborhood overall offers a balanced mix of land uses. The area has good access to neighborhood thoroughfares. Households in the area have above-average income levels, and the community appeal is good. The characteristics of the neighborhood relative to other parts of the Sacramento region are desirable.

RESIDENTIAL MARKET

Market Definition

The subject property is located in the western part of the city of Roseville in Placer County. The surrounding area contains a significant amount of newer home construction and the neighborhood is characterized as a growing suburban area. Based on existing surrounding homes and new projects under development, the subject characteristics best support a project designed for a combination of entry-level and move-up home buyers. In this analysis of the residential market, we will analyze market trends within the regional area encompassing the South Placer County cities of Roseville, Rocklin and Lincoln, with a focus on west Roseville.

Single-Family Building Permits

Single-family building permits for Roseville, Rocklin and Lincoln are shown below.

SINGLE-FAMILY BUILDING PERMITS

Year	City of Roseville	City of Rocklin	City of Lincoln	Total	Percent Change
2001	1,456	1,071	1,448	3,975	-
2002	2,300	906	1,415	4,621	16.3%
2003	1,467	467	1,817	3,751	-18.8%
2004	1,025	461	2,099	3,585	-4.4%
2005	826	272	2,689	3,787	5.6%
2006	776	231	938	1,945	-48.6%
2007	1,050	251	379	1,680	-13.6%
2008	676	178	165	1,019	-39.3%
2009	602	180	122	904	-11.3%
2010	635	121	90	846	-6.4%
2011	411	82	92	585	-30.9%
2012	663	74	216	953	62.9%
2013	535	119	248	902	-5.4%
2014	645	297	286	1,228	36.1%
14 Year Totals:	13,067	4,710	12,004	29,781	
Average	933	336	857	2,127	
2015 Jan-Mar	200	92	42	334	8.8% (projected)

Source: SOCDS Building Permits Database. 2015 figures are preliminary.

The number of single-family permits for the regional area declined in years 2006 through 2011, and then increased significantly in 2012. A slight dip was seen in 2013, followed by a 36% increase in 2014. A slight increase is expected for the year 2015, based on year-to-date data for the first three months of the year.

Median Prices – New and Resale Prices Combined

As reported by CoreLogic (formerly DataQuick Information Services), the median home price (resale and new) within Placer County as of March 2015 was 4.2% higher than a year ago (March 2014). Although median prices vary each month, the general trend has been upward in recent quarters.

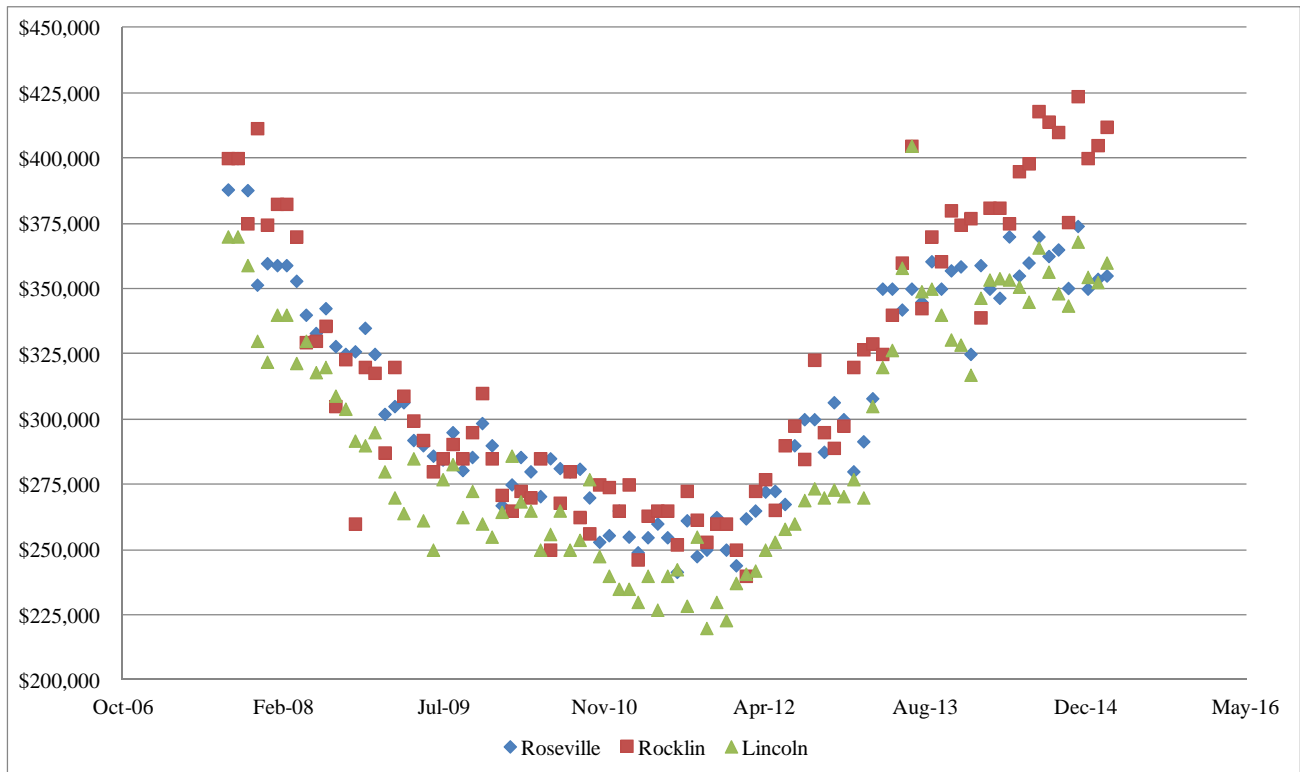
PLACER COUNTY – MEDIAN PRICES (NEW AND RESALE COMBINED)

Month	April 2013 Thru March 2014	April 2014 Thru March 2015	12 Month % Change	(per month)
April	\$342,000	\$360,750	5.5%	0.5%
May	\$340,000	\$375,000	10.3%	0.9%
June	\$362,500	\$385,000	6.2%	0.5%
July	\$362,000	\$374,000	3.3%	0.3%
August	\$353,500	\$387,550	9.6%	0.8%
September	\$363,500	\$390,000	7.3%	0.6%
October	\$355,750	\$395,000	11.0%	0.9%
November	\$359,000	\$365,000	1.7%	0.1%
December	\$358,800	\$396,250	10.4%	0.9%
January	\$342,750	\$369,500	7.8%	0.7%
February	\$363,250	\$370,500	2.0%	0.2%
March	\$360,000	\$375,000	4.2%	0.3%
6-Month % Change (per month)	-1.0%	-3.8%		-0.6%

Source: CoreLogic/DataQuick

Below we compare median prices in the cities of Roseville, Rocklin and Lincoln.

MEDIAN PRICES (NEW AND RESALE COMBINED)



Source: CoreLogic/DataQuick

Historical New Home Pricing and Sales

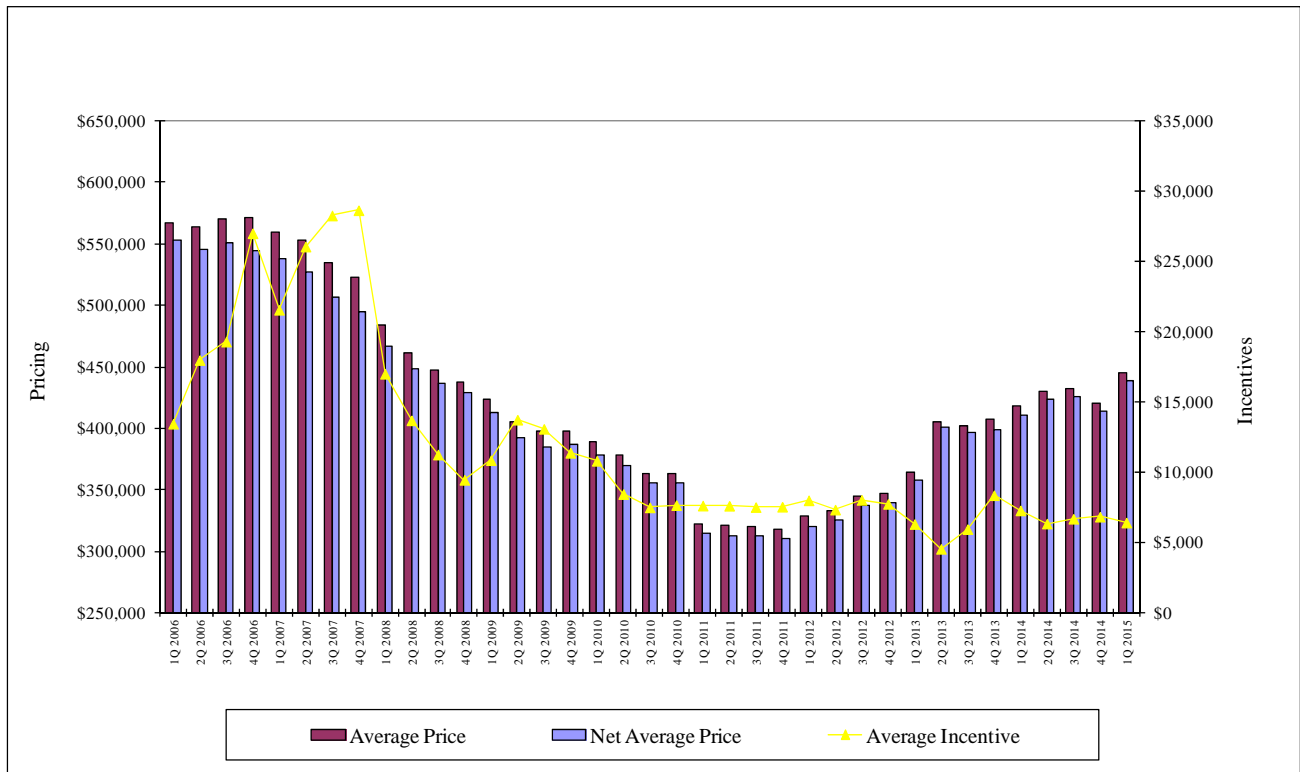
A table and chart depicting the average pricing for active single-family residential projects in the Roseville-Rocklin-Lincoln area since the First Quarter 2006 are provided on the following page. This data, like much of the data presented in this section of the report, was collected and reported by The Gregory Group, a firm that tracks new home prices and absorption statistics for areas of California.

**ROSEVILLE, ROCKLIN & LINCOLN
NEW HOME PRICING AND INCENTIVES**

<u>Quarter</u>	<u>Average Price</u>	<u>Net Average Price</u>	<u>Average Incentive</u>	<u>% Change Net Average Price</u>	<u>% Change Net Average Price -</u>		<u>Number of Projects</u>
					<u>12 Month Moving Average</u>	<u>Home Size</u>	
1Q 2006	\$567,046	\$553,594	\$13,452	-3.9%		2,722	70
2Q 2006	\$563,326	\$545,337	\$17,989	-1.5%		2,720	70
3Q 2006	\$570,710	\$551,414	\$19,296	1.1%		2,781	71
4Q 2006	\$571,184	\$544,170	\$27,014	-1.3%	-1.4%	2,787	76
1Q 2007	\$559,600	\$538,032	\$21,568	-1.1%	-0.7%	2,749	80
2Q 2007	\$552,959	\$526,897	\$26,062	-2.1%	-0.8%	2,747	71
3Q 2007	\$534,652	\$506,373	\$28,279	-3.9%	-2.1%	2,714	69
4Q 2007	\$523,214	\$494,566	\$28,648	-2.3%	-2.4%	2,699	69
1Q 2008	\$484,229	\$467,216	\$17,013	-5.5%	-3.5%	2,707	66
2Q 2008	\$461,695	\$448,000	\$13,695	-4.1%	-4.0%	2,685	61
3Q 2008	\$447,731	\$436,468	\$11,263	-2.6%	-3.6%	2,673	55
4Q 2008	\$437,906	\$428,442	\$9,464	-1.8%	-3.5%	2,653	53
1Q 2009	\$423,458	\$412,598	\$10,860	-3.7%	-3.1%	2,667	47
2Q 2009	\$405,777	\$392,037	\$13,740	-5.0%	-3.3%	2,606	44
3Q 2009	\$397,768	\$384,680	\$13,088	-1.9%	-3.1%	2,603	42
4Q 2009	\$397,769	\$386,380	\$11,389	0.4%	-2.5%	2,566	40
1Q 2010	\$388,643	\$377,824	\$10,819	-2.2%	-2.2%	2,523	41
2Q 2010	\$378,617	\$370,168	\$8,449	-2.0%	-1.4%	2,436	40
3Q 2010	\$363,239	\$355,741	\$7,498	-3.9%	-1.9%	2,368	39
4Q 2010	\$363,410	\$355,756	\$7,654	0.0%	-2.0%	2,377	39
1Q 2011	\$322,065	\$314,438	\$7,627	-11.6%	-4.4%	2,291	37
2Q 2011	\$320,557	\$312,944	\$7,613	-0.5%	-4.0%	2,273	35
3Q 2011	\$319,851	\$312,332	\$7,519	-0.2%	-3.1%	2,298	36
4Q 2011	\$317,791	\$310,244	\$7,547	-0.7%	-3.2%	2,293	36
1Q 2012	\$328,501	\$320,496	\$8,005	3.3%	0.5%	2,338	32
2Q 2012	\$332,799	\$325,457	\$7,342	1.5%	1.0%	2,330	31
3Q 2012	\$344,841	\$336,804	\$8,037	3.5%	1.9%	2,314	29
4Q 2012	\$346,863	\$339,114	\$7,749	0.7%	2.3%	2,289	28
1Q 2013	\$364,167	\$357,847	\$6,320	5.5%	2.8%	2,269	26
2Q 2013	\$405,214	\$400,670	\$4,544	12.0%	5.4%	2,292	26
3Q 2013	\$402,512	\$396,557	\$5,955	-1.0%	4.3%	2,275	26
4Q 2013	\$407,325	\$398,964	\$8,361	0.6%	4.3%	2,359	25
1Q 2014	\$417,710	\$410,425	\$7,285	2.9%	3.6%	2,408	28
2Q 2014	\$429,794	\$423,450	\$6,344	3.2%	1.4%	2,493	35
3Q 2014	\$432,120	\$425,434	\$6,686	0.5%	1.8%	2,523	37
4Q 2014	\$420,865	\$414,028	\$6,837	-2.7%	1.0%	2,449	39
1Q 2015	\$444,741	\$438,322	\$6,419	5.9%	1.7%	2,551	43

Source: The Gregory Group

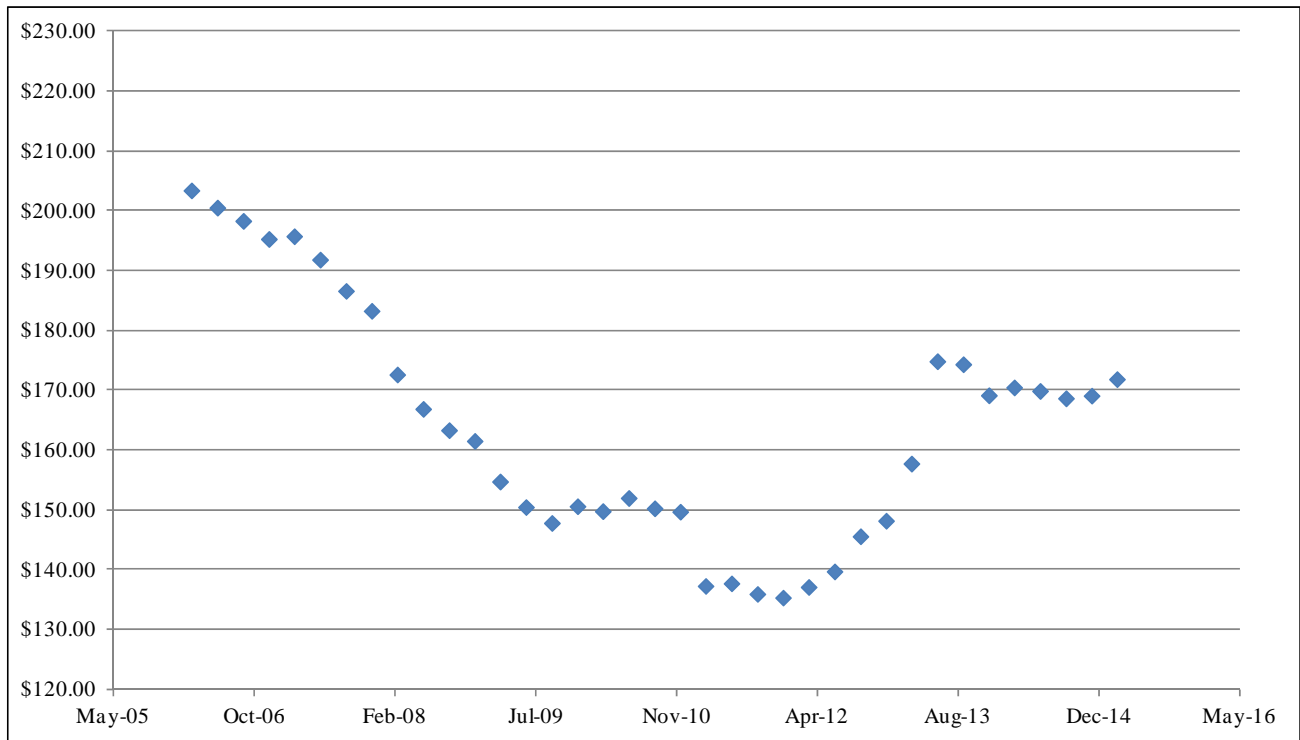
ROSEVILLE, ROCKLIN & LINCOLN NEW HOME PRICING AND INCENTIVES



Source: The Gregory Group

Net prices have been generally increasing since the First Quarter of 2012, and have increased in most quarters since. The average price dipped in the Fourth Quarter of 2014 but showed a strong increase in the First Quarter of 2015. In the following table we show the average net base price divided by the average home size. As shown, this indicator shows prices increased throughout 2012 and the first quarter of 2013, but have been fairly flat over the past two years.

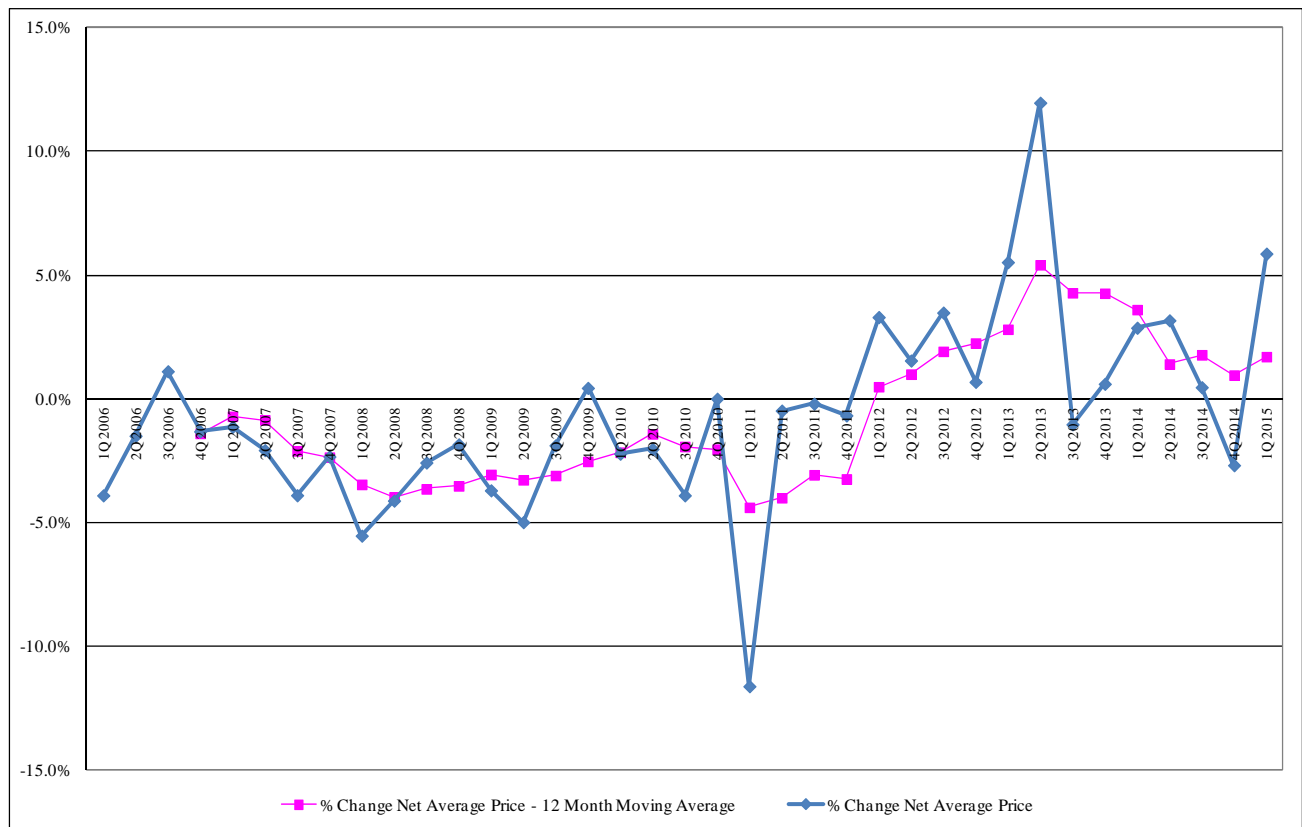
**ROSEVILLE, ROCKLIN & LINCOLN
AVG. NET BASE PRICE / AVG. HOME SIZE**



Source: The Gregory Group

The chart below shows the percentage change in the net base price since the First Quarter of 2006.

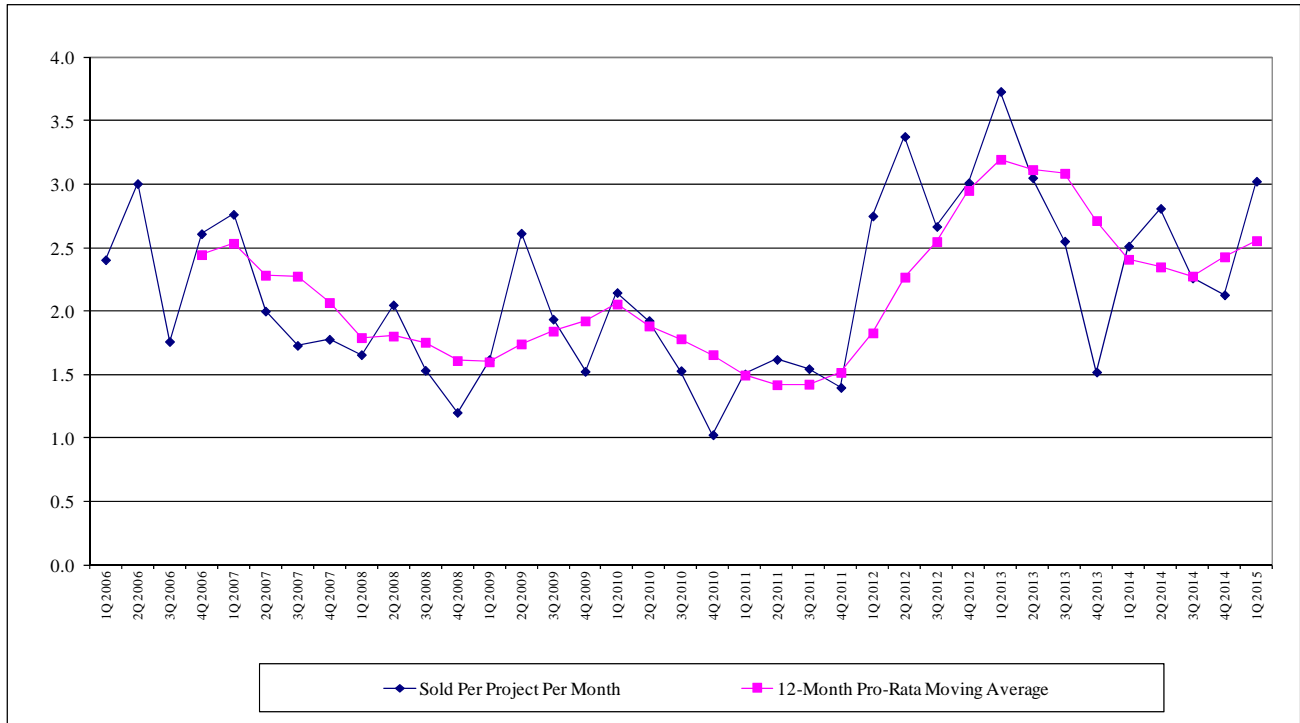
ROSEVILLE, ROCKLIN & LINCOLN PERCENTAGE CHANGE – NET BASE PRICE



Source: The Gregory Group

Another indicator of market conditions, the pro-rata absorption rate per project (total sales divided by total number of projects), which assumes each project captures its fair share of units, has been strong in recent months. Over the last 12 months, projects in Roseville, Rocklin and Lincoln averaged 2.6 sales per month, which was up slightly from the average for the prior 12-month period (2.4 units per month), despite the significant increase in the number of active, competing projects.

**ROSEVILLE, ROCKLIN & LINCOLN
PRO-RATA SALES (SALES PER PROJECT)**



Source: The Gregory Group

Active Projects, Current New Home Pricing and Absorption

There are 19 active projects in the west Roseville area, which includes the master-planned communities of Westpark, Fiddymnt Ranch, Crocker Ranch and Diamond Creek. The projects are summarized in the table on the following page, based on data from the First Quarter of 2015.

ACTIVE PROJECTS SUMMARY

Project	Master Plan	Builder	Avg. Base Price	Age. Home Size (SF)	Lot Size (SF)
Aria	Westpark	KB Home	\$434,875	3,091	4,950
Chateau	Diamond Creek	Lennar Homes	\$340,490	2,081	1,900
Eskaton Village	Diamond Creek	Silverado Homes	\$352,000	1,446	4,000
Legato	Westpark	KB Home	\$473,071	3,357	7,150
Marisol	Fiddymment Farm	Lennar Homes	\$498,990	2,931	6,300
Merrion Square	Westpark	Lennar Homes	\$331,240	2,102	2,508
Molly's Walk	Diamond Creek	Black Pine Communities	\$354,339	1,785	2,700
Paseo Del Norte	(None)	K Hovnanian Homes	\$342,212	2,285	2,475
Primrose	Westpark	Pulte Homes	\$438,490	2,859	4,500
Sierra Commons	Westpark	Meritage Homes	\$462,950	2,753	6,050
Sierra Crossings	Westpark	Meritage Homes	\$446,950	2,366	6,000
Sierra Glen	Westpark	Meritage Homes	\$414,350	2,231	4,050
Somerville	Fiddymment Farm	Lennar Homes	\$430,657	2,647	4,725
Stone Mill II	Fiddymment Farm	K Hovnanian Homes	\$466,490	3,460	8,500
Taylor Crossing	Westpark	Lennar Homes	\$307,240	1,422	2,100
The Reserve	Fiddymment Farm	JMC Homes	\$559,990	3,316	6,300
The Retreat	Fiddymment Farm	JMC Homes	\$458,323	2,213	7,700
The Village	Crocker Ranch	JMC Homes	\$385,657	1,871	4,275
The Woods	Fiddymment Farm	JMC Homes	\$582,490	3,467	12,000
Overall Minimum			\$307,240	1,422	\$216.06 /SF
Overall Maximum			\$582,490	3,467	\$168.01 /SF
Overall Average			\$425,305	2,510	\$169.47 /SF

Source: The Gregory Group

Absorption

Absorption rates at the competing projects over the last four quarters are summarized in the following table.

ACTIVE PROJECTS – RECENT ABSORPTION

Project	Builder	Avg. Home Price (1Q 2015)	Avg. Home Size (1Q 2015)	Open Date	1Q 2015	4Q 2014	3Q 2014	2Q 2014	12-Month Total	Avg. Per Quarter	Avg. Per Month
Aria	KB Home	\$434,875	3,091	Apr-14	14	6	6	0	26	6.5	2.2
Chateau	Lennar Homes	\$340,490	2,081	May-13	3	0	10	8	21	5.3	1.8
Eskaton Village	Silverado Homes	\$352,000	1,446	Jan-06	20	12	8	13	53	13.3	4.4
Legato	KB Home	\$473,071	3,357	Apr-14	8	5	4	6	23	5.8	1.9
Marisol	Lennar Homes	\$498,990	2,931	Nov-13	7	9	9	10	35	8.8	2.9
Merrion Square	Lennar Homes	\$331,240	2,102	Aug-14	2	6	0	--	N/A	2.7	0.9
Molly's Walk	Black Pine Communities	\$354,339	1,785	Jan-13	5	3	3	2	13	3.3	1.1
Paseo Del Norte	K Hovnanian Homes	\$342,212	2,285	Mar-14	18	6	10	12	46	11.5	3.8
Primrose	Pulte Homes	\$438,490	2,859	Sep-14	35	22	2	--	59	19.7	6.6
Sierra Commons	Meritage Homes	\$462,950	2,753	Apr-14	3	1	6	7	17	4.3	1.4
Sierra Crossings	Meritage Homes	\$446,950	2,366	Sep-14	4	10	2	--	N/A	5.3	1.8
Sierra Glen	Meritage Homes	\$414,350	2,231	Jun-14	0	0	0	0	0	0.0	0.0
Somerville	Lennar Homes	\$430,657	2,647	May-14	4	4	8	2	18	4.5	1.5
Stone Mill II	K Hovnanian Homes	\$466,490	3,460	Jan-12	-1	13	13	0	25	6.3	2.1
Taylor Crossing	Lennar Homes	\$307,240	1,422	Apr-13	16	-2	7	11	32	8.0	2.7
The Reserve	JMC Homes	\$559,990	3,316	Jun-14	8	2	4	1	15	3.8	1.3
The Retreat	JMC Homes	\$458,323	2,213	Oct-14	4	4	--	--	N/A	4.0	1.3
The Village	JMC Homes	\$385,657	1,871	May-12	15	7	12	4	38	9.5	3.2
The Woods	JMC Homes	\$582,490	3,467	Sep-11	2	--	--	--	N/A	2.0	0.7
Total					167	108	104	76			
No. of Projects					19	18	17	14			
Quarterly Sales per Project					8.8	6.0	6.1	5.4			
Monthly Sales per Project					2.9	2.0	2.0	1.8			
Average Monthly Sales per Project											2.2

Source: The Gregory Group

As shown in the preceding table, over the last four quarters the monthly absorption rate per project has ranged from 1.8 to 2.9 sales, with an average rate of 2.2 sales per project per month. The trend has been upward, with a strong increase seen in the most recent quarter.

Resale Pricing

We have analyzed recent trends in the resale market in addition to the preceding analysis of the new home market. Based on data from the local MLS, the following table shows resale prices for detached homes located in the Westpark area of Roseville, built in 2005 or later, from January 2015 to present.

RESALES - 2015

Address	Sale Date	Living Area (SF)	Sale Price	Last List Price	Sale Price/SF	Sale % of List	Days on Market	Lot Size
3152 Parkham Drive	2/26/15	1,829	\$336,000	\$339,000	\$184	99.1%	5	5,118
3224 Parkham Drive	5/4/15	1,829	\$350,000	\$339,000	\$191	103.2%	6	3,903
3145 Parkham Drive	4/7/15	2,180	\$355,000	\$359,000	\$163	98.9%	20	4,382
3193 Parkham Drive	4/3/15	2,155	\$355,000	\$369,900	\$165	96.0%	12	4,256
416 Leighton Court	1/20/15	2,025	\$360,000	\$365,000	\$178	98.6%	148	5,279
3330 Rainhill Loop	5/6/15	1,749	\$361,000	\$355,000	\$206	101.7%	32	7,044
3033 Morley Lane	4/20/15	1,952	\$383,000	\$389,900	\$196	98.2%	27	6,059
3017 Overton Way	2/13/15	2,068	\$384,500	\$384,500	\$186	100.0%	6	6,299
2265 Lockton Drive	3/19/15	1,995	\$386,000	\$386,000	\$193	100.0%	3	6,360
2201 Stansfield Drive	5/29/15	2,593	\$395,000	\$394,900	\$152	100.0%	91	5,915
2336 Lockton Drive	3/4/15	2,091	\$401,000	\$395,000	\$192	101.5%	9	6,591
2389 Staxton Circle	4/27/15	2,180	\$412,000	\$420,000	\$189	98.1%	12	6,386
1200 Kirkhill Drive	3/6/15	2,316	\$415,000	\$415,000	\$179	100.0%	12	6,599
3008 Hornby Lane	1/16/15	2,785	\$430,000	\$449,000	\$154	95.8%	30	8,803
1164 Horton Lane	4/7/15	2,415	\$430,000	\$440,000	\$178	97.7%	11	7,148
2649 Bickleigh Loop	5/8/15	2,806	\$443,900	\$443,900	\$158	100.0%	260	8,246
2001 Stansfield Drive	4/20/15	2,609	\$444,000	\$448,970	\$170	98.9%	13	6,277
2057 Stansfield Drive	5/22/15	3,603	\$459,000	\$459,000	\$127	100.0%	82	6,695
1181 Horton Lane	1/20/15	3,165	\$480,000	\$487,500	\$152	98.5%	160	8,560
2306 Dunsley Circle	5/29/15	2,816	\$480,000	\$474,900	\$170	101.1%	4	6,517
2734 Woodgate Way	2/9/15	4,042	\$619,500	\$630,000	\$153	98.3%	67	8,668
2816 Bickleigh Loop	5/21/15	4,367	\$675,000	\$675,000	\$155	100.0%	5	10,716
Total Sales	22	2,526	\$425,223	\$428,203	\$172	99.3%	46	6,434
		(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)

Source: MetroList MLS

The table on the next page shows historical information for re-sales of homes in Westpark since 2010 (built in 2005 and newer).

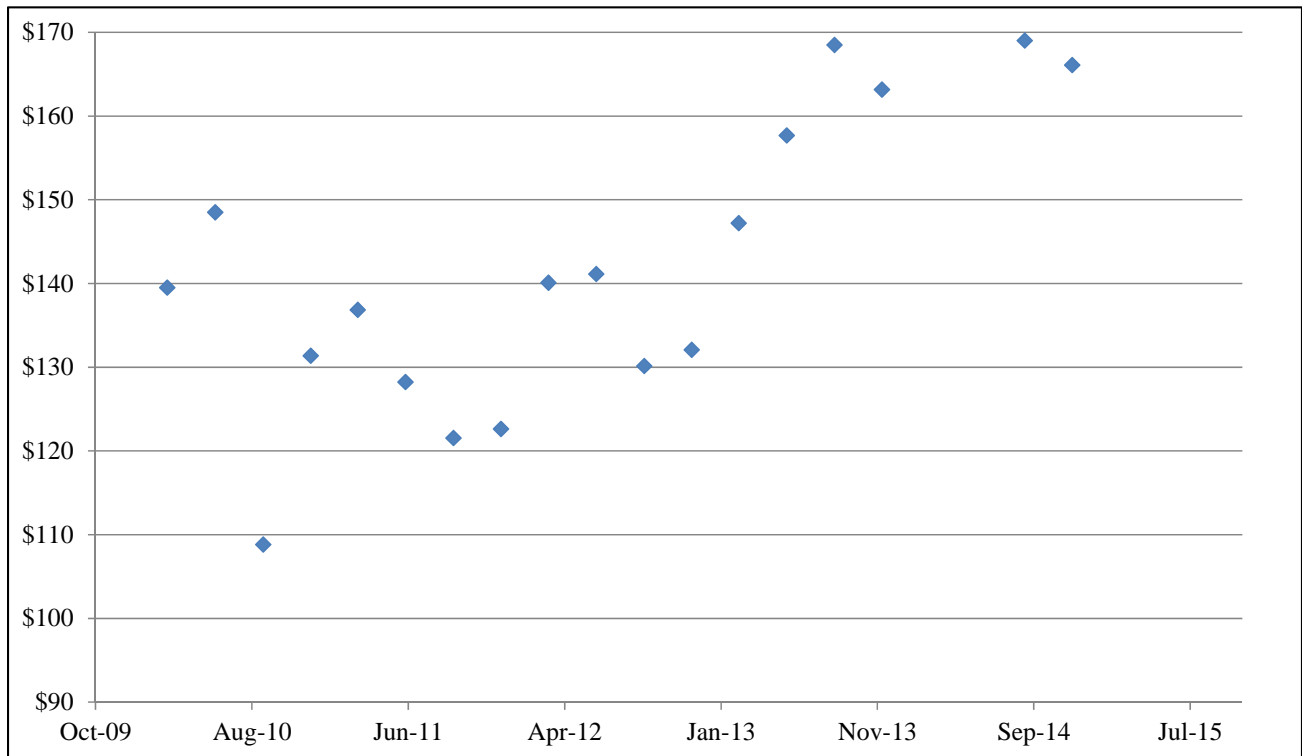
RESALE HISTORY

Quarter Ending	Total Sales	Avg. Home Size (SF)	Avg. Price	Avg. Price/ Avg. SF	Avg. Days on Market
Mar-10	6	2,332	\$325,250	\$139	141
Jun-10	1	1,919	\$284,900	\$148	65
Sep-10	1	4,367	\$475,000	\$109	21
Dec-10	1	3,388	\$445,000	\$131	53
Mar-11	2	2,505	\$342,750	\$137	3
Jun-11	5	2,498	\$320,190	\$128	45
Sep-11	3	2,761	\$335,500	\$122	81
Dec-11	6	2,548	\$312,333	\$123	116
Mar-12	4	1,917	\$268,450	\$140	68
Jun-12	9	2,646	\$373,319	\$141	160
Sep-12	8	2,799	\$364,109	\$130	91
Dec-12	12	2,572	\$339,613	\$132	76
Mar-13	10	2,681	\$394,570	\$147	65
Jun-13	18	2,411	\$380,069	\$158	40
Sep-13	17	2,297	\$386,941	\$168	19
Dec-13	14	2,324	\$379,107	\$163	25
Mar-14	9	2,224	\$381,042	\$171	26
Jun-14	20	2,105	\$386,845	\$184	33
Sep-14	22	2,421	\$409,068	\$169	49
Dec-14	12	2,614	\$434,075	\$166	44
Mar-15	9	2,480	\$423,556	\$171	49

Source: MetroList MLS

Over the past five years (since First Quarter 2010), MLS data show average resale prices have fluctuated between \$109 and \$184 per square foot. The average price per square foot reached (consistent) lows in 2012 and then trended upward over the past few years, with a few quarterly dips. The graph on the next page plots average price per square foot over time, and reflects the information in the table above. As shown, the general trend has been upward, indicating an improving re-sale market.

RESALES - AVERAGE PRICE / AVERAGE SF



Source: MetroList MLS

Market Participant Interviews

We frequently interview market participants about supply and demand conditions for land in the Sacramento region. Within the last few months we have interviewed multiple land brokers and builder land acquisition agents. The consensus is near-term land (predominantly improved and unimproved residential lots) pricing increased significantly from 2012, but since 2013 land prices for near-term development properties have pulled back. One participant referenced a project in the Sacramento region where one builder submitted an offer at \$85,000 per finished lot in mid-2013, but later, due to market changes, reduced its offer to \$65,000 per finished lot. This price is still higher than the price paid in 2012 for a similar property (\$45,000 per finished lot). The pullback in land prices is the result of a combination of factors, including slowing home sales, the doubling of mortgage insurance, seasonality, as well as the fact that builders have increased pricing. However, it should also be noted that in recent months land brokers have reported that a “re-set” in the market has occurred, whereby land prices have stabilized and a more “normal” rate of growth and appreciation is expected in the near and intermediate terms.

Conclusion

We have summarized some of the key points from this section as follows:

- Throughout the regional area, new and resale prices have trended upward over the past 3-4 years, with increases tempering as of late.
- In the Westpark resale market, the average price per square foot reached lows in 2012 and then showed strong increases over the past three years, except for a few quarterly dips.
- For new homes in the Roseville-Rocklin-Lincoln area, average prices have been increasing for about three years since early 2012. However, the average price per square foot has been relatively flat for about two years.
- Absorption rates in the Roseville-Rocklin-Lincoln area increased significantly in the year 2012 and have been fairly steady for the past couple of years.
- Among the active projects in west Roseville, the average absorption rate was 2.2 sales per project per month over the past year, and 2.9 in the most recent quarter, which is indicative of a stable market with good demand.
- Builders are acquiring unimproved lots at desirable locations for near-term site development and construction due to a limited supply of finished lots.
- Lot acquisitions by builders have increased moderated recently.

The inventory of available finished lots in the region at the most desirable locations is decreasing. In 2013 builders were looking for unimproved lots for near-term site development and home construction, and competition for lots was fierce while builders were speculating on home price increases in their land purchases in order to secure lot inventory. In 2014, land brokers reported a drastic slowdown in land transactions, as merchant builders reduced land acquisitions for fears of a residential market pullback. There has generally been a “re-set” in the market since, and transactions are once again occurring in the land market. Given market activity in recent months, home and lot prices are anticipated to be steady to increasing into the foreseeable future.

HIGHEST AND BEST USE

The term “highest and best use,” as used in this report, is defined as follows:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.⁵

Two analyses are typically required for highest and best use. The first analysis is highest and best use of the land as though vacant, and the second analysis is the highest and best use as improved (which is not applicable). Definitions of these terms are provided in the *Glossary of Terms* in the Appendix to this report.

Highest and Best Use as Vacant

In accordance with the definition of highest and best use, it is appropriate to analyze the subject property as though vacant as it relates to legal permissibility, physical possibility, financial feasibility and maximum productivity.

Legal Permissibility

The legal factors influencing the highest and best use of the subject property are primarily government regulations, such as zoning and building codes. The subject property is zoned and approved for single-family development (1,838 lots) and multifamily development (420 units), as well as 13.80 acres of land, divided between two parcels, that is slated for commercial use. Overall, the legally permissible uses are to develop the subject property in accordance with the existing entitlements and land use designations, which have undergone extensive planning and review. A rezone to any other land use is highly unlikely. Additionally, the above land uses are consistent with the City of Roseville General Plan and the West Roseville Specific Plan.

Physical Possibility

The physical characteristics of a site that affect its possible use(s) include, but are not limited to, location, street frontage, visibility, access, size, shape, topography, availability of utilities, offsite improvements, easements and soil and subsoil conditions. The legally permissible test has resulted in uses consistent with the existing entitlements (i.e., single- and multifamily development, as well as

⁵ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 93.

commercial uses); at this point the physical characteristics are examined to see if they are suited for the legally permissible use.

The physical characteristics of the subject property support development. The subject property has paved access, and public utilities are in proximity to the subject property. Upon completion of remaining site improvements, interior streets and utilities will be extended to each of the subject's lots. The subject is not located in an adverse earthquake or flood zone. Surrounding land uses are compatible and/or similar to the legally permissible uses. Development on adjacent properties provides support that soils are adequate for development.

It is noted, given the locational characteristics, the subject's commercial land is best suited for neighborhood retail designed to meet the needs of the residents in the immediate one-mile radius. In our opinion the commercial sites should be developed with retail shop space containing users such as a restaurant and/or café, convenience store, dry cleaner, salon, drug store and the like.

Financial Feasibility

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, in recent months merchant builders have acquired unimproved lots in South Placer County for near term construction, and there are multiple active projects in the area that demonstrate demand for new homes. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which indicates completion of site development is financially feasible. Strong land speculation by merchant builders has led to land prices that have outpaced current home prices, which reflects that builders, when making land purchase decisions, are speculating that home prices will continue to increase.

Regarding multifamily development, in general, while all real estate sectors experienced contraction between 2008 and 2011, the apartment market has since improved significantly and is currently regarded as one of the best performing property investment sectors. Vacancy in the subject's neighborhood is low, and rental rates have been increasing, indicating that there is good demand for multifamily residential housing. If the subject apartment sites were able to be developed with market-rate housing, it is our opinion multifamily development would be financially feasible and maximally productive. However, both of the multifamily sites have affordable housing deed restrictions. Specifically, parcel W-16A (APN 496-010-001) is required to have 23 very low income units and 138 low income units out of the total of the 250 units for which this site is approved. Further, parcel W-27 (APN 496-020-014) is restricted to 89 very low income units and 61 low income units out of a total of 170 units. Given apartment construction costs, combined with the restrictions on the rent that can be charged, it is our opinion development of the subject apartment sites with these affordable requirements is not financially feasible without the input of grant money, low to no interest rate loans and the like. Further, it is not uncommon in the subject's market area

for affordable multifamily developers to require a financial incentive from the land owners to take title to the property in order to proceed with development. This would indicate a market value below \$0. Therefore, the highest and best use of the multifamily properties is to hold for future affordable multi-family development. There is the potential for developers in the future to secure financial incentives from municipalities, non-profit organizations and/or Federal and State which could provide for construction feasibility.

Regarding development of the commercial sites, it is our opinion that construction on the commercial land is not financially feasible at this time. Commercial prices and rents are still negatively impacted by a number of factors (including bank-owned inventory, local unemployment and broader economic challenges). The general consensus is that many improved properties are transferring below replacement cost, indicating infeasibility of new construction. Thus, many developers that hold title to unimproved properties are holding for development until the market further stabilizes. There is limited to no demand to substantiate new commercial construction, especially given the lack of existing demand in the subject's immediate area. As construction of the subject's single-family homes are being completed and residents start moving in, the feasibility of the commercial site will eventually improve for new construction as the consumer demand in the immediate area grows. Overall, the timing of future commercial development depends on the build-out of the single-family residential component of Westpark and other nearby master-planned communities.

Maximum Productivity

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the subject property as vacant. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, the maximally productive use of the subject property, and its highest and best use as vacant, is for near term single-family residential development. The highest and best use as vacant for the multifamily and commercial land components are for an interim hold until demand warrants construction. The probable buyer of the subject, in bulk, is a land developer or production homebuilder intending to build a combination of entry-level and move-up homes (including the multifamily and commercial sites).

APPROACHES TO VALUE

The valuation process is a systematic procedure used in the valuation of real property.⁶ This process involves the investigation, organization and analysis of pertinent market data and other related factors that affect the market value of real estate. The market data is analyzed in terms of any one or all of the three traditional approaches to estimating real estate value. These are the cost, sales comparison and income capitalization approaches. An additional approach—discounted cash flow analysis—is also applicable. Each approach to value is briefly discussed and defined as follows:

Cost Approach

The cost approach is based on the premise that no prudent buyer would pay more for a particular property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility. Thus, this approach to value relates directly to the economic principle of substitution, as well as supply and demand. The cost approach is most applicable when valuing properties where the improvements are new or suffer only a minor amount of accrued depreciation, and is especially persuasive when the site value is well supported. The cost approach is also highly relevant when valuing special-purpose or specialty properties and other properties that are not frequently exchanged in the market. The definition of the cost approach is offered as follows:

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.⁷

Sales Comparison Approach

The sales comparison approach is based on the premise that the value of a property is directly related to the prices being generated for comparable, competitive properties in the marketplace. Similar to the cost approach, the economic principles of substitution, as well as supply and demand are basic to the sales comparison approach. This approach has broad applicability and is particularly persuasive when there has been an adequate volume of recent, reliable transactions of similar properties that indicate value patterns or trends in the market. When sufficient data are available, this approach is the most direct and systematic approach to value estimation. Typically, the sales comparison approach is most pertinent when valuing land, single-family homes and small, owner-occupied commercial and office properties. The definition of the sales comparison approach is offered as follows:

⁶ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 205.

⁷ The Dictionary of Real Estate Appraisal, 47.

The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.⁸

Income Capitalization Approach

The income capitalization approach is based on the premise that income-producing real estate is typically purchased as an investment. From an investor's point of view, the potential earning power of a property is the critical element affecting value. The concepts of anticipation and change, as they relate to supply and demand issues and substitution, are fundamental to this valuation approach. These concepts are important because the value of income-producing real estate is created by the expectation of benefits (income) to be derived in the future, which is subject to changes in market conditions. Value may be defined as the present worth of the rights to these future benefits. The validity of the income capitalization approach hinges upon the accuracy of which the income expectancy of a property can be measured.

Within the income capitalization approach there are two basic techniques that can be utilized to estimate market value. These techniques of valuation are direct capitalization and yield capitalization.

Direct Capitalization: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.⁹

Yield Capitalization: A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.¹⁰

The definition of the income capitalization approach is offered as follows:

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment.

⁸ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 175.

⁹ The Dictionary of Real Estate Appraisal, 58.

¹⁰ The Dictionary of Real Estate Appraisal, 211.

Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.¹¹

Discounted Cash Flow (DCF) Analysis

A discounted cash flow analysis is a procedure in which a discount rate is applied to a projected revenue stream generated from the sale of individual components of a project. In this method of valuation, the appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

¹¹ The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 99.

BENCHMARK LOT VALUATION

We have identified three benchmark lot categories for the purpose of estimating the value of the subject residential lots (1. Larger Lots - $\geq 4,500$ SF, 2. Smaller Lots - $< 4,500$ SF and 3. Affordable Lots - $< 4,500$ SF). The following table presents all of the subject lots, from smallest to largest typical lot size and our benchmark lot conclusions.

LOT SIZES			
Larger Parcel Designation	Land Use	No. of Lots	Typical Lot Size (SF)
<u>Smaller Lots (< 4,500 SF)</u>			
W-25A	HDR	44	2,600
W-25B	HDR	12	2,600
W-25B	HDR	2	2,750
W-26	HDR	99	3,200
W-26	HDR	66	3,200
W-15B	LDR	72	3,600
W-24	MDR	122	3,780
W-22	MDR	5	3,780
W-13D	LDR	88	4,275
<u>Larger Lots ($\geq 4,500$ SF)</u>			
W-2A	LDR	27	4,500
W-1A	LDR	18	4,500
W-1B	LDR	5	4,500
W-1A	LDR	1	4,500
W-2A	LDR	9	4,500
W-2B	LDR	8	4,500
W-19A	LDR	109	4,725
W-19B	LDR	85	4,725
W-13A	LDR	74	5,000
W-15A	LDR	83	5,500
W-18A	LDR	86	5,775
W-17A	LDR	66	5,775
W-13B	LDR	60	6,000
W-17B	LDR	56	6,300
W-15C	LDR	69	6,300
W-18C	LDR	102	6,300
W-17C	LDR	69	6,300
W-18B	LDR	57	6,300
W-13C	LDR	87	6,825
W-18D	LDR	92	6,825
W-18F	LDR	19	6,825
W-17D	LDR	53	6,825
W-18E	LDR	28	7,700
W-18E	LDR	24	7,700
W-17E	LDR	41	7,700

= specific benchmark lots

Larger Lots ($\geq 4,500$ SF)

In this section of the report, we will utilize the sales comparison approach and the extraction technique to estimate the market value of the Larger Lots - $\geq 4,500$ square foot lot category. The estimate of value assumes the lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer. We have selected the Larger Parcel W-13B (KB Home) for the benchmark lot for the larger lot category. Larger Parcel W-13B consists of 60 finished lots with a typical lot size of 6,000 square feet (LDR - low density residential land use designation).

It is noted, this analysis is conducted on a finished lot basis. Later in this report, we apply a lot size adjustment factor to account for differing lot sizes, and deduct remaining site development costs (where applicable), to determine unimproved values for each larger parcel.

Sales Comparison Approach (Large Lots - $\geq 4,500$ SF)

This approach is based on the economic principle of substitution. According to *The Appraisal of Real Estate, 14th Edition* (Chicago: Appraisal Institute, 2013), “The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

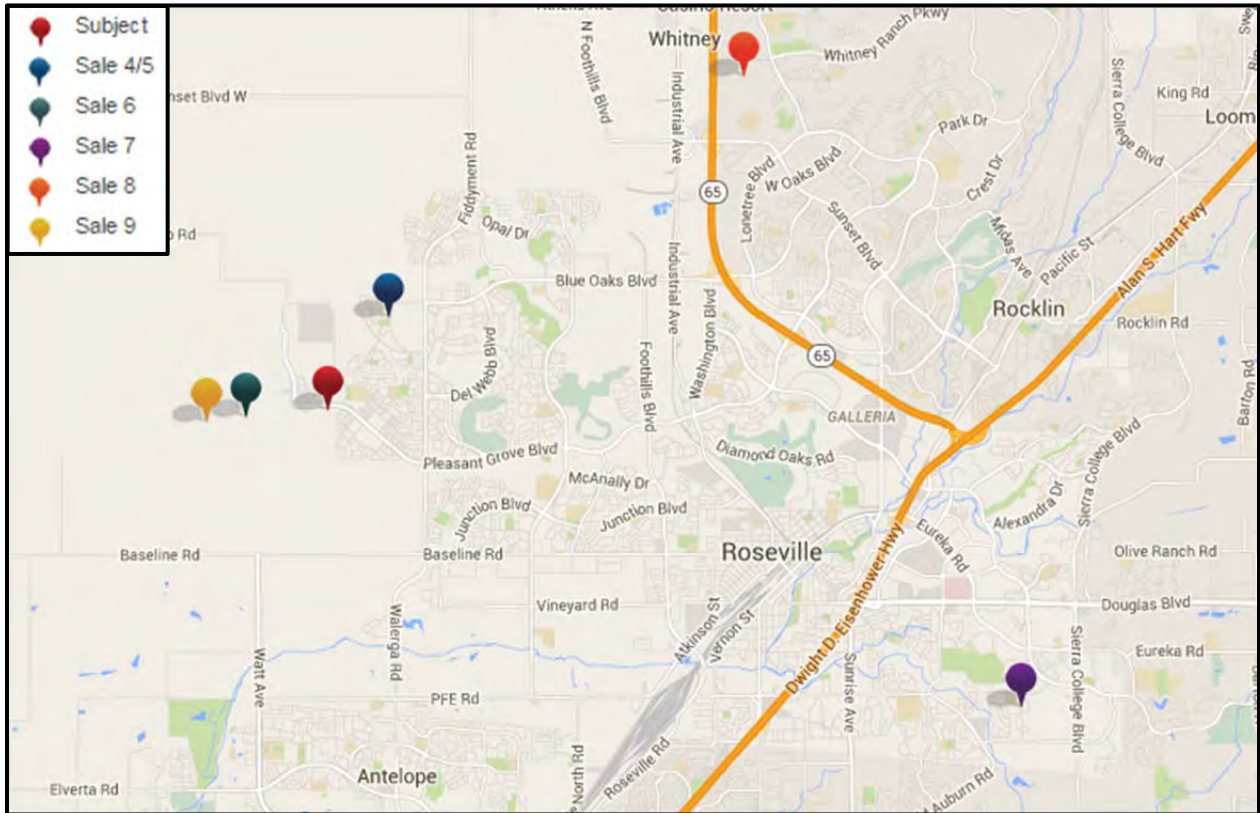
The proper application of this approach requires obtaining recent sales data for comparison with the subject property. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

On the following page, we have arrayed comparable sales that have occurred in South Placer County (Roseville, Rocklin). The summary table is accompanied by a map and followed by details of each comparable. The basis of analysis is price per lot. The comparable data includes finished and unimproved transactions (with adjustments for remaining site costs and profit applied to the unimproved transactions).

COMPARABLES SALES SUMMARY

No.	Location	Sale Date	Sale Price	Price Per Lot	No. of Lots	Typical Lot Size	Lot Condition
1	Confidential Confidential Competing Area	2nd Qtr. (pending)	Confidential	\$140,000	50 - 80	5,500	Finished
2	Confidential Confidential Competing Area	2nd Qtr. (pending)	Confidential	\$115,000 - \$120,000	90 - 120	4,500	Finished
3	Confidential Confidential Competing Area	2nd Qtr. (pending)	Confidential	\$163,000 - \$168,000	90 - 120	6,600	Finished
4	Fiddymment Ranch - Villages 9 and 19 (por.) Roseville Placer County	May-15	\$24,793,000	\$59,172	419	5,775	Unimproved
5	Fiddymment Ranch - Villages 9 and 19 (por.) Roseville Placer County	May-15	\$13,230,000	\$70,000	189	5,775	Unimproved
6	Westbrook - Village 5A and 5B Roseville Placer County	May-15	\$12,391,200	\$78,925	157	5,650 - 6,850	Unimproved
7	Old Auburn Ranch Roseville Placer County	Feb-15	\$1,751,000	\$54,719	32	6,809	Unimproved
8	Evergreen Lots Rocklin Placer County	Jan-15	\$11,880,000	\$54,000	220	3,150	Unimproved
9	Westbrook - Village 6, 7A, 7B, 24, 25 Roseville Placer County	Aug-14 (cancelled)	\$30,000,000	\$80,000	375	4,700 - 6,700	Unimproved

COMPARABLE SALES MAP



It is noted that due to the confidential nature of Comparables 1 through 3, they are not shown in the map above.

COMPARABLE 1

Property Identification

Project Name	Confidential
Location	Confidential
APN	Confidential
City	Confidential
County	Competing Area

Sale Data

Grantor	Confidential
Grantee	Pending (Confidential)
Contract Date	Confidential
Closing Date	Pending (Confidential)
Deed Book Page	Pending (Confidential)
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	Confidential
Annual Special Assessments per Lot	\$1,800 to \$1,900

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	50 – 80
Land Area (Acres)	Confidential
Density (Units per Acre)	Approximately 4.5
Development Status at Sale	Finished Lots
Typical Lot Size	5,500 SF

Indicators (per Lot)

Sale Price	\$140,000
Site Development Costs	\$0
Permits and Fees	\$42,398 (average)

Remarks

This comparable represents a confidential letter of intent by a single builder to purchase 50 to 80 finished single-family residential lots at \$140,000 per lot.

COMPARABLE 2

Property Identification

Project Name	Confidential
Location	Confidential
APN	Confidential
City	Confidential
County	Competing Area

Sale Data

Grantor	Confidential
Grantee	Pending (Confidential)
Contract Date	Confidential
Closing Date	Pending (Confidential)
Deed Book Page	Pending (Confidential)
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	Confidential
Annual Special Assessments per Lot	\$1,800 to \$1,900

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	90 to 120
Land Area (Acres)	Confidential
Density (Units per Acre)	Approximately 4.5
Development Status at Sale	Finished Lots
Typical Lot Size	4,500 SF

Indicators (per Lot)

Sale Price	\$115,000 – \$120,000 (see remarks)
Site Development Costs	\$0
Permits and Fees	\$42,398 (average)

Remarks

This comparable represents a confidential pending sale for 90 to 120 single-family residential lots. The lots will be delivered in finished condition in two take downs. The first take down is at a price of \$115,000 per lot, and the second take down will follow roughly 12 months later for \$120,000 per lot. Thus, the average price is about \$117,500 per lot, which is shown in our analysis grid.

COMPARABLE 3

Property Identification

Project Name	Confidential
Location	Confidential
APN	Confidential
City	Confidential
County	Competing Area

Sale Data

Grantor	Confidential
Grantee	Pending (Confidential)
Contract Date	Confidential
Closing Date	Pending (Confidential)
Deed Book Page	Pending (Confidential)
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	Confidential
Annual Special Assessments per Lot	\$1,800 to \$1,900

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	90 - 120
Land Area (Acres)	Confidential
Density (Units per Acre)	Approximately 3.0
Development Status at Sale	Finished Lots
Typical Lot Size	6,600 SF

Indicators (per Lot)

Sale Price	\$163,000 – \$168,000 (see remarks)
Site Development Costs	\$0
Permits and Fees	\$42,398 (average)

Remarks

This comparable represents a confidential pending sale of 90 to 120 single-family residential lots. The lots will be delivered in finished condition in two take downs. The first take down is at a price of \$163,000 per lot, and the second take down will follow roughly 12 months later for \$168,000 per lot. Thus, the average price is about \$165,500 per lot, which is shown in our analysis grid.

COMPARABLE 4

Property Identification

Project Name	Fiddymment Ranch – Villages 9 and 19 (por.)
Location	East side of Fiddymment Road, north of Blue Oaks Boulevard
APN	492-010-051 through -056
City	Roseville
County	Placer County

Sale Data

Grantor	ATC Realty One, LLC
Grantee	GBD Fiddymment Lands LP (doing business as Granite Bay Ventures)
Contract Date	Late August 2014
Closing Date	May 6, 2015
Deed Book Page	37171
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$24,793,000
Annual Special Assessments per Lot	\$1,600

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	419
Land Area (Acres)	77 (estimated)
Density (Units per Acre)	5.4 (estimated)
Development Status at Sale	Unimproved Lots
Typical Lot Size	5,775 SF

Indicators (per Lot)

Sale Price	\$59,172
Site Development Costs	\$40,000
Permits and Fees	\$58,000 (includes final map fees)

Remarks

This is a portion of Villages 9 and 19 within Fiddymment Ranch, a master planned community developed by Signature Properties. The development encompasses 1,678± acres of land and, at completion, will include 3,165 single-family residences, 1,005 multifamily units, 31 acres of retail development, an office site containing 8.7 acres of land area, two schools, a fire station and several parks and open space areas. After the contraction in the housing market, ownership of the developer's last remaining lots (2,473) transferred to Wells Fargo Bank via foreclosure. Wells Fargo Bank completed two bulk sales from this total in 2013. The seller in this transaction was a receiver for the bank. Reportedly the buyer made a non-refundable deposit of \$2.5 million in October 2014 on this purchase, and in order to be able to close on the purchase, the buyer concurrently sold 189 lots to a national builder (see Comparable 5). Negotiations began in July 2014, and the contract was executed in August 2014. The buyer passed through to the seller \$2,500,000 of the deposit as non-refundable in October 2014.

COMPARABLE 5

Property Identification

Project Name	Fiddymment Ranch – Villages 9 & 19 (portion)
Location	East side of Fiddymment Road, north of Blue Oaks Boulevard
APN	492-010-051 through 056 (ptn)
City	Roseville
County	Placer County

Sale Data

Grantor	GBD Fiddymment Lands LP (doing business as Granite Bay Ventures)
Grantee	Taylor Morrison of California, LLC
Contract Date	Early 2015
Closing Date	May 6, 2015
Deed Book Page	37185
Property Rights Conveyed	Fee Simple
Conditions of Sale	Seller motivation
Financing Terms	Cash Equivalent
Sale Price	\$13,230,000
Annual Special Assessments per Lot	\$1,600

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	189
Land Area (Acres)	77 (estimated)
Density (Units per Acre)	5.4 (estimated)
Development Status at Sale	Unimproved Lots
Typical Lot Size (SF)	5,775 SF, 5,250 SF and 6,300 SF

Indicators (per Lot)

Sale Price	\$70,000
Site Development Costs	\$40,000
Permits and Fees	\$58,000 (includes final map fees)

Remarks

This recent sale represents a portion of Villages 9 and 19 within the Fiddymment Ranch project. The seller acquired 419 lots in a concurrent transaction (see Comparable 4), and sold 189 lots to this buyer. Reportedly, the seller remains contractually obligated to deliver improved lots to the buyer at a not to exceed total cost of \$110,000 per lot. It is noted the seller may have been under some duress, as they were in danger of losing a \$2.5 million deposit on the purchase of Comparable 4. As such, an upward adjustment is applied for conditions of sale. We were not able to speak with parties directly involved in this transaction; the information was verified through our conversations with other local market participants who were aware of the transaction.

COMPARABLE 6

Property Identification

Project Name	Westbrook – Village 5A and 5B
Location	South side of Pleasant Grove Boulevard, east of Westbrook Boulevard (proposed extension)
APN	496-010-005, -006
City	Roseville
County	Placer County

Sale Data

Grantor	WP Development Company, LLC
Grantee	Woodside 05N, LP (doing business as Woodside Homes of Northern California)
Contract Date	August 2014
Closing Date	May 2015
Deed Book Page	36273
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$12,391,200
Annual Special Assessments per Lot	\$1,585 (anticipated)

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	157
Land Area (Acres)	30.5
Density (Units per Acre)	5.1
Development Status at Sale	Unimproved Lots
Typical Lot Size	5,650 to 6,850 SF (range of typical)

Indicators (per Lot)

Sale Price	\$78,925
Site Development Costs	\$38,000
Permits and Fees	\$57,646

Remarks

This comparable represents Villages 5A and 5B in the Westbrook master planned community in west Roseville. The seller has the right, but not the obligation, to assign some or all of various fee credits (associated with the construction of sections of Pleasant Grove Boulevard and Westbrook Boulevard) to the buyer after close of escrow, and the buyer agrees to accept the fee credits. However, the assigned credits shall not exceed the aggregate amount of the fees applicable to the property. The seller is to complete various improvements, including 1) mass grading improvements, 2) all backbone infrastructure improvements to support Villages 5A and 5B, 3) frontage improvements for these villages and 4) improvements associated with a well (identified as Village 61, APN 496-100-003).

COMPARABLE 7

Property Identification

Project Name	Old Auburn Ranch
Location	Old Auburn Road at South Cirby Way
APN	467-080-001-510; 467-090-002, -016
City	Roseville
County	Placer County

Sale Data

Grantor	City of Roseville
Grantee	TL Creekside, LP
Contract Date	August 2014
Closing Date	February 2015
Deed Book Page	13688
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,751,000
Annual Special Assessments per Lot	\$0

Land Data

Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	32
Land Area (Acres)	17.2
Density (Units per Acre)	1.9
Development Status at Sale	Unimproved Lots
Typical Lot Size (SF)	6,809

Indicators (per Lot)

Sale Price	\$54,719
Site Development Costs	\$35,707
Permits and Fees	\$45,920

Remarks

This comparable represents the sale of a 32-lot tentatively mapped subdivision in an older area of Roseville, considered an inferior location to that of the subject property. The property is zoned RS – small lot residential, while the General Plan designation is LDR-4.8 (low density residential, 4.8 units per acre). Lot sizes range from 4,500 to 14,708 square feet, with an average of 6,809 square feet. No Mello-Roos bonds are associated with the project. Anticipated lot development costs are \$35,180 per lot, which does not include wetland mitigation and tree mitigation costs. The tree mitigation cost is estimated at \$527 per lot; as such, the total site development costs are \$35,707 per lot. Wetland mitigation costs are unknown, but only 0.50 acres of wetland mitigation credits would need to be acquired from a mitigation bank.

COMPARABLE 8

Property Identification

Project Name	Evergreen lots
Location	South side of Whitney Ranch Parkway, between Wildcat Boulevard and Highway 65
APN	017-081-058, -059 (portion)
City	Rocklin
County	Placer County

Sale Data

Grantor	Evergreen of Rocklin Land Joint Venture
Grantee	Woodside
Contract Date	Late 2014
Closing Date	January 2015
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$11,880,000
Annual Special Assessments per Lot	\$0

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	220
Land Area (Acres)	15
Density (Units per Acre)	14.7
Development Status at Sale	Unimproved Lots
Typical Lot Size	3,150 SF

Indicators (per Lot)

Sale Price	\$54,000
Site Development Costs	\$50,000
Permits and Fees	\$64,000

Remarks

These lots are relatively small at 40x70 feet (2,800 SF) and 45x75 feet (3,375 SF). While development costs are expected to be higher than other local projects, due to rocky soil, Woodside expected to be into the finished lots at a basis of about \$95,000 to \$100,000 per lot. It is noted this transaction was verified with multiple sources with minor discrepancies between each source; the information reflected above is considered to be reliable.

COMPARABLE 9

Property Identification

Project Name	Westbrook – Village 6, 7A, 7B, 24 and 25
Location	South side of Pleasant Grove Boulevard, east of Westbrook Boulevard (proposed extension)
APN	496-100-007, -008, -009, -002, -001
City	Roseville
County	Placer County

Sale Data

Grantor	WestPark S V 400 LLC
Grantee	Taylor Morrison Homes
Contract Date	N/Av
Closing Date	August 2014 (canceled contract)
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Cancelled
Financing Terms	Cash Equivalent
Sale Price	\$30,000,000
Annual Special Assessments per Lot	LDR \$1,585 / MDR \$1,300 (anticipated); overall average of \$1,475

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	375
Land Area (Acres)	68.6
Density (Units per Acre)	5.5
Development Status at Sale	Unimproved Lots
Typical Lot Size	4,700 to 6,700 SF (range of typical)

Indicators (per Lot)

Sale Price	\$80,000 (see remarks)
Site Development Costs	\$36,000
Permits and Fees	\$56,400

Remarks

Like Comparable 6, this property is located in the Westbrook master planned community in west Roseville. This comparable represents a canceled sale contract for 375 unimproved lots. According to the property owner and broker, Taylor Morrison made the decision to cancel the contract because they had a sufficient inventory of lots for the near term. The developer reported the effective price was \$80,000 per paper lot, with the buyer accepting responsibility for the construction of all backbone infrastructure, as well as other improvements benefiting the seller. The seller would also retain the right to receive all bond proceeds as reimbursements for the public infrastructure to be completed by the buyer.

Adjustments and Conclusion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. For certain adjustments such as site development cost, permits and fees and Special Taxes, adjustments are made using actual or estimated (present value) dollar amounts. Other adjustments may be categories as either superior or inferior, with percentage adjustments applied accordingly. If a comparable has an attribute considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject. The adjustments are made in consideration of paired sales, the appraiser's experience and knowledge and interviews with market participants.

At a minimum, the appraiser considers the need to make adjustments for the following items:

- Expenditures after Sale (i.e. site development costs (if any), permits and fees, bond encumbrance and atypical carrying costs such as Homeowner's Association fees)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions (time)
- Location
- Physical features

A detailed analysis involving the adjustment factors is presented below.

Loaded Lot Analysis

Since each comparable has the same highest and best use as the subject property—near term single-family residential development—we apply adjustments for remaining site development costs (if any) and permits and fees on a dollar-for-dollar basis. That is, the comparables are analyzed on a loaded-lot-basis, where any remaining site development costs and permits and fees due at building permit are added to the lot price to yield a price that reflects the total consideration. After all other adjustments are applied (market conditions, physical characteristics, etc.), we deduct the subject's remaining permits and fees to determine the subject's finished lot value.

We consider the Special Taxes of the comparables and their remaining bond terms to estimate a remaining principal bond balance. While bond interest rates may vary somewhat, for approximation purposes, we utilize a 6% discount rate. The estimated bond encumbrances are added to the loaded lot prices on a dollar-for-dollar basis.

As HOA fees are associated with intrinsic benefits, such as community pools, services, etc., no adjustments for this item are applicable.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. As previously noted, the opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales were cash to the seller transactions and do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

Comparable 5 involved a level of seller motivation, as the seller would lose a significant deposit if they did not close the deal, which required funds from the simultaneous sale. As such, this comparable sale is adjusted upward. Conversely, Comparable 9 represents a cancelled contract

(buyer cancellation due to already having sufficient supply of lots in the area), and is adjusted downward for conditions of sale. The purchase price was considered to be above market. No other adjustments are warranted.

Market Conditions

Market conditions vary over time, but the date of this appraisal is for a specific point in time. In a dynamic economy – one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline – extra attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a city, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

All of the comparables transferred in August 2014 and later, during a period of stability in residential land prices, and no adjustments are warranted.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value include the following:

Location/Community Appeal

The subject property is located in West Roseville, which is considered an average to good location relative to other submarkets in South Placer County. Overall community appeal is also considered average to good. As observed by the number of transactions within the past 24 months, South Placer County is a highly desirable submarket for single-family residential lots. Comparable 8 is located in Rocklin, within an area of generally higher home prices and land values relative to West Roseville, and is adjusted downward. Comparables 1 through 3 are also adjusted downward for their superior location/community appeal, although due to confidentiality agreements, we are not able to disclose the locations of these properties. Conversely, Comparable 7 is located within the southeastern portion of Roseville, near the Sacramento County line, an inferior location relative to West Roseville; Comparable 7 is adjusted upward.

Number of Lots

The benchmark lot category analyzed in this section of the report contains 60 lots. Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater number of lots) achieve a lower price per lot. Generally variances in per lot prices, all else being equal, are not observed in transactions between 50 and 250 lots. The discernibly larger size of

the transfers represented by sales #4 and #9 warrant upward adjustments. No other adjustments are required.

Lot Size (Typical)

Adjustments for differences in lot size between the comparables and subject are estimated by applying lot size adjustment factors to difference in lot size. Those comparables with larger lot sizes relative to the subject's benchmark lot size of 6,000 square feet are adjusted upward, while those with smaller lot sizes are adjusted downward.

Topography/Utility

Differences in contour, drainage, soil conditions, as well as project design, can affect the utility and, therefore, the market value of the properties. The subject property and most of the comparables exhibit similar site utility. Comparable 7 is affected by some wetland areas and is adjusted upward for its inferior site utility. No other adjustments are applied.

Lot Premiums

The subject and comparables are anticipated to achieve a similar level of lot premiums (cul-de-sac, corner, inverted corner). None of the comparables benefit from view or significant open space premiums. Adjustments for this factor do not apply.

Zoning and Entitlements

The subject and comparables have either approved tentative subdivision maps or recorded final maps. Adjustments for this factor do not apply.

Other - Lot Condition

Builders are willing to pay more for finished lots than for the combined sum of unimproved lots and site development costs due to the time, risk, carrying cost and profit associated with completing site development. The subject and comparables represent finished, unimproved or partially improved (including blue-top condition) lots.

For this section of our analysis, we are working towards a conclusion of finished lot value. Some of the comparable sales are unimproved and require slight upward adjustments.

Deductions for Remaining Permits – Finished Lot Indicator

As stated, the comparables are analyzed on a loaded lot basis. After applying all adjustments, we deduct the subject's permits and fees due at building permit (\$60,000 per lot for non-age-restricted lots) to yield an estimated lot value reflective of finished lots. After concluding a finished lot value, later in this report we apply additional deductions for remaining development costs, where applicable.

Adjustment Grid

The grid on the following page reflects the adjustments discussed above.

LARGER LOTS (≥4,500 SF) ADJUSTMENT GRID

Site Characteristics	Subject	Comp. 1	Comp. 2	Comp. 3	Comp. 4	Comp. 5	Comp. 6	Comp. 7	Comp. 8	Comp. 9
Lot Price		\$140,000	\$117,500	\$165,500	\$59,172	\$70,000	\$78,925	\$54,719	\$54,000	\$80,000
Remaining Site Development Costs		\$0	\$0	\$0	\$40,000	\$40,000	\$38,000	\$35,707	\$50,000	\$36,000
Permits and Fees		\$42,398	\$42,398	\$42,398	\$58,000	\$58,000	\$57,646	\$45,920	\$64,000	\$56,400
Loaded Lot Price		\$182,398	\$159,898	\$207,898	\$157,172	\$168,000	\$174,571	\$136,346	\$168,000	\$172,400
Special Taxes		\$1,850	\$1,850	\$1,850	\$1,600	\$1,600	\$1,585	\$0	\$0	\$1,475
Years to Bond Expiration		20	20	20	21	21	30	0	0	30
Bond Encumbrance (Present Value at 6%)		\$21,219	\$21,219	\$21,219	\$18,823	\$18,823	\$21,817	\$0	\$0	\$20,303
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Homeowner's Association Carrying Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anticipated Home Building Period	0	0	0	0	0	0	0	0	0	0
Total HOA Carrying Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Elements of Comparison										
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment										
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Financing Terms	Cash Equiv.	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment										
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Sale Conditions	Market	Pending/Mkt	Pending/Mkt	Pending/Mkt	Market	Seller Mot.	Market	Market	Market	Cancelled
Adjustment						↑				↓
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Market Conditions	May-15 (Appraisal)	May-15	May-15	May-15	May-15	May-15	May-15	May-15	Feb-15	Jan-15
Adjustment										
Adjusted Price		\$203,617	\$181,117	\$229,117	\$175,994	\$186,823	\$196,388	\$136,346	\$168,000	\$192,703
Physical Characteristics										
Location/Community Appeal	W. Roseville	Confidential	Confidential	Confidential	W. Roseville	W. Roseville	W. Roseville	SE Roseville	Rocklin	W. Roseville
Adjustment	Avg/Good	↓	↓	↓			↑	↓		
Number of Lots	60	50 - 80	90 - 120	90 - 120	419	189	157	32	220	375
Adjustment					↑					↑
Lot Size (Typical)	6,000	5,500	4,500	6,600	5,775	5,775	6,250	6,809	3,150	5,700
Adjustment		↑	↑	↓	↑	↑	↓	↓	↑	↑
Topography/Utility	Average	Similar	Similar	Similar	Similar	Similar	Similar	Inferior	Similar	Similar
Adjustment								↑		
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment										
Zoning/Entitlements	Approved	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment										
Other - Lot Condition	Finished	Finished	Finished	Finished	Unimproved	Unimproved	Unimproved	Unimproved	Unimproved	Unimproved
Adjustment					↑	↑	↑	↑	↑	↑
Net Adjustment:		↓	-	↓	↑	↑	-	↑↑	↑	↓
Adjusted Loaded Lot Value:		<\$203,617	=\$181,117	<\$229,117	>\$175,994	>\$186,823	=\$196,388	>>\$136,346	>\$168,000	<\$192,703
Concluded Loaded Lot Value		\$190,000								
Less: Permits and Fees		(\$60,000)								
Less: Remaining Site Development Costs		\$0								
Estimated Finished Lot Indicator		\$130,000								

Conclusion of Value (per lot) – Sales Comparison Approach (Larger Lots - \geq 4,500 SF)

The market data set consists of various sales that are considered reasonable indicators of market value for the fee simple interest in the larger benchmark lot category (\geq 4,500 SF) of the subject property. Prior to adjusting for differences between the comparables and the subject property, the data set reflects an unadjusted range of \$136,346 to \$229,117 per lot (after accounting for site development costs, permits and fees and special tax obligations).

Utilizing the elements of comparison described on the preceding pages, we have arrayed a qualitative ranking of the comparables in the table below, based on the loaded lot price.

	Loaded Lot	
Property	Price Per Lot	Overall Similarity
Comparable 7	\$136,346	Sig. Inferior
Comparable 8	\$168,000	Inferior
Comparable 4	\$175,994	Inferior
Comparable 5	\$186,823	Inferior
Comparable 2	\$181,117	Similar
SUBJECT	\$190,000	-
Comparable 6	\$196,388	Similar
Comparable 9	\$192,703	Superior
Comparable 1	\$203,617	Superior
Comparable 3	\$229,117	Superior

Based upon our analysis, a market value conclusion of \$190,000 per loaded lot is concluded for the benchmark lot category (Larger Parcel 13B, KB Home, 60 lots with typical lot size of 6,000 square feet). **As shown in the grid, after deducting \$60,000 for permits and fees, the finished lot indicator is \$130,000.** The next section of the report will be an extraction analysis.

Extraction Analysis (Larger Lots - \geq 4,500 SF)

As support for the estimate of finished lot value concluded in the sales comparison approach for the larger lot category, we utilize an extraction (residual) analysis that takes into account home prices, direct and indirect construction costs, accrued depreciation and developer's incentive in order to arrive at an estimate of finished lot value. The elements of the extraction technique are discussed below.

Revenue

The benchmark lot category was determined to be lots within the KB Home Larger Parcel 13B, with a typical lot size of 6,000 square feet. KB Home offers various floor plans within their two communities in Westpark, with an average home size of 3,200 square feet and an average base price of \$480,000, inclusive of bonds. The product line is generally considered average/typical for the WestPark community in general. We interviewed the on-site listing agents at these communities, who indicated that the most popular floor plans for buyers are The Oliver (2,606 SF) and The Orlando Plus (4,357 SF) at Legato at WestPark, and The Audrey (3,418 SF) and The Aiden (3,413 SF) at Aria at WestPark. Overall, it appears that the average home size of 3,200 square feet is generally within the range of preferred/most typical floor plan sold, and will be utilized in the extraction analysis.

With regard to the small lot category, we will utilize the lots within Larger Parcel W-26, which have a typical lot size of 3,200 square feet. Lennar Corporation is actively marketing home on these lots (Taylor Crossing). The four floor plans offered range in size from 1,210 to 1,658 square feet, with an average of 1,423 square feet. Based on our analysis, a 1,400 square foot house on a 3,200 square foot lot would achieve a price point of \$316,000, inclusive of bonds.

Expense Projections

General and Administrative

These expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees and copying or publication costs. This expense category typically ranges from 2.5% to 4.0%, depending on length of project and if all of the categories are included in a builder's budget. We have used 3.0% for general and administrative expenses.

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject's market area is 5.0%

to 6.5%. A figure of 6.0%, or 3.0% for marketing and 3.0% for sales, is estimated in the marketing and sales expense category.

Direct and Indirect Construction Costs

Construction costs are generally classified into direct and indirect costs. Direct costs reflect the cost of labor and materials to build the project. Direct costs generally are lower per square foot for larger floor plans, all else being equal, due to economies of scale. Indirect items are the carrying costs and fees incurred in developing the project and during the construction cycle.

Construction quality and market-segment are significant factors that affect direct construction costs. In addition, national/public builders, which are able to achieve lower costs due to the larger scale in which orders are placed, routinely achieve lower direct costs.

Various direct cost comparables from projects throughout the Sacramento region are profiled in the table below.

Project Location	Effective Date	Floor Plan (SF)	Direct Costs per SF
Rocklin	2014	2,265	\$66.29
		3,341	\$55.72
		4,000	\$54.13
Dixon	2013	1,951	\$56.00
		2,215	\$55.00
		2,296	\$55.00
		3,204	\$50.00
		3,506	\$50.00
Lincoln	2013	1,915	\$63.14
		2,075	\$61.08
		2,797	\$56.69
		2,866	\$54.20
		3,927	\$52.79
Roseville	2012	1,331	\$62.07
		1,526	\$57.01
		1,624	\$55.59
		1,996	\$50.23
Elk Grove	2012	1,948	\$53.41
		2,350	\$54.00
		2,050	\$53.68
		2,204	\$53.81
West Sacramento	2012	1,660	\$62.51
		2,013	\$60.24
		2,355	\$55.95
Fair Oaks	2012	1,067	\$67.50
		1,350	\$65.00

Based on the cost comparables, and considering the assumed average quality product line for the benchmark lots, a direct cost estimate of \$55 per square foot is applied to the 3,200 square foot home, and an estimate of \$75 per square foot is applied to the 1,400 square foot home, given the principle of economies of scale.

Regarding indirect costs, the following list itemizes some of the typical components that generally comprise indirect costs:

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies
- Appraisal, consulting, accounting and legal fees
- The cost of carrying the investment in land and contract payments during construction. If the property is financed, the points, fees or service charges and interest on construction loans are considered
- All-risk insurance
- The cost of carrying the investment in the property after construction is complete, but before sell-out is achieved
- Developer fee earned by the project coordinator
- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 12% is considered reasonable for the subject.

Permits and Fees

As noted, permits and fees due at building permit are projected to total \$60,000 per lot, on average, for a typical 3,200 square foot home on a 6,000 square foot lot, and \$52,000 per lot, on average, for a typical 1,400 square foot home on a 3,200 square foot lot.

Accrued Depreciation

For new construction on the subject, an allocation for depreciation (physical, functional, or economic) is not applicable.

Developer's Incentive

According to industry sources, developer's incentive (profit) historically has ranged anywhere from 5% to 25%. With a predominate range of 5% to 15%. Profit is based on the perceived risk associated with the development. Low profit expectations are typical for projects focused on more affordable product with faster sales rates. Higher profit expectations are common in projects with more risk such as developments where sales rates are slower, project size produces an extended holding period or the product type is considered weak or untested.

Elements affecting profit include location, supply/demand, anticipated risk, construction time frame and project type. Another element considered in profit expectations is for the development stage of a project. First phases typically generate a lower profit margin due to cautious or conservative pricing, as new subdivisions in competitive areas must become established to generate a fair market share. Additionally, up front development costs on first phases can produce lower profit margins.

Positive attributes of the subject property include:

- Approved entitlements and completed site development.
- Desirable location (South Placer County, West Roseville)
- Good transportation linkages
- Recent price increases and steady yearly absorption

There are generally few “negative” attributes associated with the subject property, other than the potential for deterioration in market conditions in the residential sector that would result from a change in macroeconomic factors (e.g., unemployment rates, interest rates, etc.).

A survey of profit expectations is presented below:

Data Source	Profit Expectations
Lance Goulette - Mission Peak Co. (2015)	10% net profit is the target for any residential development, which typically is geared towards move-up homebuyers with a Bay Area concentration
Josh Roden - Meritage (2013)	8% to 10% net profit, regardless of product type, market area or lot condition
Jeb Elmore - Lewis Operating Corp (2013)	8% to 10%, with better located projects with less uncertainty regarding pricing and absorption at the lower end of the range and higher risk projects nearer the high end of the range.
Dustin Barker - Lennar (2011)	10% to 15%
Greg Ackerman - Pulte (2010)	9% profit, 18+% gross margin (5% for marketing/sales, 4% for G&A)
Steve Schnable - JMC Homes (2008)	15% line item profit expectation with two to three home sales per month at current home prices
Tulare Windmill Ventures, LLC (2007)	15% typical profit factor for single-family subdivisions
Mike Grant - Premier Homes (2007)	12% static profit
John Bacigalupi - Beazer Homes (2007)	Static profit expectation was 20% during the period of expansion (2000-2005), but it is now 10% to 15% given the recent moderation/stabilization in the residential market
David Jacobsen - Ridgcrest Homes (2007)	10% for typical single-family projects, up to a maximum of 35%
Mike Winn - Reynen & Bardis (2005)	12% to 25% profit pre-tax; typical development timeline of 5 to 8 years
Doug Eikenbary - William Lyon Homes (2005)	8% to 10% target profit for both single-family subdivisions and master-planned communities; typical development timeline of 1 to 2 years

Based on the preceding discussion and developer surveys, we have concluded an estimate of 8.0% for developer’s incentive.

Conclusion

Our estimate of finished lot value for the larger lot category via the extraction analysis is presented on the following page.

EXTRACTION ANALYSIS – 3,200 SF HOME ON A 6,000 SF LOT

Revenue		
Average Floor Plan Size	3,200 SF	
Typical Home Price		\$480,000
Expense Projections		
G & A Cost @	3.0% of Retail Value	\$14,400
Marketing/Sales @	6.0% of Retail Value	\$28,800
Average Direct Costs @	\$55.00 /SF	\$176,000
Indirect Cost @	12.0% of Direct Cost	\$21,120
Permits and Fees Due at BP	\$60,000 Per Lot	\$60,000
Developer's Incentive	8% of home price	\$38,400
		<u>\$338,720</u>
	Residual Finished Lot Value:	\$141,280
	Rd.	\$140,000

Smaller Lots (< 4,500 SF)

Given the lack of comparable bulk lot sales with typical lot sizes under 4,500 square feet, a sales comparison approach is not performed in the valuation of the smaller benchmark lot category. We will solely rely upon the extraction technique. We have selected the Larger Parcel W-26 (Lennar Corporation) for the smaller lot category benchmark lot. Larger Parcel W-26 consists of 165 finished lots with a typical lot size of 3,200 square feet (HDR - high density residential land use designation). This analysis is presented below.

EXTRACTION ANALYSIS – 1,400 SF HOME ON A 3,200 SF LOT

Revenue		
Average Floor Plan Size	1,400 SF	
Typical Home Price		\$316,000
Expense Projections		
G & A Cost @	3.0% of Retail Value	\$9,480
Marketing/Sales @	6.0% of Retail Value	\$18,960
Average Direct Costs @	\$75.00 /SF	\$105,000
Indirect Cost @	12.0% of Direct Cost	\$12,600
Permits and Fees Due at BP	\$52,000 Per Lot	\$52,000
Developer's Incentive	8% of home price	\$25,280
		<u>\$223,320</u>
	Residual Finished Lot Value:	\$92,680
	Rd.	\$93,000

Affordable Lots (Smaller Lots - < 4,500 SF)

Two of the subject's detached residential larger parcels are encumbered with affordable housing requirements. Villages W-25 and W-26 have 4 and 5 lots, respectively, which must be set aside for affordable housing. Village W-26 offers a typical lot size of 3,200 square feet, which is similar to the patio home project by Lennar (Taylor Crossing) in Westpark, and which was previously used as the benchmark lot size for the smaller lot category. As part of our analysis of the impact of the affordable housing requirement for the subject, we considered the market rate price for homes currently offered at Taylor Crossing, which averages about \$316,000

Based on the affordable housing formulas provided by the City of Roseville, a market rate home sale of \$316,000 equates to an affordable price of approximately \$300,000. In order to quantify the impact of the affordable housing requirements for W-25 and W-26, the extraction method will once again be performed, which is shown below.

EXTRACTION ANALYSIS (affordable) – 1,400 SF HOME ON A 3,200 SF LOT

Revenue			
Average Floor Plan Size	1,400	SF	
Typical Home Price			\$300,000
Expense Projections			
G & A Cost @	3.0%	of Retail Value	\$9,000
Marketing/Sales @	6.0%	of Retail Value	\$18,000
Average Direct Costs @	\$75.00	/SF	\$105,000
Indirect Cost @	12.0%	of Direct Cost	\$12,600
Permits and Fees Due at BP	\$52,000	Per Lot	\$52,000
Developer's Incentive	8%	of home price	\$24,000
			<u>\$220,600</u>
		Residual Finished Lot Value:	\$79,400
		Rd.	\$80,000

Final Conclusion of Benchmark Finished Lot Values

For the larger lot benchmark ($\geq 4,500$ square feet), the sales comparison approach indicated \$130,000 per finished lot, while the extraction technique was within 8%, or \$140,000 per lot. In our opinion the extraction analysis is primarily a supportive indicator for the results of sales comparison approach. We will rely on the indication of the sales comparison approach and conclude **\$130,000 per lot** for the larger lot category.

With regard to the finished lot value for the smaller lot category, our sole method of valuation was the extraction method, which yielded a value conclusion of **\$93,000 per lot**.

For the affordable lot category, our sole method of valuation was the extraction method, which yielded a value conclusion of **\$80,000 per lot**.

It is noted the subject also includes 22 lots within an age-restricted component of Westpark. However, based upon our market observations and discussions with local market participants, the value of age-restricted homes is equal to or greater than the value of non-age-restricted homes. Consistent with the premise of this appraisal (a not-less-than valuation), the estimates of value of the age-restricted lots are considered equal to the values of the non-age-restricted parcels.

RESIDENTIAL LOT REVENUE BY OWNERSHIP

In this section of the report we will present the total residential lot revenue, by ownership group. As a starting point we will use the benchmark lot valuations previously presented. To value the residential lot holdings of each ownership group we will use the pertinent benchmark lot value and make adjustments for lot size, entitlements, in-tract costs and remaining backbone infrastructure costs accordingly. The results will be summed to arrive at the total residential lot revenue, by ownership group.

Benchmark Lot Values

We have set three benchmark lot values based on lot size and the affordability requirement for nine lots located in W-25 and W-26. The specific benchmark lot sizes are 6,000 square feet and 3,200 square feet and are used in the valuation of subject components with larger lots ($\geq 4,500$ square feet), smaller lots ($<4,500$ square feet) and the nine affordable lots ($<4,500$ square feet). As previously estimated, the benchmark lot value for the larger lots is \$130,000 per lot, while the smaller benchmark is \$93,000 per lot and the affordable benchmark is \$80,000 per lot.

Lot Size Adjustment

We have estimated a lot size adjustment factor of \$5.00 per square foot for lots greater than and smaller than the benchmark lots.

Entitlement Adjustment

As previously discussed, the owner of the larger parcel W-24 (Lennar) recently submitted a map for tentative approval. To recognize this parcel's lack of approved entitlements, we have applied a downward adjustment to these lots of \$20,000. This cost includes fees due at recordation of final map, as well as other entitlement costs.

In-tract/On-site Cost Adjustment

In the *Site Description* section we concluded in-tract costs of \$36,000 per lot for the subject's larger lots ($\geq 4,500$ square feet) and \$35,000 per lot for the subject's smaller lots ($< 4,500$ square feet). \$35,000 will also be used as the cost estimate to complete the in-tract improvements for the HDR "for sale" projects.

Remaining Backbone Infrastructure

It was noted in the *Site Description* section that there is approximately \$6,000,000 remaining in backbone infrastructure costs. This remaining work is to be completed within the next six months with the cost shared by two of the subject property owners (Pulte Homes and Lennar Corporation). The reported cost sharing structure indicates Pulte is responsible for 68% of the costs and Lennar is responsible for 32%. The \$6,000,000 in remaining costs will be divided as noted above and applied to the lots held by each of these ownership entities (Pulte - 421 lots @ \$9,691 per lot and Lennar – 612 lots @ \$3,137 per lot). These per lot downward adjustments are only applied to the lots owned by Pulte and Lennar.

Residential Lot Revenue by Ownership

Based on the preceding analysis and discussions, the total residential lot revenue by ownership is presented as follows:

KB HOME									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-13D	4,275	\$93,000	\$5,375	\$0	(\$35,000)	\$0	\$63,375	88	\$ 5,577,000
W-13A	5,000	\$130,000	(\$5,000)	\$0	\$0	\$0	\$125,000	74	\$ 9,250,000
W-13C	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	87	\$ 8,536,875
W-13B	6,000	\$130,000	\$0	\$0	\$0	\$0	\$130,000	60	\$ 7,800,000
Total:								309	\$ 31,163,875

MERITAGE HOMES CORPORATION									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-18D	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	92	\$ 9,027,500
W-17B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	56	\$ 5,348,000
W-15B	3,600	\$93,000	\$2,000	\$0	\$0	\$0	\$95,000	72	\$ 6,840,000
W-15C	6,300	\$130,000	\$1,500	\$0	\$0	\$0	\$131,500	69	\$ 9,073,500
W-15A	5,500	\$130,000	(\$2,500)	\$0	\$0	\$0	\$127,500	83	\$ 10,582,500
W-18C	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	102	\$ 9,741,000
Total:								474	\$ 50,612,500

LENNAR CORPORATION

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-24	3,780	\$93,000	\$2,900	(\$20,000)	(\$35,000)	(\$3,137)	\$37,763	122	\$ 4,607,086
W-26(1)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	99	\$ 8,896,437
W-26(2)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	62	\$ 5,571,506
W-26(3)	3,200	\$80,000	\$0	\$0	\$0	(\$3,137)	\$76,863	4	\$ 307,452
W-25A	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	39	\$ 3,387,657
W-25A(1)	2,600	\$80,000	(\$3,000)	\$0	\$0	(\$3,137)	\$73,863	5	\$ 369,315
W-25B	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	12	\$ 1,042,356
W-18A	5,775	\$130,000	(\$1,125)	\$0	(\$36,000)	(\$3,137)	\$89,738	86	\$ 7,717,468
W-17A	5,775	\$130,000	(\$1,125)	\$0	\$0	(\$3,137)	\$125,738	66	\$ 8,298,708
W-18F	6,825	\$130,000	\$4,125	\$0	\$0	(\$3,137)	\$130,988	19	\$ 2,488,772
W-18E(1)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	28	\$ 2,782,164
W-18E(2)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	24	\$ 2,384,712
W-17E	7,700	\$130,000	\$8,500	\$0	\$0	(\$3,137)	\$135,363	41	\$ 5,549,883
W-22	3,780	\$93,000	\$2,900	\$0	\$0	(\$3,137)	\$92,763	5	\$ 463,815
Total:								612	\$ 53,867,331

PULTE HOMES, Inc.

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-19A	4,725	\$130,000	(\$6,375)	\$0	\$0	(\$9,691)	\$113,934	109	\$ 12,418,806
W-19B	4,725	\$130,000	(\$6,375)	\$0	(\$36,000)	(\$9,691)	\$77,934	85	\$ 6,624,390
W-17C	6,300	\$130,000	\$1,500	\$0	\$0	(\$9,691)	\$121,809	69	\$ 8,404,821
W-17D	6,825	\$130,000	\$4,125	\$0	\$0	(\$9,691)	\$124,434	53	\$ 6,595,002
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	25	\$ 2,820,225
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	18	\$ 2,030,562
W-1B	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	5	\$ 564,045
W-18B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	(\$9,691)	\$85,809	57	\$ 4,891,113
Total:								421	\$ 44,348,964

INDIVIDUAL OWNERS

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Permits and Fees Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	1	\$ 122,500
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	11	\$ 1,347,500
W-2B	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	8	\$ 980,000
W-25B	2,750	\$93,000	(\$2,250)	\$0	\$0	\$0	\$0	\$90,750	2	\$ 181,500
Total:								22	\$ 2,631,500	

COMMERCIAL LAND VALUATION

Sales Comparison Approach

In the sales comparison approach, the market value of the fee simple interest in the subject property will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

This approach is based on the economic principle of substitution. According to *The Appraisal of Real Estate, 14th Edition* (Chicago: Appraisal Institute, 2013), “The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

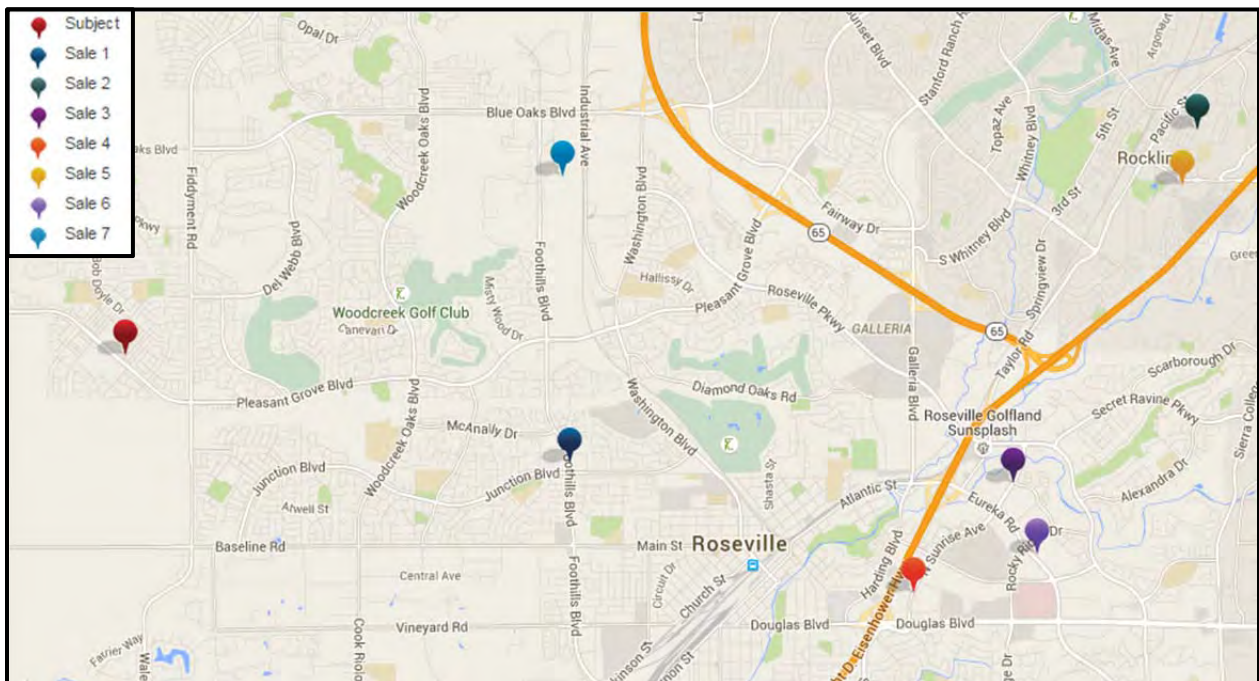
The proper application of this approach requires obtaining sale data for comparison with the subject. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

In the analysis of the subject property, we searched various sources for gathering of relevant data. In the sales comparison approach, we searched for data in our internal database, CoStar Property, Loopnet (for closed sales and active listings), and the Multiple Listing Service (MLS). We confirmed details of the transactions with parties directly involved (e.g. brokers, buyers/sellers) and/or public records.

On the following pages, we will present and analyze several comparable properties. We will begin by presenting a summary tabulation and location map, followed by detailed sales sheets, a discussion of necessary adjustments, and our conclusion of market value via this approach. These sales are the most recent transactions considered reasonably similar to the subject property.

LAND SALES SUMMARY

Sale No.	Location	Sale Date	Sale Price	Land Area (Acre/SF)	Sale Price/SF	PV of Bonds/SF	Zoning / Land Use
1	5010 Foothills Boulevard Roseville APN: 476-190-005	May-15	\$750,000	<u>1.20</u> 52,272	\$14.35	\$0.58	CC
2	W/S Wildcat Blvd., S/O Whitney Ranch Pkawy., Rocklin APN: 017-171-013	Nov-13	\$1,600,000	<u>7.40</u> 322,344	\$4.96	\$0.62	PD-C
3	580 N. Sunrise Avenue Roseville APN: 015-450-085	Nov-14	\$700,000	<u>1.30</u> 56,628	\$12.36	\$0.24	BP/SA-NE
4	150 N. Sunrise Avenue Roseville APN: 013-213-031	Apr-14	\$2,859,500	<u>5.90</u> 257,004	\$11.13	\$0.00	CC
5	NWQ Twelve Bridges Drive & E. Joiner Parkway, Lincoln APN: 329-010-029 & 030	Jul-13	\$1,200,000	<u>7.10</u> 309,276	\$3.88	\$0.69	C
6	1513-1521 Eureka Road Roseville APN: 048-010-067, -070	May-13	\$1,895,000	<u>5.69</u> 247,856	\$7.65	\$0.32	CC/SA/NE
7	8035 Foothills Boulevard Roseville APN: 017-230-068 (portion)	Listing	\$1,195,725 - \$1,862,190	<u>3.66 - 5.70</u> 159,430 - 248,292	\$7.50	\$0.00	NC

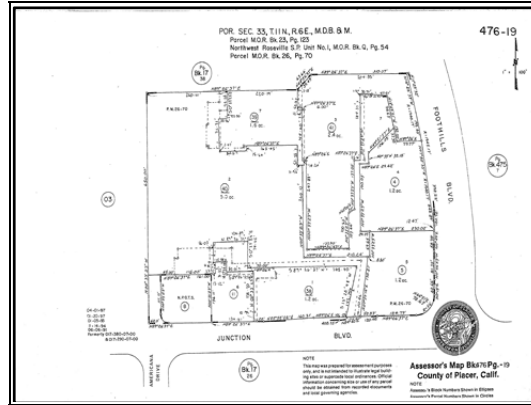


LAND SALE 1

Property Identification

5010 Foothills Boulevard
Roseville, CA 95747
Placer County

APN: 476-190-005



Sale Data

Grantor	Sahota Enterprises, Inc
Grantee	Roseville D LLC
Sale Date	05/21/2015
Deed Book Page	42225
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$750,000
PV of Bonds	\$30,144

Land Data

Land Area (SF)	52,272
Land Area (Acres)	1.20
Zoning	CC - Community Commercial
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Foothills Boulevard and Junction Boulevard
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$14.35
PV Bonds per SF	\$0.58

Remarks

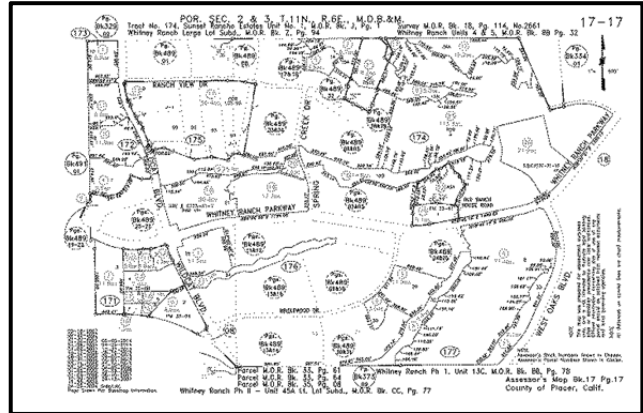
This property represents the sale of a 1.2 acre parcel located at the southwest corner of Foothills Boulevard and Junction Boulevard in Roseville. The property is located adjacent to a CVS and Savemart-anchored shopping center.

LAND SALE 2

Property Identification
Commercial Land

West side of Wildcat Boulevard, south of
Whitney Ranch Parkway
Rocklin, CA 95765
Placer County

APN: 017-171-013



Sale Data

Grantor	Shehadeh/Taylor LLC
Grantee	Wildcat Whitney Ranch 100 LLC
Sale Date	11/18/2013
Deed Book Page	107831
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,600,000
PV of Bonds	\$198,901

Land Data

Land Area (SF)	322,344
Land Area (Acres)	7.40
Zoning	PD-C, Planned Development, Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Wildcat Boulevard
Topography	Generally level
Offsite Improvements	In place
Onsite Improvements	None

Indicators

Sale Price per SF	\$4.96
PV of Bonds per SF	\$0.62

Remarks

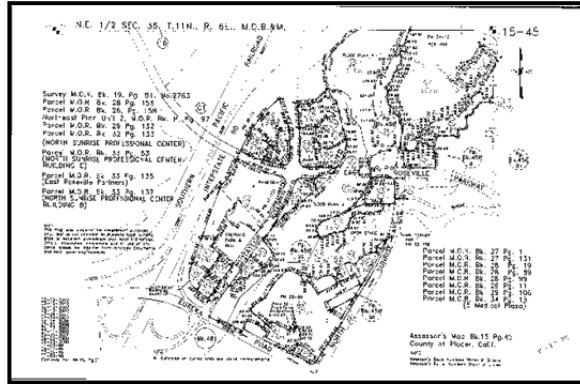
Although this site is zoned commercial, the buyer plans to map the site for single-family residential development.

LAND SALE 3

Property Identification

580 N. Sunrise Avenue
Roseville, CA 95661
Placer County

APN: 015-450-085



Sale Data

Grantor	N G Alexander Real Estate LLC
Grantee	Roseville Medical and Dental
Sale Date	11/26/2014
Deed Book Page	085812
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$700,000
PV of Bonds	\$13,591

Land Data

Land Area (SF)	56,628
Land Area (Acres)	1.30
Zoning	BP/SA-NE – Business Professional, Northeast Roseville Special Planning Area
Shape	Irregular
Corner Orientation	No
Street Frontage	N. Sunrise Avenue
Topography	Level to rolling
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$12.36
PV Bonds per SF	\$0.24

Remarks

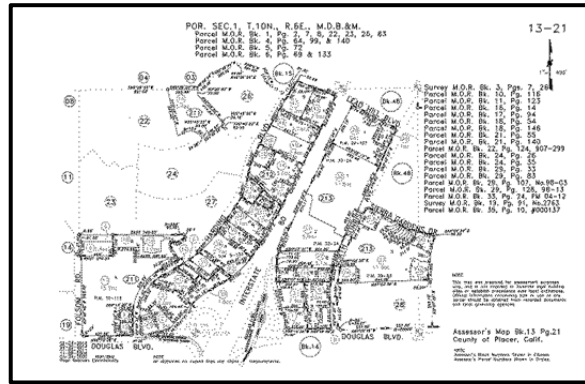
The seller for this property indicated that the buyer was an orthodontic group seeking to construct a new building for their practice. The property has some rolling/sloping areas that require additional site work beyond what a level site would require. The site is located near substantial office and retail development in East Roseville, as well as the Sutter Medical Center.

LAND SALE 4

Property Identification

150 N. Sunrise Boulevard
Roseville, CA 95661
Placer County

APN: 013-213-031



Sale Data

Grantor	I Think I Can, LP
Grantee	Pingree 2000 Real Estate Corporation
Sale Date	04/25/2014
Deed Book Page	026316
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$2,859,500
PV of Bonds	\$0

Land Data

Land Area (SF)	257,004
Land Area (Acres)	5.90
Zoning	CC - Community Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	N. Sunrise Avenue
Topography	Generally level
Offsite Improvements	All to site
Onsite Improvements	None

Indicators

Sale Price per SF	\$11.13
PV of Bonds per SF	\$0.00

Remarks

This comparable represents a vacant parcel located along N. Sunrise Boulevard, north of Douglas Boulevard. There were no brokers involved in the transaction and we were not able to confirm the details of this sale with a party directly related to this transaction. Sale information above was provided by CoStar and confirmed with public records. The property has visibility from Interstate 80.

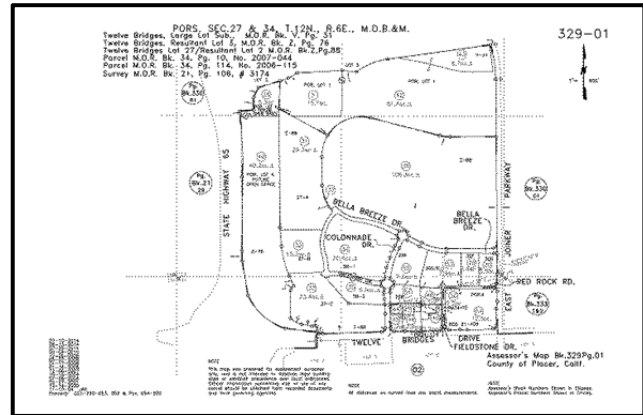
LAND SALE 5

Property Identification

Commercial Land

NWQ Twelve Bridges Drive & E. Joiner
Parkway
Lincoln, CA 95648
Placer County

APN: 329-010-029 & -030



Sale Data

Grantor	Terra Cotta Investors Group, LLC
Grantee	FCM Capital Partners, LLC
Sale Date	07/01/2013
Deed Book Page	065396
Property Rights	Fee Simple
Conditions of Sale	Short Sale/Market
Financing Terms	Cash Equivalent
Sale Price	\$1,200,000
PV of Bonds	\$213,400

Land Data

Land Area (SF)	309,276
Land Area (Acres)	7.10
Zoning	C, Commercial
Shape	Nearly rectangular
Corner Orientation	Yes
Street Frontage	E. Joiner Parkway and Bella Breeze Drive
Topography	Level to rolling
Offsite Improvements	Partial
Onsite Improvements	None

Indicators

Sale Price per SF	\$3.88
PV of Bonds per SF	\$0.69

Remarks

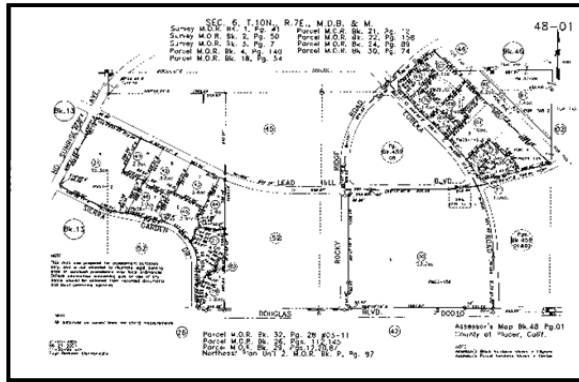
The listing broker for this property reported that 7.10 acres of commercial land sold for approximately \$1.2 million in July 2013; however, we were not able to find the sale in public records, potentially due to lot line adjustments since the date of the transaction. The broker's reported price is approximate. Although this was a short sale, the broker reported that the price was at market, which appears to be reasonable based upon our observation of other similar sales in the area. Nearly all off-site improvements were in place, with the exception of some paving work needed to be completed for an access road on the south side of the property. It is noted that CoStar Property reports a re-sale of this property in July 2014 at \$1,250,000, but the broker of the July 2013 sale believes that the July 2014 sale is non arms-length between two related parties (we were not able to reach parties involved in the July 2014 sale).

LAND SALE 6

Property Identification

1513-1521 Eureka Road
Roseville, CA 95661
Placer County

APN: 048-010-067, -070



Sale Data

Grantor	Pacific Mercantile Bancorp
Grantee	Pappas Gateway LP
Sale Date	05/11/2013
Deed Book Page	048398
Property Rights	Fee Simple
Conditions of Sale	REO at Market
Financing Terms	Cash Equivalent
Sale Price	\$1,895,000
PV of Bonds	\$79,314

Land Data

Land Area (SF)	247,856
Land Area (Acres)	5.69
Zoning	CC/SA/NE - Community Commercial, Northeast Roseville Special Planning Area
Shape	Irregular
Corner Orientation	No
Street Frontage	Eureka Road, Rocky Ridge Road
Topography	Level to rolling
Off-Site Improvements	All to site
On-Site Improvements	See comments (power lines)

Indicators

Sale Price per SF	\$7.65
PV Bonds per SF	\$0.32

Remarks

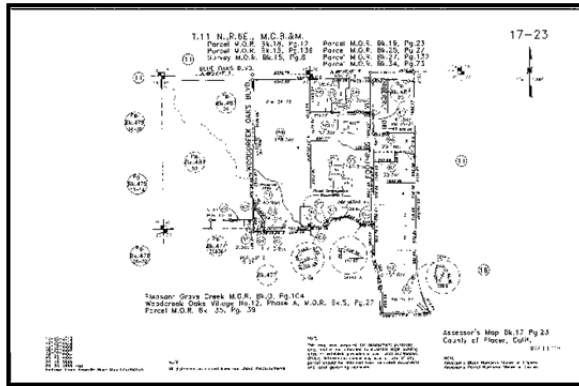
The northern parcel has power lines running over it, but this could be used for parking. The listing agent reported that there is significant lava rock that would need removal for development, at an estimated cost of \$1.00 per square foot of total land area. The buyer plans to hold for future office development. This is an REO sale that is at market pricing.

LAND SALE 7

Property Identification

8035 Foothills Boulevard
 Roseville, CA 95747
 Placer County

APN: 017-230-068 (portion)



Sale Data

Grantor	Clearview 8035 Foothills Boulevard LLC
Grantee	Listing
Sale Date	Listing
Deed Book Page	Listing
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	\$1,195,725 to \$1,862,190
PV of Bonds	\$0

Land Data

Land Area (SF)	159,430 to 248,292
Land Area (Acres)	3.66 to 5.70
Zoning	NC – Neighborhood Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Foothills Boulevard
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	\$7.50
PV Bonds per SF	\$0.00

Remarks

This represents an active listing for two portions of a larger parcel. A lot line adjustment would be required in order to create legally transferrable parcels. The other two portions of the larger that are available for sale are zoned light industrial.

Adjustment Discussion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. For certain adjustments such as site development cost, permits and fees and Special Taxes, adjustments are made using actual or estimated (present value) dollar amounts. Other adjustments may be categories as either superior or inferior, with percentage adjustments applied accordingly. If a comparable has an attribute considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject. The adjustments are made in consideration of paired sales, the appraiser's experience and knowledge and interviews with market participants.

At a minimum, the appraiser considers the need to make adjustments for the following items:

- Expenditures after Sale (i.e. site development costs (if any), permits and fees, bond encumbrance and atypical carrying costs such as Homeowner's Association fees)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions (time)
- Location
- Physical features

A detailed analysis involving the adjustment factors is presented below.

Present Value of Bonds

The subject property is encumbered by a Community Facilities District Bond (Westpark CFD #1, expiration in 2036-2037 tax year). Since we are appraising the subject property inclusive of bond debt, the present value of the future bond payments of the comparables is added to their respective sale prices, per square foot. The present value of the bond debt of the comparables was calculated using an interest rate of 6%, over the remaining term of the bond. The present value of bonds is added to the price paid for the comparables (per square foot) on a dollar-for-dollar basis.

Property Rights Conveyed

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts and conditions, covenants

and restrictions (CC&Rs). All of the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. All of the comparable sales represented cash to the seller transactions and, therefore, do not require adjustments.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

Sale 5 was a short sale and Sale 6 was an REO sale, but both purchase prices were considered to be at market, and these sales are not adjusted. Sale 7 is an active listing and is adjusted downward to reflect typical buyer negotiations in the market.

Expenditures after Sale

This category includes all costs required after the transaction. The listing broker involved with Sale 6 indicated this site would require extensive lava rock removal, at a cost of about \$1.00 per square foot of total parcel area. This comparable sale is adjusted upward, and no other adjustments are warranted.

Market Conditions

Market conditions generally change over time, but the date of value is for a specific point in time. Therefore, in an unstable economy, one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline, extra attention needs to be paid to assess changing market conditions. Significant changes in price levels can occur in several areas of a municipality, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

In evaluating market conditions, changes between the comparable sales date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required. Market conditions have generally stabilized and improved for commercial land in the last 18-24 months. While development is still generally not financially feasible unless in certain build-to-suit deals, most brokers have reported at least a modest level of appreciation in land values over the past few years. Sales 2, 5 and 6 transferred in 2013 and are adjusted slightly upward for the improvement in market conditions since the date of these transactions. No other adjustments are warranted.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value are discussed as follows:

Location

The subject is located in the western portion of the city of Roseville, within an area almost exclusively developed with residential uses. Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values. Sales 1 through 4 and 6 are located within more high identity commercial corridors with better synergy of retail and/or office uses, and are adjusted downward for their superior locations. No other adjustments are warranted in this category.

Visibility/Accessibility

The visibility and accessibility of a property can have a direct impact on value. For example, a property with limited access is considered to be an inferior position compared to a property with open accessibility. Conversely, if a property has freeway visibility, or is situated in proximity to major linkages, this is considered to be a superior site amenity in comparison to a property with limited visibility and positioning.

The subject property has average visibility/accessibility for a vacant commercial site. Sales 1, 4 and 6 have visibility/accessibility along more well-traveled streets, and/or have better freeway access, and are adjusted downward in this category. It is noted that Sale 4 has visibility from Interstate 80, and is adjusted to the greatest degree.

Land Area

The market generally exhibits an inverse relationship between parcel area and price per square foot such that larger parcels sell for a lower price per square foot than smaller parcels, all else being equal. The subject parcels contain 6.8 and 7.0 acres of land area. Those comparable sales that are larger than the subject are adjusted upward, while those that are smaller are adjusted downward, to reflect the principle of economies of scale.

Off-Site Improvements

The subject property and most of the comparable sales have all off-site improvements in place for development. Sale 5 only had partial off-site improvements in place and thus an upward adjustment was warranted.

On-Site Improvements

All sales represent vacant sites, and no adjustments are warranted in this category.

Site Utility

The subject parcels are generally L-shaped, with relatively longer and narrower access points off of Pleasant Grove Boulevard, which widen into larger rectangular areas at the northern sides of the parcels. Most of the comparable sales have superior utility with regard to parcel shape/configuration and are adjusted downward. Sale 3 has some sloping areas that would require additional grading. As such, the site utility of Sales 3 is considered generally similar to that of the subject, given the off-setting factors. No other adjustments are applied.

Zoning/Highest and Best Use

The subject property is zoned Community Commercial (CC), which allows for a variety of retail and office development. The highest and best use of the site is consistent with the zoning (retail and/or office). All of the comparable sales are considered to have similar zoning designations/highest and best uses as the subject, and no adjustments are warranted.

Adjustment Grid

During our investigation, we identified several land sales located throughout the subject's market area that were analyzed to estimate the market value of the fee simple interest in the subject property. The adjustment grid on the following page details the unadjusted and adjusted value ranges presented by the comparable sales.

COMMERCIAL LAND ADJUSTMENT GRID

Elements of Comparison	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Price per SF (Unadjusted)		\$14.35	\$4.96	\$12.36	\$11.13	\$3.88	\$7.65	\$7.50
PV of Bonds per SF		\$0.58	\$0.62	\$0.24	\$0.00	\$0.69	\$0.32	\$0.00
<i>Adjustment</i>		<u>\$0.58</u>	<u>\$0.62</u>	<u>\$0.24</u>	<u>\$0.00</u>	<u>\$0.69</u>	<u>\$0.32</u>	<u>\$0.00</u>
Adjusted Value		\$14.93	\$5.58	\$12.60	\$11.13	\$4.57	\$7.97	\$7.50
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Adjustment</i>								
Financing Terms	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
<i>Adjustment</i>								
Conditions of Sale	Market	Market	Market	Market	Market	Sh. Sale/Mkt.	REO/Mkt.	Listing
<i>Adjustment</i>								↓
Expenditures After Sale	None	Similar	Similar	Similar	Similar	Similar	Yes	Similar
<i>Adjustment</i>							↑	
Market Conditions	May-15	May-15	Nov-13	Nov-14	Apr-14	Jul-13	May-13	May-15
			↑			↑	↑	
Physical Characteristics								
Location	West Roseville	Superior	Sl. Superior	Superior	Superior	Similar	Superior	Similar
<i>Adjustment</i>		↓	↓	↓	↓		↓	
Visibility / Accessibility	Average	Superior	Similar	Similar	Superior	Similar	Superior	Similar
<i>Adjustment</i>		↓			↓↓		↓	
Land Area (Acres)	6.8 - 7.0	1.20	7.40	1.30	5.90	7.10	5.69	3.66 - 5.70
<i>Adjustment</i>		↓↓		↓↓				
Off-Site Improvements	Available	Similar	Similar	Similar	Similar	Inferior	Similar	Similar
<i>Adjustment</i>						↑		
On-Site Improvements	None	Similar	Similar	Similar	Similar	Similar	Similar	Similar
<i>Adjustment</i>								
Site Utility	Average	Sl. Superior	Sl. Superior	Similar	Sl. Superior	Sl. Superior	Sl. Superior	Similar
<i>Adjustment</i>		↓	↓		↓	↓	↓	
Zoning/HBU	CC/ Commercial	CC	PD-C	BP/SA-NE	CC	C	CC/SA/NE	NC
<i>Adjustment</i>								
Net Adjustment:		↓↓	±	↓↓	↓↓	↑	↓	↓
Adjusted Price per SF		<< \$14.93	± \$5.58	<< \$12.60	<< \$11.13	> \$4.57	< \$7.97	< \$7.50
Concluded Value per SF	\$5.75							

Note: "↓" symbol connotes a "Superior" element of comparison to the subject property warranting a downward adjustment, "↑" symbol connotes an "Inferior" element of comparison warranting an upward adjustment.

Commercial Parcels Market Value Conclusion – Sales Comparison Approach

The adjustment grid on the preceding page illustrates the quantitative adjustments applied to the market data in order to equate with the subject. After accounting for bonds, the data set reflects an unadjusted range of \$5.58 to \$14.93 per square foot of land area.

As shown in the summary chart below, Comparables 2, 5 and 7 were adjusted the least and are considered to provide reasonable indications of market value for the fee simple interest in the subject's two commercial sites.

Indicator	Total Price per SF	Overall Comparison
Comparable 1	\$14.93	Sig. Superior
Comparable 3	\$12.60	Sig. Superior
Comparable 4	\$11.13	Sig. Superior
Comparable 6	\$7.97	Sl. Superior
Comparable 7	\$7.50	Sl. Superior
SUBJECT	\$5.75	
Comparable 2	\$5.58	Similar
Comparable 5	\$4.57	Inferior

It should be noted that most of the comparable sales have superior locations within areas of greater retail/office synergy, and/or have superior levels of visibility/accessibility. The subject sites are located within a predominantly residential area with few supporting commercial uses, and have generally average visibility/accessibility for commercial sites. Additionally, as noted, the subject's shape/configuration is inferior to most of the comparable sales.

Given the analysis and discussion above, a market value of \$5.75 per square foot of land area is concluded for both of the subject commercial parcels. Applying this unit indicator to the subject's parcels results in the following estimates of market value via the sales comparison approach:

APN	Land Area (Acres)	Land Area (Square Feet)		Conclusion (psf)		Value Conclusion	Rounded
017-150-074	6.8	296,208	x	\$5.75	=	\$1,703,196	\$1,700,000
017-150-076	7.0	304,920	x	\$5.75	=	\$1,753,290	\$1,750,000

MULTIFAMILY LAND VALUATION

The subject property includes two multifamily sites. Specifically, parcel W-16A (APN 496-010-001) is required to have 23 very low income units and 138 low income units out of the total of the 250 units for which this site is approved. Further, parcel W-27 (APN 496-020-014) is restricted to 89 very low income units and 61 low income units out of a total of 170 units. These two properties are held by West Roseville, LLC and Pulte Homes, Inc., respectively.

As noted in the *Highest and Best Use* section, the apartment market has improved significantly since the market downturn that began in 2008. Currently, the multifamily market is regarded as one of the best performing property investment sectors. Vacancy in the subject’s neighborhood is low, and rental rates have been increasing, indicating that there is good demand for multifamily residential housing. If the subject apartment sites were able to be developed with market-rate housing, it is our opinion multifamily development would be financially feasible and maximally productive. However, both of the multifamily have affordable housing deed restrictions. Given apartment construction costs, combined with the restrictions on the rent that can be charged, it is our opinion development of the subject apartment sites with affordable requirements is not financially feasible without the input of grant money, low to no interest rate loans and the like. Further, it has been reported that one affordable multifamily site in the subject’s market area required a financial incentive from the seller in order for the buyer to take title to the property. This would indicate a market value below \$0. Therefore, for the purpose of this analysis, we will assign no value contribution to the multifamily portion of the subject property.

MULTIFAMILY PARCELS						
Larger Parcel Designation	Land Use	No. of Lots	APN(s)	Improvement Status	Lot Size (SF)	Market Value
W-16A	HDR (affordable - multi-family)	250	496-010-001	Unimproved	12.20± acres	\$0.00
W-27	HDR (affordable - multi-family)	170	496-020-014	Unimproved	7.92± acres	\$0.00

BULK MARKET VALUES BY OWNERSHIP

To this point in the analysis we have estimated the market value of the various components of the subject property, ranging from one to 12 components (per ownership group) and including single family residential lots (paper and improved), commercial land and multifamily land. In this section of the report we will estimate the bulk market value of the subject property by ownership. We will employ four discounted cash flow analyses to estimate the bulk market values of the four ownership groups with significant holdings. For the individually owned sites and the West Roseville, LLC multifamily site, no discounting is necessary given the size of the holdings. The six bulk market valuation analyses, by ownership, are presented as follows:

WEST ROSEVILLE, LLC

West Roseville, LLC represents the master developer. The only remaining property held by this ownership group is W-16A (APN 496-010-001). This parcel is a 250 unit, multifamily site, with a deed restriction dictating the property is to include 23 very low income units, 139 low income units and 88 market rate units. As previously noted, we will assign no value contribution to the subject property with respect to this parcel (**\$0.00**).

INDIVIDUAL OWNERS

A portion of the subject property is represented by 22 lots owned by 22 individual property owners; however, these parcels have no assessed vertical improvement value. Therefore, based on this stipulations for this appraisal assignment, they are included as part of the subject property. Given the low number of lots represented, the value contribution of these parcels is simply the summation of the market value of these parcels. The bulk market value of this portion of the subject is presented as follows:

INDIVIDUAL OWNERS											
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Permits and Fees Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue	
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	1	\$ 122,500	
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	11	\$ 1,347,500	
W-2B	4,500	\$130,000	(\$7,500)	\$0	\$0	\$0	\$0	\$122,500	8	\$ 980,000	
W-25B	2,750	\$93,000	(\$2,250)	\$0	\$0	\$0	\$0	\$90,750	2	\$ 181,500	
Total:									22	\$ 2,631,500	
										Rd. \$ 2,630,000	

KB HOME, MERITAGE HOMES, LENNAR CORPORATION & PULTE HOMES, Inc.

In light of the number of lots held by KB Home, Meritage Homes, Lennar Corporation and Pulte Homes, a discounted cash flow analysis (subdivision development method) is the most appropriate technique of arriving at the bulk market value these ownership entities.

Discounted Cash Flow Analysis

A discounted cash flow analysis is a procedure in which a discount rate is applied to a projected revenue stream generated from the sale of individual components of a project. In this method of valuation, the appraiser/analyst specifies the quantity, variability, timing and duration of the revenue streams and discounts each to its present value at a specified yield rate.

The four main components of a discounted cash flow analysis are listed as follows:

- Revenue* – the total gross income derived from the disposition of the subject’s land components.
- *Absorption Analysis* – the time frame required to sell-off the components. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).
- *Expenses* – the expenses associated with the sell-off of the components are calculated in this section – including administration, marketing and commission costs and property taxes.
- *Discount Rate* – the appropriate discount rate is derived by employing a variety of data.

Discussions of these four concepts begin below, with the discounted cash flow analysis offered at the end of this section.

Revenue

The revenue portion of this analysis is based on the conclusions of market value of this portion of the subject’s various components (finished single family residential lots, unimproved single family residential lots, as well as multifamily land and commercial land). Our revenue estimates for each of the ownership groups noted above are displayed in the following tables.

KB HOME									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-13D	4,275	\$93,000	\$5,375	\$0	(\$35,000)	\$0	\$63,375	88	\$ 5,577,000
W-13A	5,000	\$130,000	(\$5,000)	\$0	\$0	\$0	\$125,000	74	\$ 9,250,000
W-13C	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	87	\$ 8,536,875
W-13B	6,000	\$130,000	\$0	\$0	\$0	\$0	\$130,000	60	\$ 7,800,000
Total:								309	\$ 31,163,875

MERITAGE HOMES CORPORATION									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-18D	6,825	\$130,000	\$4,125	\$0	(\$36,000)	\$0	\$98,125	92	\$ 9,027,500
W-17B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	56	\$ 5,348,000
W-15B	3,600	\$93,000	\$2,000	\$0	\$0	\$0	\$95,000	72	\$ 6,840,000
W-15C	6,300	\$130,000	\$1,500	\$0	\$0	\$0	\$131,500	69	\$ 9,073,500
W-15A	5,500	\$130,000	(\$2,500)	\$0	\$0	\$0	\$127,500	83	\$ 10,582,500
W-18C	6,300	\$130,000	\$1,500	\$0	(\$36,000)	\$0	\$95,500	102	\$ 9,741,000
Total:								474	\$ 50,612,500

LENNAR CORPORATION									
Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone Infrastructure	Lot Value	No. of Lots	Revenue
W-24	3,780	\$93,000	\$2,900	(\$20,000)	(\$35,000)	(\$3,137)	\$37,763	122	\$ 4,607,086
W-26(1)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	99	\$ 8,896,437
W-26(2)	3,200	\$93,000	\$0	\$0	\$0	(\$3,137)	\$89,863	62	\$ 5,571,506
W-26(3)	3,200	\$80,000	\$0	\$0	\$0	(\$3,137)	\$76,863	4	\$ 307,452
W-25A	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	39	\$ 3,387,657
W-25A(1)	2,600	\$80,000	(\$3,000)	\$0	\$0	(\$3,137)	\$73,863	5	\$ 369,315
W-25B	2,600	\$93,000	(\$3,000)	\$0	\$0	(\$3,137)	\$86,863	12	\$ 1,042,356
W-18A	5,775	\$130,000	(\$1,125)	\$0	(\$36,000)	(\$3,137)	\$89,738	86	\$ 7,717,468
W-17A	5,775	\$130,000	(\$1,125)	\$0	\$0	(\$3,137)	\$125,738	66	\$ 8,298,708
W-18F	6,825	\$130,000	\$4,125	\$0	\$0	(\$3,137)	\$130,988	19	\$ 2,488,772
W-18E(1)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	28	\$ 2,782,164
W-18E(2)	7,700	\$130,000	\$8,500	\$0	(\$36,000)	(\$3,137)	\$99,363	24	\$ 2,384,712
W-17E	7,700	\$130,000	\$8,500	\$0	\$0	(\$3,137)	\$135,363	41	\$ 5,549,883
W-22	3,780	\$93,000	\$2,900	\$0	\$0	(\$3,137)	\$92,763	5	\$ 463,815
Total:								612	\$ 53,867,331

PULTE HOMES, Inc.

Larger Parcel	Lot Size	Benchmark Lot Value	Lot Size Adjustment	Entitlement Adjustment	In-tract Costs Adjustment	Remaining Backbone		No. of Lots	Revenue
						Infrastructure	Lot Value		
W-32	6.8± Ac.	n/a	n/a	n/a	n/a	n/a	n/a	1	\$ 1,700,000
W-33	7.0± Ac.	n/a	n/a	n/a	n/a	n/a	n/a	1	\$ 1,750,000
W-19A	4,725	\$130,000	(\$6,375)	\$0	\$0	(\$9,691)	\$113,934	109	\$ 12,418,806
W-19B	4,725	\$130,000	(\$6,375)	\$0	(\$36,000)	(\$9,691)	\$77,934	85	\$ 6,624,390
W-17C	6,300	\$130,000	\$1,500	\$0	\$0	(\$9,691)	\$121,809	69	\$ 8,404,821
W-17D	6,825	\$130,000	\$4,125	\$0	\$0	(\$9,691)	\$124,434	53	\$ 6,595,002
W-2A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	25	\$ 2,820,225
W-1A	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	18	\$ 2,030,562
W-1B	4,500	\$130,000	(\$7,500)	\$0	\$0	(\$9,691)	\$112,809	5	\$ 564,045
W-18B	6,300	\$130,000	\$1,500	\$0	(\$36,000)	(\$9,691)	\$85,809	57	\$ 4,891,113
W-27	7.9± Ac.	n/a	n/a	n/a	n/a	n/a	n/a	1	\$ -
Total:								424	\$ 47,798,964

Absorption

Absorption rates are best measured by looking at historic absorption rates for similar properties in the region. In developing an appropriate absorption period for the disposition of the subject’s components, we have considered historic absorption rates for similar properties and also attempted to consider the impacts of present market conditions, as well as the anticipated changes in the market. Real estate is cyclical in nature, and it is difficult to accurately forecast specific demand over a projected absorption period. In light of this, when estimating absorption, it is important to give significant weight to the past experience of parties marketing similar projects for sale.

In attempting to estimate the exposure time required for the disposition of the residential land component of the subject, both the historical exposure times and projected economic conditions have been considered. For any master planned community it is common to segment the product to allow it to appeal to the broadest spectrum of potential users offering a wide range of price points. While there is a correlation between the sell-off of the end product (roof tops) and the sell-off of the land components, the relationship may not be readily apparent. Generally, the higher priced end products are expected to experience slower absorption rates than the lower priced end products, which are driven by the size of the respective buying pools. Thus, you could sell two land use components that will not compete with each other, due to product and price point differences, at similar times in the development process without jeopardizing absorption. A master developer’s goal, and the goal of any respective builder, would be to avoid saturating the market with product. By the use of segmenting the range of product and diversifying the type of product, a development can maximize the return to the land by hastening the disposition time necessary to sell off the land.

A number of assumptions are made in the discounted cash flow analysis, not the least of which is the forecast of absorption, or disposition, of the various land use components comprising the subject property. It is common for surveys of market participants to reveal different estimations of anticipated absorption periods for the sell-off of multiple components comprising a master planned development, with some developers preferring to hasten the holding period in favor of mitigating exposures to fluctuations in market conditions; whereas, other developers prefer to manage the sell-off of the property over an extended period of time so as to minimize direct competition of product within the master planned project.

In light of the relative strength of the residential market in the West Roseville area, it is anticipated the disposition of the residential land could occur over an 18-month time period. This programmed sell-off of the lots will allow the developers greater control over the ultimate build-out of the communities and capture anticipated market appreciation in lot (and home) prices, as well as manage any market contractions. It is noted that we do not estimate an exact sequencing of absorption of the residential parcels, given that such an attempt would be considered highly speculative. As such, we average the revenues for each ownership group evenly over the respective absorption periods.

It is noted that while the subject includes a multifamily residential component (Larger Parcel W-27, Pulte Homes), as discussed earlier in this report, this is an affordable housing site with no value. However, this parcel is subject to direct levy charges. For the purposes of this analysis, it is assumed the parcel would be sold within the first year of the analysis (Period 4).

The subject also includes two parcels of commercial land (owned by Pulte Homes). While these sites are expected to receive adequate interest from the market, development of the sites will likely be driven by the completion and sale of single-family homes, prompting demand for supporting commercial services. It is our opinion the commercial sites will likely sell at the end of Year 2 of the absorption period as rooftops are completed.

Market conditions in the area have been experiencing recovery in some segments as discussed throughout this report. Consequently, it is appropriate to consider an appreciation rate for the land components during the absorption period. In light of current and past economic conditions, an appreciation rate of 5% per year will be applied to the revenue components in this analysis.

Expenses

Changes in Expenses (Expense Increases or Decreases)

Market participants widely expect expenses to increase either from inflation or labor increases (as workers become less willing to accept lower pay as more sources of work become available).

General and administrative and marketing and sale expenses are calculated in this section as a fixed

percentage of revenue (not including future growth reimbursements). Property tax expenses are trended upward, as will be discussed in a later section.

General and Administrative Expenses

General and administrative expenses would include management of project entitlements and Community Facilities District financing, as well as coordination with others. This expense category typically ranges from 2.0% to 4.0%, depending on length of the project and if all of the categories are included in a builder's budget. For purposes of this analysis, we have estimated this expense at 2.0% of revenue, which is spread evenly over the sell-off period.

Marketing and Sale

Based on the total revenue, we have estimated an expense of 2.0% for sales, which is within market parameters. For the sell-off of residential parcels (Units) to builders, marketing costs would be negligible, since master developers often contact builders directly and indicate lots are available, rather than openly list properties and have marketing costs.

Property Taxes and Assessments

Ad valorem real estate taxes are estimated based on a 1.106682% tax rate applied to the estimated market value, in bulk, conclusion, which is then allocated between the residential lots and commercial acreages. As the lots and land are sold, taxes are reduced on a pro-rata basis in the analysis. Ad valorem tax estimates are appreciated at a rate of 2.0% per year.

For the reader's reference, the ad valorem tax table shown in the analysis reflects annual taxes per residential lot and annual taxes per commercial acre. First, we calculated the total ad valorem tax payment by multiplying 1.106682% (tax rate) by the total bulk value to arrive at a total ad valorem tax payment for all components. For the Pulte property we estimated the total aggregate revenue allocation between the residential and commercial component, then we multiplied each allocation percentage by the total tax obligation, and then divided this number by the number of lots or total commercial acreage to arrive at estimates of annual tax obligations for each component. Ad valorem taxes are expected to decrease as lots are sold, as they are paid on total existing inventory.

With regard to the direct charges, on the following page we array the annual total maximum special tax payments by ownership group, as provided by the bond administrator.

Total Annual Maximum Special Tax by Ownership*		
Property Owner	CFD No 1	CFD No. 2
KB Home	\$489,670	\$218,635
Lennar Corporation	\$672,621	\$314,320
Meritage Homes	\$751,144	\$335,382
PL Roseville LLC (Commercial)	\$87,768	\$14,920
Pulte Homes Inc. (SFR)	\$651,618	\$298,013
Pulte Home Corporation et. al. (HDR)	<u>\$28,746</u>	<u>\$22,899</u>
Subtotal - Pulte Holdings	\$768,132	\$335,833
West Roseville, LLC	\$71,516	\$33,676
Totals	\$2,753,084	\$1,237,845

* Note: Excludes "Individual Owners"

It is noted that Westpark CFD #1 has an annual maximum escalation of 2%, while Westpark CFD #2 has a maximum escalation of 4% per year. Westpark CFD #3 is not applicable to the subject property, as this tax obligation is only in effect when building permits are pulled.

Discount Rate

The project yield rate is the rate of return on the total un-leveraged investment in a development, including both equity and debt. The leveraged yield rate is the rate of return to the "base" equity position when a portion of the development is financed. The "base" equity position represents the total equity contribution. The developer/builder may have funded all of the equity contribution, or a consortium of investors/builders as in a joint venture may fund it. Most surveys indicate that the threshold project yield requirement is about 20% to 30% for new home type projects. Instances in which project yields may be less than 20% often involve profit participation arrangements in master planned communities where the master developer limits the number of competing tracts.

According to a leading publication within the appraisal industry, the PwC Real Estate Investor Survey¹², discount rates for land development projects ranged from 10.00% to 25.00%, with an average of 16.75% during the Fourth Quarter 2014, which is down 140 basis points (18.15%) from the Second Quarter 2014 (land survey completed every six months). These rates are free-and-clear of financing, are inclusive of developer's profit, and assume entitlements are in place. Without entitlements in place, the PwC survey indicates certain investors increase the discount rate between 400 and 1,500 basis points (an average increase of 1,040 basis points).

According to the data presented in the survey prepared by PwC, the majority of those respondents who use the discounted cash flow (DCF) method do so free and clear of financing. Additionally, the participants reflect a preference in including the developer's profit in the discount rate, versus a separate line item for this factor. As such, the range of rates presented above is inclusive of the developer's profit projection.

The discount rates are based on a survey that includes residential, office, retail and industrial developments. Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate they expect slightly lower returns when approvals/entitlements are already in place.

Excerpts from recent PwC surveys are copied below:

Looking ahead over the next 12 months, surveyed investors unanimously forecast property values in the national development land market to increase. Expected appreciation ranges up to 15.0% and average 5.0%. (Fourth Quarter 2014)

As both the U.S. economy and the commercial real estate (CRE) industry's fundamentals show continued signs of improvement, interest in CRE development has picked up across each main property sector – office, retail, industrial, apartments, and lodging. As a result, certain investors in the national development land market are looking to acquire new parcels, finish entitling owned tracts, and/or convert parcels into readied sites... For the first time in quite a while, our surveyed investors are unanimous in their expectations that values for development land will increase over the next 12 months... Appreciation ranges up to 10.0% and averages 3.6% – up quite a bit from six months ago when the average was 2.6%. (Second Quarter 2014)

Survey results suggest that investors anticipate commercial real estate (CRE) fundamentals to continue to improve, opening up diverse development land opportunities across all property types... The outlook for development improved for the second straight year. In addition, and perhaps more importantly, the average outlook for development is considered "fair" – an improvement from two years ago when the average outlook was "modestly poor..." The improvement in the development outlook does not mean that the CRE industry will be flooded with new supply in the near future and that vast opportunities exist for development land

¹² PwC Real Estate Investor Survey, PricewaterhouseCoopers, 4th Quarter 2014, Volume 27, Number 4.

investors. “Some markets still have a significant inventory of land with entitlements and some with partial infrastructure that will move forward with development first, so we still need to be patient,” says an investor, who suggests looking for opportunities in metros where sustainable job growth exists. Another strategizes to “find the right land location and then wait for buyers to show up.” (Fourth Quarter 2013)

Improvements to the U.S. housing market and domestic economy have sparked increased interest in commercial real estate (CRE) development as many investors note that a growing number of developers are talking about and planning new projects. “The market is certainly improving in specific areas and specific submarkets,” says an investor. Nevertheless, patience is a key word among many development land investors since the recovery in the CRE industry is occurring very slowly in many areas. “It’s all about timing, and you need to be in the right market at the right time,” shares another. (Second Quarter 2013)

Although there are signs of improvements in this property sector, investors stress that it mostly relates to the amount of activity rather than improvements in pricing. “It is still a buyers’ market,” says a participant. For now, some development land investors advise owners to “hold onto their land and wait for markets to really come back...” A growing interest in new development caused both the average and high and low ranges of the discount rate to decline for the national land development market over the past six months. (Fourth Quarter 2012)

Information for a developing in-house database of project yield rates is presented in the table below:

Data Source	Yield / IRR Expectations (Inclusive of Profit)
PwC Real Estate Investor Survey - Fourth Quarter 2014 (updated semi-annually)	Range of 10.0% to 25.0%, with an average of 16.75%, inclusive of profit and assuming entitlements in place, for land development (national average)
Josh Roden - Meritage (2013)	20% to 25% for entitled lots
Jeb Elmore - Lewis Operating Corp (2013)	18% to 25%. Longer term, higher risk projects on higher side of the range, shorter term, lower risk projects on the lower side of the range. Long term speculation properties (10 to 20 years out) often closer to 30%.
Greg Ackerman - Pulte (2010)	18% minimum, 20% target
Chris Downey - Hon Development	Minimum IRR of 20-25%; for an 8 to 10 year cash flow, mid to upper 20% range
Gary Gorian - Dale Poe Development	25% IRR for land development is typical (no entitlements); slightly higher for properties with significant infrastructure costs
David Pitts - Newhall Land and Farming	20% to 30% IRR for land development deals on an unleveraged basis
Mark Palkowitsh - MSP California, LLC	35% for large land deals from raw unentitled to tentative map stage, unleveraged or leveraged. 25% to 30% from tentative map to pad sales to merchant builders, unleveraged
Rick Nieman - GFC	18% to 22% for land with some entitlements, unleveraged. 30% for raw unentitled
Lin Stinson - Providence Realty Group	Low 20% range yield rate required to attract capital to longer-term land holdings
Dan Boyd - ESE Land Company	Merchant builder yield requirements in the 20% range for traditionally financed tract developments. Larger land holdings would require 25% to 30%. Environmentally challenged or politically risky development could well run in excess of 35%.
Tulare Windmill Ventures, LLC	10% discount rate excluding profit for single-family subdivisions
David Jacobsen - Ridgecrest Homes	10% to 40% for single-family residential subdivisions with 1-2 year development timelines
Mike Grant - Premier Homes	15% to 20% IRR
Lyle McCullogh - California Pacific Homes	No less than 20% IRR for land development, either entitled or unentitled
Roy Robertson - Ekotec	20% to 30% for an unentitled property; the lower end of the range would reflect those properties close to tentative maps
Gordon MacKenzie - Brookfield Development	No less than 30% when typical entitlement risk exists

It is noted the preceding survey related to production home developments at the land stage. Even so, the respondents reflect the expectations of market participants in the residential sector.

There are several positive attributes associated with the subject property that we consider in our selection of a discount rate, including (but not necessarily limited to):

- Location within the West Roseville area, which is one of the most desirable communities for new home construction and new home purchases in the Sacramento region
- Entitlement status of the subject property as tentatively mapped and final mapped lots
- Substantial completion of in-tract site development (finished lot stage) and supporting backbone infrastructure
- Recent momentum in bulk lot purchases by regional and/or national builders in the West Roseville area

Even though much of the entitlement risk has been mitigated, there is risk associated with estimating the timing that the subject components will be sold off, especially when the market is transitioning from declining to expansion. In addition, there is risk associated with unforeseen factors such as broad economic declines and job losses. Considering these factors, and the positive and negative characteristics previously described, we estimate a discount rate of **14%**.

Conclusion

The four discounted cash flow analyses for the subject property held by KB Home, Meritage Homes Corporation, Lennar Corporation and Pulte Homes are presented on the following pages, the results of which reflect the bulk market value of these ownership entities.

SUBDIVISION DEVELOPMENT METHOD – KB HOME

ASSUMPTIONS

Number of SFR Lots	309			
Total SFR Revenue	\$31,163,875			
Total SFR Revenue per Lot	\$100,854			
Revenue Appreciation	5%	annual		
General & Administrative	2.0%			
Marketing and Commissions	2.0%			
Ad Valorem (Per Lot Per Year)	\$938	2%	escalation	
Westpark CFD #1 Direct Charge	\$1,585	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$708	per lot per year	4%	max. escalation

REVENUE, EXPENSES AND VALUATION

REVENUE	Quarter:	1	2	3	4	5	6	Total
Sales (Lots):		52	52	52	52	52	49	309
End of Period Inventory		257	205	153	101	49	0	
Total Period Inventory		309	257	205	153	101	49	
SFR Revenue Unappreciated	\$	5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 4,941,844	\$ 31,163,875
SFR Revenue Appreciated	\$	5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,244,406	\$ 5,506,626	\$ 5,188,936	\$ 31,673,188
EXPENSES								
General & Administrative	\$	(105,577)	\$ (105,577)	\$ (105,577)	\$ (105,577)	\$ (105,577)	\$ (105,577)	\$ (633,464)
Marketing/Commissions	\$	(104,888)	\$ (104,888)	\$ (104,888)	\$ (104,888)	\$ (110,133)	\$ (103,779)	\$ (633,464)
SFR Ad Valorem	\$	(72,488)	\$ (60,289)	\$ (48,091)	\$ (35,892)	\$ (24,167)	\$ (11,725)	\$ (252,651)
Westpark CFD #1 Direct Charge	\$	(122,418)	\$ (101,817)	\$ (81,216)	\$ (60,614)	\$ (40,814)	\$ (19,801)	\$ (426,679)
Westpark CFD #2 Direct Charge	\$	(54,659)	\$ (45,461)	\$ (36,262)	\$ (27,064)	\$ (18,580)	\$ (9,014)	\$ (191,040)
TOTAL EXPENSES	\$	<u>(460,029)</u>	<u>\$ (418,032)</u>	<u>\$ (376,034)</u>	<u>\$ (334,036)</u>	<u>\$ (299,271)</u>	<u>\$ (249,896)</u>	<u>\$ (2,137,298)</u>
	\$	4,784,377	\$ 4,826,375	\$ 4,868,372	\$ 4,910,370	\$ 5,207,355	\$ 4,939,041	\$ 29,535,890
PRESENT VALUE FACTOR @ 14.00%		<u>0.96618</u>	<u>0.93351</u>	<u>0.90194</u>	<u>0.87144</u>	<u>0.84197</u>	<u>0.81350</u>	
DISCOUNTED CASH FLOW	\$	4,622,586	\$ 4,505,472	\$ 4,390,993	\$ 4,279,104	\$ 4,384,453	\$ 4,017,913	\$ 26,200,522
NET PRESENT VALUE	\$	26,200,522						

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 26,200,000

SUBDIVISION DEVELOPMENT METHOD – MERITAGE

ASSUMPTIONS

Number of SFR Lots	474			
Total SFR Revenue	\$50,612,500			
Total SFR Revenue per Lot	\$106,777			
Revenue Appreciation	5%	annual		
General & Administrative	2.0%			
Marketing and Commissions	2.0%			
Ad Valorem (Per Lot Per Year)	\$994	2%	escalation	
Westpark CFD #1 Direct Charge	\$1,585	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$708	per lot per year	4%	max. escalation

REVENUE, EXPENSES AND VALUATION

REVENUE	Quarter:	1	2	3	4	5	6	Total
Sales (Lots):		79	79	79	79	79	79	474
End of Period Inventory		395	316	237	158	79	0	
Total Period Inventory		474	395	316	237	158	79	
SFR Revenue Unappreciated	\$	8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 50,612,500
SFR Revenue Appreciated	\$	8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,435,417	\$ 8,857,188	\$ 8,857,188	\$ 51,456,042
EXPENSES								
General & Administrative	\$	(171,520)	\$ (171,520)	\$ (171,520)	\$ (171,520)	\$ (171,520)	\$ (171,520)	\$ (1,029,121)
Marketing/Commissions	\$	(168,708)	\$ (168,708)	\$ (168,708)	\$ (168,708)	\$ (177,144)	\$ (177,144)	\$ (1,029,121)
SFR Ad Valorem	\$	(117,779)	\$ (98,149)	\$ (78,519)	\$ (58,889)	\$ (40,045)	\$ (20,022)	\$ (413,403)
Westpark CFD #1 Direct Charge	\$	(187,786)	\$ (156,488)	\$ (125,191)	\$ (93,893)	\$ (63,847)	\$ (31,924)	\$ (659,129)
Westpark CFD #2 Direct Charge	\$	(83,845)	\$ (69,871)	\$ (55,897)	\$ (41,923)	\$ (29,066)	\$ (14,533)	\$ (295,136)
TOTAL EXPENSES	\$	<u>(729,639)</u>	<u>\$ (664,737)</u>	<u>\$ (599,835)</u>	<u>\$ (534,934)</u>	<u>\$ (481,622)</u>	<u>\$ (415,143)</u>	<u>\$ (3,425,910)</u>
	\$	7,705,778	\$ 7,770,680	\$ 7,835,581	\$ 7,900,483	\$ 8,375,565	\$ 8,442,044	\$ 48,030,132
PRESENT VALUE FACTOR @ 14.00%		<u>0.96618</u>	<u>0.93351</u>	<u>0.90194</u>	<u>0.87144</u>	<u>0.84197</u>	<u>0.81350</u>	
DISCOUNTED CASH FLOW	\$	7,445,196	\$ 7,254,013	\$ 7,067,245	\$ 6,884,815	\$ 7,052,001	\$ 6,867,609	\$ 42,570,879
NET PRESENT VALUE	\$	42,570,879						

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 42,570,000

SUBDIVISION DEVELOPMENT METHOD – LENNAR

ASSUMPTIONS

Number of SFR Lots	612				
Total SFR Revenue	\$53,867,331				
Total SFR Revenue per Lot	\$88,019				
Revenue Appreciation	5%	annual			
General & Administrative	2.0%				
Marketing and Commissions	2.0%				
Ad Valorem (Per Lot Per Year)	\$822	2%	escalation		
Westpark CFD #1 Direct Charge	\$1,099	per lot per year	2%	max. escalation	
Westpark CFD #2 Direct Charge	\$514	per lot per year	4%	max. escalation	

REVENUE, EXPENSES AND VALUATION

REVENUE	Quarter:	1	2	3	4	5	6	Total
Sales (Lots):		102	102	102	102	102	102	612
End of Period Inventory		510	408	306	204	102	0	
Total Period Inventory		612	510	408	306	204	102	
SFR Revenue Unappreciated	\$	8,977,889	8,977,889	8,977,889	8,977,889	8,977,889	8,977,889	\$ 53,867,331
SFR Revenue Appreciated	\$	8,977,889	8,977,889	8,977,889	8,977,889	9,426,783	9,426,783	\$ 54,765,120
EXPENSES								
General & Administrative	\$	(182,550)	(182,550)	(182,550)	(182,550)	(182,550)	(182,550)	\$ (1,095,302)
Marketing/Commissions	\$	(179,558)	(179,558)	(179,558)	(179,558)	(188,536)	(188,536)	\$ (1,095,302)
SFR Ad Valorem	\$	(125,719)	(104,766)	(83,813)	(62,860)	(42,744)	(21,372)	\$ (441,274)
Westpark CFD #1 Direct Charge	\$	(168,155)	(140,129)	(112,104)	(84,078)	(57,173)	(28,586)	\$ (590,225)
Westpark CFD #2 Direct Charge	\$	(78,580)	(65,483)	(52,387)	(39,290)	(27,241)	(13,621)	\$ (276,601)
TOTAL EXPENSES	\$	(734,562)	(672,487)	(610,411)	(548,335)	(498,244)	(434,665)	\$ (3,498,705)
NET INCOME	\$	8,243,326	8,305,402	8,367,478	8,429,553	8,928,539	8,992,118	\$ 51,266,415
PRESENT VALUE FACTOR @ 14.00%		<u>0.96618</u>	<u>0.93351</u>	<u>0.90194</u>	<u>0.87144</u>	<u>0.84197</u>	<u>0.81350</u>	
DISCOUNTED CASH FLOW	\$	7,964,566	7,753,181	7,546,985	7,345,869	7,517,590	7,315,094	\$ 45,443,285
NET PRESENT VALUE	\$	45,443,285						

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 45,440,000

SUBDIVISION DEVELOPMENT METHOD – PULTE

ASSUMPTIONS

Number of SFR Lots	421
Total SFR Revenue	\$44,348,964
Total SFR Revenue per Lot	\$105,342

<u>Ad Valorem Tax Table</u>	
Annual Increase in Property Taxes	2%
First Year Annual Taxes/Residential Lot	\$ 967
First Year Annual Taxes per Commercial Acre	\$ 2,370

Number of Commercial Lots	2
Commercial Acreage	13.8
Total Commercial Revenue	\$3,450,000
Total Commercial Revenue per Acre	\$250,000

Number of HDR (Afford.) Lots	170
Total HDR (Afford.) Revenue	\$0

Revenue Appreciation	5%	annual
General & Administrative	2.0%	
Marketing and Commissions	2.0%	

Residential Lots

Westpark CFD #1 Direct Charge	\$1,548	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$708	per lot per year	4%	max. escalation

Commercial Lots

Westpark CFD #1 Direct Charge	\$43,884	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$1,081	per acre per year	4%	max. escalation

HDR (Affordable) Lots

Westpark CFD #1 Direct Charge	\$169	per lot per year	2%	max. escalation
Westpark CFD #2 Direct Charge	\$135	per lot per year	4%	max. escalation

REVENUE, EXPENSES AND VALUATION

SFR REVENUE	Quarter:	1	2	3	4	5	6	7	8	Total
Sales (Lots):		70	70	70	70	70	71	0	0	421
End of Period Inventory		351	281	211	141	71	0	0	0	
Total Period Inventory		421	351	281	211	141	71	0	0	
SFR Revenue Unappreciated		\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,479,279	\$ -	\$ -	\$ 44,348,964
SFR Revenue Appreciated		\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,742,634	\$ 7,853,243	\$ -	\$ -	\$ 45,091,625
COMMERCIAL REVENUE										
Sales (Acres)		0	0	0	0	0	0	6.9	6.9	13.8
End of Period Inventory		13.8	13.8	13.8	13.8	13.8	13.8	6.9	0.0	
Total Period Inventory (acres)		13.8	13.8	13.8	13.8	13.8	13.8	13.8	6.9	
Total Period Inventory (lots)		2	2	2	2	2	2	2	1	
Commercial Revenue Unappreciated		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,725,000	\$ 1,725,000	\$ 3,450,000
Commercial Revenue Appreciated		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,811,250	\$ 1,811,250	\$ 3,622,500
Total Revenue		\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,373,937	\$ 7,742,634	\$ 7,853,243	\$ 1,811,250	\$ 1,811,250	\$ 48,714,125
EXPENSES										
<u>All Categories</u>										
General & Administrative		\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (121,785)	\$ (974,282)
Marketing/Commissions		\$ (147,479)	\$ (147,479)	\$ (147,479)	\$ (147,479)	\$ (154,853)	\$ (157,065)	\$ (36,225)	\$ (36,225)	\$ (974,282)
<u>Residential Only</u>										
Ad Valorem Taxes		\$ (101,773)	\$ (84,851)	\$ (67,929)	\$ (51,007)	\$ (34,767)	\$ (17,507)	\$ -	\$ -	\$ (357,834)
Westpark CFD #1 Direct Charge		\$ (162,905)	\$ (135,818)	\$ (108,732)	\$ (81,646)	\$ (55,651)	\$ (28,023)	\$ -	\$ -	\$ (572,774)
Westpark CFD #2 Direct Charge		\$ (74,503)	\$ (62,116)	\$ (49,728)	\$ (37,340)	\$ (25,951)	\$ (13,067)	\$ -	\$ -	\$ (262,705)
<u>Commercial Only</u>										
Ad Valorem Taxes		\$ (8,176)	\$ (8,176)	\$ (8,176)	\$ (8,176)	\$ (8,340)	\$ (8,340)	\$ (8,340)	\$ (4,170)	\$ (61,893)
Westpark CFD #1 Direct Charge		\$ (21,942)	\$ (21,942)	\$ (21,942)	\$ (21,942)	\$ (22,381)	\$ (22,381)	\$ (22,381)	\$ (11,190)	\$ (166,100)
Westpark CFD #2 Direct Charge		\$ (3,730)	\$ (3,730)	\$ (3,730)	\$ (3,730)	\$ (3,879)	\$ (3,879)	\$ (3,879)	\$ (1,940)	\$ (28,497)
<u>HDR Lots (Affordable)</u>										
Westpark CFD #1 Direct Charge		\$ (7,187)	\$ (7,187)	\$ (7,187)	\$ (7,187)	\$ -	\$ -	\$ -	\$ -	\$ (28,746)
Westpark CFD #2 Direct Charge		\$ (5,725)	\$ (5,725)	\$ (5,725)	\$ (5,725)	\$ -	\$ -	\$ -	\$ -	\$ (22,899)
TOTAL EXPENSES		<u>\$ (655,204)</u>	<u>\$ (598,808)</u>	<u>\$ (542,412)</u>	<u>\$ (486,017)</u>	<u>\$ (427,606)</u>	<u>\$ (372,047)</u>	<u>\$ (192,610)</u>	<u>\$ (175,310)</u>	<u>\$ (3,450,014)</u>
NET INCOME		\$ 6,718,733	\$ 6,775,129	\$ 6,831,525	\$ 6,887,920	\$ 7,315,028	\$ 7,481,196	\$ 1,618,640	\$ 1,635,940	\$ 45,264,111
PRESENT VALUE FACTOR @ 14.00%		0.96618	0.93351	0.90194	0.87144	0.84197	0.81350	0.78599	0.75941	
DISCOUNTED CASH FLOW		\$ 6,491,529	\$ 6,324,655	\$ 6,161,644	\$ 6,002,425	\$ 6,159,057	\$ 6,085,958	\$ 1,272,237	\$ 1,242,352	\$ 39,739,857
NET PRESENT VALUE		\$ 39,739,857								

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)

\$ 39,740,000

FINAL CONCLUSION OF AGGREGATE VALUE

As a result of our analysis, it is our opinion the aggregate value of the subject property, in accordance with the general assumptions and limiting conditions set forth herein (pages 8 through 10), and based on an effective date of value of May 29, 2015, which was our date of inspection, is as follows:

Ownership	Description	Value by Ownership
Lennar	376 Improved Lots* & 236 Paper Lots	\$ 45,440,000
KB Home	134 Improved Lots & 175 Paper Lots	\$ 26,200,000
Meritage Homes	224 Improved Lots* & 250 Paper Lots	\$ 42,570,000
Pulte Homes, Inc.	279 Improved Lots*, 142 Paper Lots, (2) Commercial Sites & (1) Multifamily Site	\$ 39,740,000
West Roseville, LLC	(1) Multifamily Site	\$ -
Individual Owners	22 Improved Lots*	\$ 2,630,000
Aggregate Value		\$ 156,580,000

* Includes some completed homes and/or model homes and/or homes under construction

Note: *The estimate of aggregate value above represents a “not-less-than” value due to the fact numerous lots are improved with completed homes, model homes and homes under construction. As requested, our valuation does not capture any increment of value associated with vertical improvements.*

The market value conclusions noted above are subject to the Extraordinary Assumptions and Significant Factors, as well as the General Assumptions and Limiting Conditions referenced on pages 8 through 10 of this report. No Hypothetical Conditions were part of this valuation analysis.

APPENDIX

**A – WESTPARK PROPERTY LIST –
WILLDAN FINANCIAL SERVICES**

DISTRICT	APN/FMT	1415 OWNER.NAME	1415 AV LAND	1415 AV STRUCTURE	1415 AV TOTAL
Westpark CFD 1	490-290-072-000	ADDILLA SAM TR	39,930	-	39,930
Westpark CFD 1	490-290-041-000	BARNETT CARMELLA L TR	39,930	-	39,930
Westpark CFD 1	490-290-062-000	BOJORQUES ROBERT GEAN TR	39,930	-	39,930
Westpark CFD 1	017-150-057-000	CENTEX HOMES	1,244,829	-	1,244,829
Westpark CFD 1	490-290-071-000	CRAVENS CLAUDIA W	39,930	-	39,930
Westpark CFD 1	490-290-051-000	DEMETER DAVID G & DEMETER JANE M	39,930	-	39,930
Westpark CFD 1	490-300-071-000	GILFILLAN KEVIN ROBERT	14,063	-	14,063
Westpark CFD 1	490-290-056-000	GOUD SHOBHA K TR	39,930	-	39,930
Westpark CFD 1	490-290-024-000	HATFIELD HARLAN N & HATFIELD CARO	39,930	-	39,930
Westpark CFD 1	490-290-070-000	IRWIN ELIZABETH B & IRWIN DAVID S	39,930	-	39,930
Westpark CFD 1	490-290-063-000	JASKOWIAK THOMAS TR	39,930	-	39,930
Westpark CFD 1	496-010-002-000	KB HOME SACRAMENTO INC	7,466,301	-	7,466,301
Westpark CFD 1	496-010-014-000	KB HOME SACRAMENTO INC	6,884,112	-	6,884,112
Westpark CFD 1	496-010-012-000	KB HOME SACRAMENTO INC	11,120,257	-	11,120,257
Westpark CFD 1	496-060-001-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-002-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-003-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-004-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-005-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-006-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-007-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-008-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-009-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-010-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-011-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-012-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-016-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-017-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-018-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-019-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-020-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-021-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-022-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-023-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-024-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-025-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-026-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-027-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-028-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-029-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-030-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-031-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-032-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-033-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-034-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-035-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-036-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-037-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-038-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-039-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-040-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-041-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-042-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-043-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-045-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-046-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-047-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-048-000	KB HOME SACRAMENTO INC	142,644	-	142,644
Westpark CFD 1	496-060-049-000	KB HOME SACRAMENTO INC	142,644	-	142,644

Westpark CFD 1	496-040-037-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-045-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-046-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-054-000	MERITAGE HOMES OF CALIFORNIA INC	90,408	-	90,408
Westpark CFD 1	496-040-070-000	MERITAGE HOMES OF CALIFORNIA INC	103,467	-	103,467
Westpark CFD 1	496-040-071-000	MERITAGE HOMES OF CALIFORNIA INC	103,467	-	103,467
Westpark CFD 1	496-040-072-000	MERITAGE HOMES OF CALIFORNIA INC	104,137	-	104,137
Westpark CFD 1	496-010-010-000	MERITAGE HOMES OF CALIFORNIA INC	7,534,050	-	7,534,050
Westpark CFD 1	496-020-025-000	MERITAGE HOMES OF CALIFORNIA INC	513,688	-	513,688
Westpark CFD 1	490-290-034-000	MILLER MARK	39,930	-	39,930
Westpark CFD 1	490-160-019-000	MOHR LINDA SIBLEY & MOHR CARL	105,883	-	105,883
Westpark CFD 1	490-290-025-000	PACHECO TONI L	39,930	-	39,930
Westpark CFD 1	490-290-059-000	PESHKOFF RUTH G	39,930	-	39,930
Westpark CFD 1	017-150-074-000	PL ROSEVILLE LLC	1,800,000	-	1,800,000
Westpark CFD 1	017-150-076-000	PL ROSEVILLE LLC	1,800,000	-	1,800,000
Westpark CFD 1	496-020-030-000	PULTE HOME CORPORATION	453,348	-	453,348
Westpark CFD 1	496-020-028-000	PULTE HOME CORPORATION	370,675	-	370,675
Westpark CFD 1	496-020-021-000	PULTE HOME CORPORATION	332,703	-	332,703
Westpark CFD 1	496-030-006-000	PULTE HOME CORPORATION	292,522	-	292,522
Westpark CFD 1	490-290-004-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-005-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-010-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-037-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-040-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-044-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-047-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-050-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-052-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-053-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-055-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-057-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-058-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-073-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-075-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-077-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-006-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-007-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-008-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-009-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-042-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-043-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-048-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-049-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-065-000	PULTE HOME CORPORATION	39,930	-	39,930
Westpark CFD 1	490-290-035-000	PULTE HOME CORPORATION	39,930	16,000	55,930
Westpark CFD 1	490-290-036-000	PULTE HOME CORPORATION	39,930	16,000	55,930
Westpark CFD 1	490-170-019-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-170-020-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-130-001-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-130-002-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-130-003-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-130-004-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-016-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-017-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-018-000	PULTE HOME CORPORATION	104,500	-	104,500
Westpark CFD 1	490-160-015-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-020-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-021-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-060-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-061-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-062-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-063-000	PULTE HOME CORPORATION	105,883	-	105,883

Westpark CFD 1	490-160-064-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-170-002-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-170-018-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-170-021-000	PULTE HOME CORPORATION	95,000	-	95,000
Westpark CFD 1	490-160-013-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-160-014-000	PULTE HOME CORPORATION	105,883	-	105,883
Westpark CFD 1	490-130-005-000	PULTE HOME CORPORATION	109,250	-	109,250
Westpark CFD 1	490-170-001-000	PULTE HOME CORPORATION	105,883	152,690	258,573
Westpark CFD 1	490-130-006-000	PULTE HOME CORPORATION	161,800	180,200	342,000
Westpark CFD 1	490-130-007-000	PULTE HOME CORPORATION	188,300	184,700	373,000
Westpark CFD 1	490-130-008-000	PULTE HOME CORPORATION	173,600	238,400	412,000
Westpark CFD 1	490-130-014-000	PULTE HOME CORPORATION	159,000	270,000	429,000
Westpark CFD 1	490-130-009-000	PULTE HOME CORPORATION	154,900	298,100	453,000
Westpark CFD 1	490-130-010-000	PULTE HOME CORPORATION	170,200	292,800	463,000
Westpark CFD 1	490-130-012-000	PULTE HOME CORPORATION	173,400	298,600	472,000
Westpark CFD 1	490-130-013-000	PULTE HOME CORPORATION	171,800	347,200	519,000
Westpark CFD 1	490-130-011-000	PULTE HOME CORPORATION	206,300	328,700	535,000
Westpark CFD 1	496-020-015-000	PULTE HOME CORPORATION	281,371	-	281,371
Westpark CFD 1	496-020-014-000	PULTE HOME CORPORATION ET AL	1,083,000	-	1,083,000
Westpark CFD 1	490-290-046-000	SADLER GEORGE B JR & SADLER BARB	39,930	-	39,930
Westpark CFD 1	490-290-012-000	VEACH DAVID L YTTR & VEACH DIANE	39,930	-	39,930
Westpark CFD 1	490-300-070-000	VERKOULEN PAUL	14,063	-	14,063
Westpark CFD 1	496-010-001-000	WEST ROSEVILLE LLC	288,775	-	288,775
Westpark CFD 1	490-290-076-000	WHITEMAN ROXIE A	39,930	-	39,930
Westpark CFD 1	490-290-054-000	WONG RICHARD & WONG PHILIP S	39,930	-	39,930

1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,014.84	1,015	0.02%	12,504	Developed	W-1B	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
1,353.12	1,353	0.02%	16,672	Developed	W-1A	1
90,327.48	90,327	1.50%	1,112,909	LargeLotMap	W-18B	4
28,746.32	28,746	0.48%	354,178	LargeLotMap	W-27	4
1,366.90	1,367	0.02%	16,842	Developed	W-2A	1
1,366.90	1,367	0.02%	16,842	Developed	W-2A	1
950.88	951	0.02%	11,716	Developed	W-25B	2
71,516.30	71,516	1.19%	881,140	LargeLotMap	W-16A	3
1,025.18	1,025	0.02%	12,631	Developed	W-2B	1
1,025.18	1,025	0.02%	12,631	Developed	W-2B	1
			34,493,936			

TaxableAcreage	TaxUnits	LEGAL	APN
0.0	1	LOT 135 WESTPARK VILL 2 PH 2 MOR BB-75	490290072000
0.0	1	LOT 104 WESTPARK VILL 2 PH 2 MOR BB-75	490290041000
0.0	1	LOT 125 WESTPARK VILL 2 PH 2 MOR BB-75	490290062000
0.0	111	13.4 AC LOT 17 WESTPARK PH 1 LG LT SUBD MOR AA-4	017150057000
0.0	1	LOT 134 WESTPARK VILL 2 PH 2 MOR BB-75	490290071000
0.0	1	LOT 114 WESTPARK VILL 2 PH 2 MOR BB-75	490290051000
0.0	1	LOT 62 WESTPARK VILLAGE W-25 MOR CC-45	490300071000
0.0	1	LOT 119 WESTPARK VILL 2 PH 2 MOR BB-75	490290056000
0.0	1	LOT 34 WESTPARK VILL 2 PH 2 MOR BB-75	490290024000
0.0	1	LOT 133 WESTPARK VILL 2 PH 2 MOR BB-75	490290070000
0.0	1	LOT 126 WESTPARK VILL 2 PH 2 MOR BB-75	490290063000
0.0	88	14.1AC LOT2 WESTPARK PH 3-LARGE LOT SUB MOR CC-28	496010002000
0.0	74	13 AC POR LOT6 WESTPARK PH 3-LARGE L SUB MOR CC-28	496010014000
0.0	87	21 AC POR LOT 3 WESTPARK PH 3-LRG L SUB MOR CC-28	496010012000
0.0	1	LOT 75 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060001000
0.0	1	LOT 76 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060002000
0.0	1	LOT 77 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060003000
0.0	1	LOT 78 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060004000
0.0	1	LOT 79 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060005000
0.0	1	LOT 80 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060006000
0.0	1	LOT 81 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060007000
0.0	1	LOT 82 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060008000
0.0	1	LOT 83 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060009000
0.0	1	LOT 84 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060010000
0.0	1	LOT 85 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060011000
0.0	1	LOT 86 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060012000
0.0	1	LOT 90 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060016000
0.0	1	LOT 91 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060017000
0.0	1	LOT 92 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060018000
0.0	1	LOT 93 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060019000
0.0	1	LOT 94 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060020000
0.0	1	LOT 95 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060021000
0.0	1	LOT 96 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060022000
0.0	1	LOT 97 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060023000
0.0	1	LOT 98 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060024000
0.0	1	LOT 99 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060025000
0.0	1	LOT 100 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060026000
0.0	1	LOT 101 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060027000
0.0	1	LOT 102 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060028000
0.0	1	LOT 103 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060029000
0.0	1	LOT 104 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060030000
0.0	1	LOT 105 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060031000
0.0	1	LOT 106 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060032000
0.0	1	LOT 107 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060033000
0.0	1	LOT 108 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060034000
0.0	1	LOT 109 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060035000
0.0	1	LOT 110 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060036000
0.0	1	LOT 111 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060037000
0.0	1	LOT 112 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060038000
0.0	1	LOT 113 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060039000
0.0	1	LOT 114 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060040000
0.0	1	LOT 115 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060041000
0.0	1	LOT 116 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060042000
0.0	1	LOT 117 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060043000
0.0	1	LOT 119 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060045000
0.0	1	LOT 120 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060046000
0.0	1	LOT 121 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060047000
0.0	1	LOT 122 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060048000
0.0	1	LOT 123 WESTPARK PH 3 VILLAGE 13B MOR CC-76	496060049000

0.0	1	LOT 60 WESTPARK VILLAGE W-25 MOR CC-45	490300069000
0.0	1	LOT 63 WESTPARK VILLAGE W-25 MOR CC-45	490300072000
0.0	1	LOT 64 WESTPARK VILLAGE W-25 MOR CC-45	490300073000
0.0	1	LOT 65 WESTPARK VILLAGE W-25 MOR CC-45	490300074000
0.0	1	LOT 66 WESTPARK VILLAGE W-25 MOR CC-45	490300075000
0.0	1	LOT 67 WESTPARK VILLAGE W-25 MOR CC-45	490300076000
0.0	1	LOT 68 WESTPARK VILLAGE W-25 MOR CC-45	490300077000
0.0	1	LOT 69 WESTPARK VILLAGE W-25 MOR CC-45	490300078000
0.0	1	LOT 70 WESTPARK VILLAGE W-25 MOR CC-45	490300079000
0.0	1	LOT 71 WESTPARK VILLAGE W-25 MOR CC-45	490300080000
0.0	1	LOT 72 WESTPARK VILLAGE W-25 MOR CC-45	490300081000
0.0	1	LOT 1 WESTPARK VILLAGE W-25 MOR CC-45	490300010000
0.0	1	LOT 24 WESTPARK VILLAGE W-25 MOR CC-45	490300033000
0.0	1	LOT 33 WESTPARK VILLAGE W-25 MOR CC-45	490300042000
0.0	1	LOT 38 WESTPARK VILLAGE W-25 MOR CC-45	490300047000
0.0	86	17.6 AC LOT 18 WESTPARK PH4 LG LT SUB MOR CC-53	496020027000
0.0	66	14.9 AC LOT 10 WESTPARK PH4 LG LT SUB MOR CC-53	496020019000
0.0	19	4.4 AC LOT 14 WESTPARK PH4 LG LT SUB MOR CC-53	496020023000
0.0	52	14.3 AC LOT 5 WESTPARK PH4 LG LT SUB MOR CC-53	496020017000
0.0	41	11.4 AC LOT 6 WESTPARK PH4 LG LT SUB MOR CC-53	496020018000
0.0	1	LOT21 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258006000
0.0	1	LOT22 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258007000
0.0	1	LOT23 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258008000
0.0	1	LOT26 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258011000
0.0	1	LOT27 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258012000
0.0	1	LOT 50 WESTPARK VILLAGE W-25 MOR CC-45	490300059000
0.0	1	LOT11 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490257011000
0.0	1	LOT25 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258010000
0.0	1	LOT24 MERGER & RESUB WESTPARK VILL CENTER 22 CC-41	490258009000
0.0	1	LOT 108 WESTPARK VILL 2 PH 2 MOR BB-75	490290045000
0.0	1	LOT 137 WESTPARK VILL 2 PH 2 MOR BB-75	490290074000
0.0	92	21.5 AC LOT 4 WESTPARK PH4 LG LT SUB MOR CC-53	496020016000
0.0	56	14.1 AC LOT 8 WESTPARK PH4 LG LT SUB MOR CC-53	496030007000
0.0	1	LOT 84 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050001000
0.0	1	LOT 85 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050002000
0.0	1	LOT 86 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050003000
0.0	1	LOT 87 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050004000
0.0	1	LOT 90 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050007000
0.0	1	LOT 91 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050008000
0.0	1	LOT 92 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050009000
0.0	1	LOT 93 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050010000
0.0	1	LOT 94 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050011000
0.0	1	LOT 95 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050012000
0.0	1	LOT 100 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050017000
0.0	1	LOT 101 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050018000
0.0	1	LOT 102 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050019000
0.0	1	LOT 103 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050020000
0.0	1	LOT 104 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050021000
0.0	1	LOT 105 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050022000
0.0	1	LOT 106 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050023000
0.0	1	LOT 107 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050024000
0.0	1	LOT 108 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050025000
0.0	1	LOT 109 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050026000
0.0	1	LOT 110 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050027000
0.0	1	LOT 111 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050028000
0.0	1	LOT 112 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050029000
0.0	1	LOT 113 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050030000
0.0	1	LOT 114 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050031000
0.0	1	LOT 115 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050032000
0.0	1	LOT 116 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050033000
0.0	1	LOT 117 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050034000
0.0	1	LOT 118 WESTPARK PH 3 VILLAGE 15B MOR CC-75	496050035000

0.0	1	LOT 37 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040037000
0.0	1	LOT 45 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040045000
0.0	1	LOT 46 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040046000
0.0	1	LOT 54 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040054000
0.0	1	LOT 70 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040070000
0.0	1	LOT 71 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040071000
0.0	1	LOT 72 WESTPARK PH 3 VILLAGE 15A MOR CC-74	496040072000
0.0	64	18 AC POR LOT 7 WESTPARK PH 3-LG LOT SUB MOR CC-28	496010010000
0.0	102	23 AC LOT 16 WESTPARK PH4 LG LT SUB MOR CC-53	496020025000
0.0	1	LOT 97 WESTPARK VILL 2 PH 2 MOR BB-75	490290034000
0.0	1	LOT 180 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160019000
0.0	1	LOT 35 WESTPARK VILL 2 PH 2 MOR BB-75	490290025000
0.0	1	LOT 122 WESTPARK VILL 2 PH 2 MOR BB-75	490290059000
7.2	0	6.8AC POR LOT 11 WESTPARK PH 1 LG LT SUBD MOR AA-4	017150074000
7.2	0	7 AC POR LOT 13 WESTPARK PH 1 LG LT SUBD MOR AA-4	017150076000
0.0	109	20.3 AC LOT 21 WESTPARK PH4 LG LT SUB MOR CC-53	496020030000
0.0	85	16.6 AC LOT 19 WESTPARK PH4 LG LT SUB MOR CC-53	496020028000
0.0	69	14.9 AC LOT 12 WESTPARK PH4 LG LT SUB MOR CC-53	496020021000
0.0	53	13.1 AC LOT 7 WESTPARK PH4 LG LT SUB MOR CC-53	496030006000
0.0	1	LOT 14 WESTPARK VILL 2 PH 2 MOR BB-75	490290004000
0.0	1	LOT 15 WESTPARK VILL 2 PH 2 MOR BB-75	490290005000
0.0	1	LOT 20 WESTPARK VILL 2 PH 2 MOR BB-75	490290010000
0.0	1	LOT 100 WESTPARK VILL 2 PH 2 MOR BB-75	490290037000
0.0	1	LOT 103 WESTPARK VILL 2 PH 2 MOR BB-75	490290040000
0.0	1	LOT 107 WESTPARK VILL 2 PH 2 MOR BB-75	490290044000
0.0	1	LOT 110 WESTPARK VILL 2 PH 2 MOR BB-75	490290047000
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0.0	1	LOT 115 WESTPARK VILL 2 PH 2 MOR BB-75	490290052000
0.0	1	LOT 116 WESTPARK VILL 2 PH 2 MOR BB-75	490290053000
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0.0	1	LOT 120 WESTPARK VILL 2 PH 2 MOR BB-75	490290057000
0.0	1	LOT 121 WESTPARK VILL 2 PH 2 MOR BB-75	490290058000
0.0	1	LOT 136 WESTPARK VILL 2 PH 2 MOR BB-75	490290073000
0.0	1	LOT 138 WESTPARK VILL 2 PH 2 MOR BB-75	490290075000
0.0	1	LOT 140 WESTPARK VILL 2 PH 2 MOR BB-75	490290077000
0.0	1	LOT 16 WESTPARK VILL 2 PH 2 MOR BB-75	490290006000
0.0	1	LOT 17 WESTPARK VILL 2 PH 2 MOR BB-75	490290007000
0.0	1	LOT 18 WESTPARK VILL 2 PH 2 MOR BB-75	490290008000
0.0	1	LOT 19 WESTPARK VILL 2 PH 2 MOR BB-75	490290009000
0.0	1	LOT 105 WESTPARK VILL 2 PH 2 MOR BB-75	490290042000
0.0	1	LOT 106 WESTPARK VILL 2 PH 2 MOR BB-75	490290043000
0.0	1	LOT 111 WESTPARK VILL 2 PH 2 MOR BB-75	490290048000
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0.0	1	LOT 98 WESTPARK VILL 2 PH 2 MOR BB-75	490290035000
0.0	1	LOT 99 WESTPARK VILL 2 PH 2 MOR BB-75	490290036000
0.0	1	LOT 248 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170019000
0.0	1	LOT 258 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170020000
0.0	1	LOT 179 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130001000
0.0	1	LOT 221 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130002000
0.0	1	LOT 222 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130003000
0.0	1	LOT 223 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130004000
0.0	1	LOT 176 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160016000
0.0	1	LOT 177 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160017000
0.0	1	LOT 178 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160018000
0.0	1	LOT 175 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160015000
0.0	1	LOT 181 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160020000
0.0	1	LOT 182 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160021000
0.0	1	LOT 253 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160060000
0.0	1	LOT 254 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160061000
0.0	1	LOT 255 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160062000
0.0	1	LOT 256 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160063000

0.0	1	LOT 257 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160064000
0.0	1	LOT 231 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170002000
0.0	1	LOT 247 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170018000
0.0	1	LOT 259 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170021000
0.0	1	LOT 173 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160013000
0.0	1	LOT 174 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490160014000
0.0	1	LOT 224 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130005000
0.0	1	LOT 230 WESTPARK VILLAGE 1 PHASE 4 MOR BK BB PG 10	490170001000
0.0	1	LOT 225 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130006000
0.0	1	LOT 226 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130007000
0.0	1	LOT 227 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130008000
0.0	1	LOT 252 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130014000
0.0	1	LOT 228 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130009000
0.0	1	LOT 229 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130010000
0.0	1	LOT 250 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130012000
0.0	1	LOT 251 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130013000
0.0	1	LOT 249 WESTPARK VILLAGE 1, PH 2, MOR AA-94	490130011000
0.0	57	12.6 AC LOT 3 WESTPARK PH4 LG LT SUB MOR CC-53	496020015000
0.0	20	7.9 AC LOT 2 WESTPARK PH4 LG LT SUB MOR CC-53	496020014000
0.0	1	LOT 109 WESTPARK VILL 2 PH 2 MOR BB-75	490290046000
0.0	1	LOT 22 WESTPARK VILL 2 PH 2 MOR BB-75	490290012000
0.0	1	LOT 61 WESTPARK VILLAGE W-25 MOR CC-45	490300070000
0.0	88	12.2AC LOT1 WESTPARK PH 3-LARGE LOT SUB MOR CC-28	496010001000
0.0	1	LOT 139 WESTPARK VILL 2 PH 2 MOR BB-75	490290076000
0.0	1	LOT 117 WESTPARK VILL 2 PH 2 MOR BB-75	490290054000

**B – READDRESSING/REASSIGNING
APPRAISAL REPORTS**



Readdressing/Reassigning Appraisal Reports

Seevers Jordan Ziegenmeyer adheres to the requirements of the 2014-2015 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). This edition is effective from January 1, 2014 through December 31, 2015. The following excerpts pertain to readdressing/reassigning appraisal reports:

Advisory Opinion 26, Page A-89:

Once a report has been prepared for a named client(s) and any other identified intended users and for an identified intended use, the appraiser cannot “readdress” (transfer) the report to another party.

Advisory Opinion 27, Pages A-91 to A-92:

Situations often arise in which appraisers who have previously appraised a property are asked by a different party to appraise the same property.... Accepting the assignment from the subsequent prospective client is not prohibited by USPAP, assuming appropriate disclosure is made to the client before being engaged and any existing confidential information is handled properly.... If there is a new potential client, valuation services performed for that new client would constitute a new assignment and the assignment results would be specific to that new assignment.

Frequently Asked Question No. 122, Page F-56 to F-57:

It is never permissible to readdress a report by simply changing the client’s name on a completed report, regardless of whether the first client gave a release. The request from Lender B must be treated as a new assignment.

C – GLOSSARY OF TERMS

GLOSSARY OF TERMS

Unless otherwise noted, the following definitions are from The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Aggregate of Retail Values (ARV): The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions.

As Is Market Value: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Band of Investment: A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Bulk (Discounted) Value: The most probable price, in a sale of all parcels within a tract or development project, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or in terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under stress. (Appraisal Standards For Land-Secured Financing, California Department Advisory Commission, 1994)

Comparative-Unit Method: A method used to derive a cost estimate in terms of dollars per unit of area or volume based on known costs of similar structures that are adjusted for time and physical differences; usually applied to total building area.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

Depreciation: In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Direct Capitalization: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Discount Rate: A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*.

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) consummation of a sale within a future exposure time specified by the client; 2) the property is subjected to market conditions prevailing as of the date of valuation; 3) both the buyer and seller are acting prudently and knowledgeably; 4) the seller is under compulsion to sell; 5) the buyer is typically motivated; 6) both parties are acting in what they consider to be their best interests; 7) an adequate marketing effort will be made during the exposure time specified by the client; 8) payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; 9) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Easement: The right to use another's land for a stated purpose.

Environmental Contamination: Adverse environmental conditions resulting from the release of hazardous substances into the air, surface water, groundwater or soil. Generally, the concentrations of these substances would exceed regulatory limits established by the appropriate federal, state, and/or local agencies. (USPAP 2014-2015 Edition)

Exposure Time: Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP 2014-2015 Edition)

External Obsolescence: An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.

Extraction: A method of estimating land value in which the depreciated cost of the improvements on the improved property is

calculated and deducted from the total sale price to arrive at an estimated sale price for the land.

Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. (USPAP 2014-2015 Edition)

Fair Market Value: The highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. (California Code of Civil Procedure, Section 1263.320(a))

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Functional Obsolescence (Incurable): An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected.

Highest and Best Use: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four

criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Highest and Best Use of Property as Improved: The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Highest and Best Use of Land or a Site as though Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Hypothetical Condition: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP 2014-2015 Edition)

Income Capitalization Approach: A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship.

Leasehold Interest: The tenant's possessory interest created by a lease. (Negative leasehold: A lease situation in which the market rent is less than the contract rent. Positive leasehold: A lease situation in which the market rent is greater than the contract rent.)

Liquidation Value: See *Disposition Value*.

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Neighborhood: A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

Obsolescence: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

Prospective Opinion of Value: A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Quantity Survey Method: A cost-estimating method in which the quantity and quality of all materials used and all categories of labor required are estimated and unit cost figures are applied to arrive at a total cost estimate for labor and materials.

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

Reproduction Cost: The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Site Coverage Ratio: The gross area of the building footprint divided by the site area.

Stabilized Occupancy: An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent.

Subdivision Development Method: A method of estimating land value when subdivision development is the highest and best use of the parcel of land being appraised. When all direct and indirect costs and

entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or residences), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

Superadequacy: An excess in the capacity or quality of a structure or structural component; determined by market standards.

Unit-In-Place Method: A cost-estimating method in which total building cost is estimated by adding together the unit costs for the various building components as installed; also called the *segregated cost method*.

Yield Capitalization: A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.

Yield Rate: A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment.

D – QUALIFICATIONS OF APPRAISER(S)



Kevin K. Ziegenmeyer, MAI, Partner

Introduction

Mr. Ziegenmeyer is a partner with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Over the past several years, Mr. Ziegenmeyer has handled many of the firm's master-planned property appraisals and has developed expertise in the valuation of Community Facilities Districts and Assessment Districts. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation.

Professional Affiliations

Appraisal Institute – MAI Designation

Certified General Real Estate Appraiser - State of California (No. AG013567)

Education

Academic:

Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing and Valuation Analysis

Advanced Applications

IRS Valuation Summit I & II

2008, 2009, 2010 & 2011 Economic Forecast

Business Practices and Ethics

Contemporary Appraisal Issues with Small Business Administration Financing

General Demonstration Appraisal Report Writing Seminar

7-Hour National USPAP Update Course

Valuation of Easements and Other Partial Interests

2009 Summer Conference

Uniform Appraisal Standards for Federal Land Acquisitions

2008 Economic Update

Valuation of Conservation Easements

Subdivision Valuation

(continued on next page.....)



(.....continued from previous page)

2005 Annual Fall Conference
General Comprehensive Exam Module I, II, III & IV
Advanced Income Capitalization
Advanced Sales Comparison & Cost Approaches
2004 Central CA Market Update
Computer-Enhanced Cash Flow Modeling
Forecast 2000, 2001, 2002, 2003 & 2004
Land Valuation Assignments
Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

Appraisal Experience

General-purpose:

Offices
Retail
Industrial
Apartments
Subdivisions
Land

Special-purpose:

Athletic Clubs
Churches
Educational Facilities
Restaurants
Assisted-living Facilities
Auto Sales and Service
Lodging Facilities



Sample of Appraisal Experience

Hunters Point Shipyard – Phase I
San Francisco, San Francisco County, California

This appraisal was completed for use by the developer for determination of possible refinancing of the Redevelopment Agency of the City and County of San Francisco Community Facilities District (CFD) No. 7 (Hunters Point Shipyard) Bonds. The appraised property comprises Phase I of the Hunters Point Shipyard redevelopment area, which is commonly referred to as the Hilltop and Hillside subdivisions, and comprises approximately 75.32 gross acres of land, which includes 23.72± developable acres proposed for the construction of 1,142 residential units in a variety of attached single-family, townhouse and stacked residential units. Specifically, the Hilltop development contains 15.92± acres of land to be developed with 768 residential units, and the Hillside development contains 7.8± acres to be developed with 374 single-family residential units. In addition, Phase I will include 36.0± acres dedicated to parks and open space and 15.6± acres of streets and rights-of-way.

City of San Mateo Community Facilities District No.
2008-1 (Bay Meadows)
San Mateo, San Mateo County, California

This appraisal was completed for use in a land-secured financing associated with the development of 52± developable acres proposed for the development of 724,225 square feet of office space, approximately 85,374 square feet of retail space and 1,121 residential housing units, with 832 residential housing units being developed on the residential land component and the balance (289 units) to be developed as part of the mixed-use component. The report was prepared for the City of San Mateo Department of Finance.

City of Redwood City Community Facilities District
No. 2010-1 (One Marina)
Redwood City, San Mateo County, California

This appraisal was completed for use in a land-secured financing associated with the development of 16.62± acres proposed for the construction of 231 townhome and flat-style residential units within 24 detached buildings. The report was prepared for the City of Redwood City Department of Finance.

County of San Joaquin Community Facilities District
No. 2009-2 (Vernalis Interchange)
Vernalis, San Joaquin County, California

This assignment involved the appraisal of approximately 3,457.41 gross acres of land comprising 40 separate Assessor's parcels devoted to (or intended for) aggregate mining operations by six independent mining operators, including Teichert, West Coast Aggregates, Granite, Knife River, DeSilva Gates and Cemex. The summary appraisal was completed for bond financing purposes, with the proceeds intended to finance the construction of a new interchange on State Route 132 at Bird Road, which is intended to enhance traffic operation safety at this intersection. This report was prepared for the County of San Joaquin.



Sample of Appraisal Experience (continued)

Bickford Ranch Community Facilities District No.
2003-1
Placer County, California

The hypothetical market valuation of a proposed master planned community that will include 847.2 acres of land designated for 1,783 residential lots and a 9.7-acre commercial component. The appraisal will be used for bond underwriting purposes and was prepared for the County of Placer.

El Dorado Hills Community Facilities District No. 1992-1 (portion)
El Dorado County, California

This assignment involved the hypothetical cumulative or aggregate, valuation of a sizeable portion of the existing Serrano master planned community. The appraisal included 1,597 single-family residential lots, 382 custom single-family residential lots, 33.05 acres of commercial land and 344 existing single-family residences. The appraisal will be used for bond underwriting purposes and was prepared for the County of El Dorado.

Community Facilities District No. 16
West Sacramento, California

This project involved the valuation of Bridgeway Lakes, a high-end 609-lot single-family residential community located in the Southport area of West Sacramento. Lot densities within the project varied from low and medium density to rural estate lots. This report was prepared for the City of West Sacramento.

Community Facilities District No. 17
West Sacramento, California

This assignment concerned the valuation of 252 single-family lots and 252 proposed multifamily units comprising the Parella residential community in the Southport area of West Sacramento. This report was prepared for the City of West Sacramento.

Diablo Grande Community Facilities District No. 1 (Series 2002)
Stanislaus County, California

The appraisal involved the valuation of a partially improved resort and master planned community offering 1,410 residential lots, multifamily land, commercial land, a hotel site, vineyards and two 18-hole championship golf courses. The appraisal was used for bond underwriting purposes and was prepared for Western Hills Water District.

Plumas Lake Community Facilities District No. 2002-1
Yuba County, California

This appraisal included the valuation of a portion of the proposed, and partially improved, Plumas Lake Specific Plan area, and comprised 3,314 detached single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the Olivehurst Public Utility District.



Seevers
Jordan
Ziegenmeyer

Real Estate Appraisal & Consultation

Northern California/Nevada
3825 Atherton Road, Suite 500
Rocklin, California 95765

P: (916) 435-3883 F: (916) 435-4774

Sample of Appraisal Experience (continued)

Brentwood Assessment District No. 2003-1
Brentwood, Contra Costa County, California

This assignment involved the valuation of an assessment district containing commercial and residential components comprising 5.66 acres of commercial land, 882 single-family residential lots and 15.8 acres of multifamily land. The appraisal was used for bond underwriting purposes and was prepared for the City of Brentwood.

Patterson Gardens & Keystone Pacific Business Park
Patterson, Stanislaus County, California

This appraisal involved the valuation of a 985-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 224-acre industrial park. This report was prepared for Bank of America.

Syrah Condominiums
Sacramento, Sacramento County, California

Syrah is a proposed 245-unit residential condominium development with dual phase valuations. This report was prepared for KeyBank.



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Kevin K. Ziegenmeyer

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2015
Date Expires: June 4, 2017


Jim Martin, Bureau Chief, BREAA

3020787



Justin Kobilis, Appraiser

Introduction

Mr. Kobilis is a licensed appraiser with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. Prior to joining the firm in June of 2006, Mr. Kobilis was employed as a realtor with Coldwell Banker and an accountant with Investors Bank and Trust. Mr. Kobilis is now writing narrative appraisal reports for a variety of commercial properties. He is involved in appraisal assignments covering right-of-way, office, retail, industrial, land and mixed-use properties.

Professional Affiliations

Candidate for MAI Designation – Appraisal Institute
Certified General Real Estate Appraiser – State of California (No. AG044370)

Education

Academic:

Bachelor of Science in Managerial Economics with Highest Honors, University of California, Davis

Appraisal Institute Courses:

Basic Appraisal Principles
Basic Appraisal Procedures
Basic Income Capitalization
Report Writing and Case Studies
Sales Comparison Approach
Cost Approach
Real Estate Finance and Statistics
Highest and Best Use
15 Hour USPAP
Advanced Income Capitalization
Advanced Market Analysis and Highest and Best Use
Advanced Concepts and Case Studies
Complex Litigation Appraisal Case Studies
Appraiser as an Expert Witness: Preparation and Testimony
Condemnation Appraising: Principles and Applications



Sample of Appraisal Experience

5.18 Acres of Commercial Land
Placerville, California

In this assignment for El Dorado County, we estimated the fair market value of 5.18 acres of land to be involved in a swap with a private ownership entity. The County plans to construct a courthouse and supporting parking areas. The valuation was based upon the hypothetical condition that the subject site has road access and utilities in place.

Partial Acquisition
Sacramento, California

This appraisal was concerned with estimating the fair market value of the rights taken of a partial acquisition of 0.92 acres in Sacramento County. The acquisition area represented both unencumbered and encumbered land (drainage easement, road right of way). Our client was the property owner.

Partial Acquisition
Plymouth, California

In this assignment for a right of way agency, we estimated the fair market value of the rights taken from seven parcels affected by a roundabout project in Amador County (Plymouth). We estimated damages to one of the parcels as a result of a relocation of parking stalls to an adjacent parcel.

Partial Acquisition
Elk Grove, California

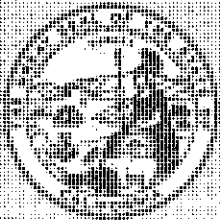
This report involved the estimation of the fair market value of the rights taken from three parcels affected by a sidewalk improvement project in the city of Elk Grove. Our client was the right of way agency.

Portion of a Master Planned Community
Roseville, California

In this assignment, we estimated an as-is market value of a portion of a master planned community in West Roseville. The project contained single-family residential lots (both low density and medium density), multifamily residential parcels (both market rate and affordable units), commercial parcels, parks, open space and a school site. Significant backbone infrastructure and in-tract development remained to be completed.

171-Unit Multifamily Project
Rocklin, California

This assignment involved the valuation of 171 multifamily units formerly sold as condominiums (the project converted to a for-rent development). The valuation involved the prospective market value upon stabilized occupancy (as an apartment project), the investment value as a for-sale condominium community, the investment value of each of the 10 floor plans and the as-is market value (as an apartment project).



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Justin E. Kobilis

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is therefore entitled to use the title

Certified General Real Estate Appraiser

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: **AG 044370**

Effective Date: **June 17, 2015**

Date Expires: **June 16, 2017**


Fred Martin, Bureau Chief, BREAS



Seevers
Jordan
Ziegenmeyer

Real Estate Appraisal & Consultation

Northern California/Nevada
3825 Atherton Road, Suite 500
Rocklin, California 95765

P: (916) 435-3883 F: (916) 435-4774

Lance C. Jordan, MAI, Partner

Introduction

Mr. Jordan is a partner with Seevers Jordan Ziegenmeyer (SJZ), a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1989, Mr. Jordan began his career in real estate as a research analyst for Corcoran and Seevers. Today, Mr. Jordan is a partner with SJZ. With over 25 years of experience in the field, he has developed the expertise and background necessary to deal with complex assignments covering a wide range of property types.

Professional Affiliations

Appraisal Institute - MAI designation

Board Member - Appraisal Institute, Sacramento-Sierra Chapter (2014-2015)

Government Relations Committee – Appraisal Institute, Sacramento-Sierra Chapter (2014-2015)

Vice President - Appraisal Institute, Sacramento-Sierra Chapter (2007)

Secretary/Treasurer - Appraisal Institute, Sacramento-Sierra Chapter (2006)

Certified General Real Estate Appraiser - State of California (No. AG012709)

Education

Academic:

Bachelor of Science in Business Administration (Accountancy), California State University, Sacramento (1991)

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A & B

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing & Valuation Analysis

Advanced Applications

Highest & Best Use and Market Analysis

Advanced Sales Comparison & Cost Approaches

Recent Continuing Education:

Tahoe Litigation Conference – Appraisal Institute

Forecasting Revenue – Appraisal Institute

Appraising Distressed Commercial Real Estate – Appraisal Institute

Litigation Appraising: Specialized Topics and Applications – Appraisal Institute

The Essentials, Current Issues & Misconceptions in Appraising – Appraisal Institute

Business Practices and Ethics – Appraisal Institute



Sample of Appraisal Experience

Office

1651 Exposition Boulevard,
Sacramento, California

This appraisal was for purchase negotiations. The subject was a 68,160 square foot, Class A office building in the Point West submarket of Sacramento. This property was appraised under a variety of hypothetical scenarios to assist in potential sale negotiations and included our opinion of the as-is market value given its existing tenancy.

Industrial

180 Litton Drive
Grass Valley, California

A 44,590 square foot flex/R&D building occupied by a video equipment manufacturer. This appraisal included both a fee simple and leased fee market value due to the above market lease rate. This appraisal was prepared for loan underwriting purposes.

Retail

Laguna 99
8451-8469 Elk Grove Blvd.
Elk Grove, California

This 89,600 square foot anchored shopping center was appraised for asset valuation purposes. The property included a grocery store space and 30,497 square feet of in-line building tenants.

Apartment

Village Apartments
506 Civic Center Boulevard
Suisun City, California

A 108-unit low-income apartment was the subject of this appraisal. This report was prepared for loan underwriting purposes to be used by the US Department of Housing and Urban Development for permanent financing. 106 of the 108 units received Section 8 housing assistance subsidies.

Industrial

4061 Gateway Park Boulevard
Sacramento, California

The property that was the subject of this appraisal represented a large, substantially refrigerated, distribution facility (402,681 square feet). Owner-occupied by a regional grocery store, this appraisal was prepared for a property tax appeal.

Land

Conaway Ranch,
Yolo County, California

The just compensation for three acquisitions scenarios was estimated in this appraisal. The State of California was interested in 17,333 acres of agriculture land for either a full-take, or either of two conservation easement scenarios. This report was prepared for the State of California.

Hotel/Motel

Ramada Inn
2645 Barham Avenue
Corning, California

Located on leased land located adjacent to the Rolling Hills Casino, this property represented a 51-room limited service hotel. This appraisal was conducted for estimating the leasehold value of the improvements for loan underwriting purposes. The going-concern value was estimated as well.

Senior Housing

Valley Crossing
Van Nuys, California

The conversion of a 390-unit apartment project into a 428-unit senior continuum of care facility. This project is to include senior apartments, board and care units, assisted living care and Alzheimer's disease / dementia units. The appraisal was concerned with the prospective value of the project, as well as its as-is value.



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Lance C. Jordan

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

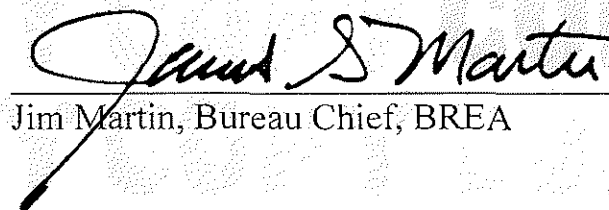
“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 012709

Effective Date: January 9, 2014

Date Expires: January 8, 2016



Jim Martin, Bureau Chief, BREA

3010442

APPENDIX E
FORM OF OPINION OF BOND COUNSEL

August 12, 2015

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

OPINION: \$67,860,000 City of Roseville Special Tax Westpark Community Facilities
District No. 1 (Public Facilities) Refunding Bonds, Series 2015

Members of the City Council:

We have acted as bond counsel to the City of Roseville (the "City") in connection with the delivery by the City of the above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, *et seq.* (the "Act"), and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City on behalf of the City of Roseville Westpark Community Facilities District No.1 (Public Facilities) and The Bank of New York Mellon Trust Company, N.A., as fiscal agent. We have examined the Act, an executed copy of the Fiscal Agent Agreement and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The City is a charter city duly organized and existing under the laws of the State of California, with power to enter into the Fiscal Agent Agreement, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the City and are legal, valid and binding obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

3. The Fiscal Agent Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

4. Pursuant to the Act, the Fiscal Agent Agreement establishes a valid lien on and pledge of the Special Tax Revenues (as such term is defined in the Fiscal Agent Agreement) for the security of the Bonds.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

6. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the City of Roseville (the "City") in connection with the issuance of the bonds captioned above (the "Bonds"). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently April 1 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" means Willdan Financial Services, Inc., or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

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

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement dated July 30, 2015, executed by the City in connection with the issuance of the Bonds.

"*Participating Underwriters*" means Piper Jaffray & Company and Stifel, Nicolaus & Company, Incorporated, the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2016, with the report for the 2014-15 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the City, file a report with the City and the Participating Underwriters certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following documents and information:

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. This submission should be made with the following caveat:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY (OTHER THAN THE PROCEEDS OF THE SPECIAL TAXES LEVIED FOR THE DISTRICT AND SECURING THE BONDS) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD

NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following additional items, indicating information as of the previous September 30th, with respect to the Bonds:

(1) Principal amount of Bonds outstanding under the Fiscal Agent Agreement.

(2) Balance in Reserve Fund.

(3) Table indicating Special Tax levy, amount collected, delinquent amount and percent delinquent for the most recent year.

(4) Status of foreclosure proceedings and summary of results of foreclosure sales, if available.

(5) Identity of any delinquent taxpayer representing more than 5% of levy and value-to-lien ratios of applicable properties (using assessed values unless more accurate information is available).

(6) Aggregate assessed value for all parcels in the District.

(7) Until the fiscal year in which the Special Tax levied on the developed property in the District is greater than or equal to the annual debt service on the Bonds, the number of building permits issued by the City for single family residential homes in such fiscal year.

(c) For so long as there is any owner of property in the District whose properties in the District collectively represent 10% or more of the Special Taxes, the following information regarding the status of development in the District:

(1) Significant amendments to land use entitlements.

(2) Status of any legislative, administrative and judicial challenges to the construction of the development known to the Issuer.

(3) Assessed valuation of property shown on County Assessor's tax rolls with no "improvements" value in the District for the current (as of the date of the report) fiscal year.

(4) List of landowners (as shown County Assessor's tax roll) and assessor's parcel number(s) of parcels held by owners whose properties collectively represent 10% or more of the Special Taxes for the current (as of the date of the report) fiscal year.

(5) Number of building permits issued by the City for property in the District for the reported fiscal year.

(d) For so long as any owner of property in the District whose properties in the District collectively represent 10% or more of the total Special Tax for the entire District, the information contained in Section 4 of the Continuing Disclosure Agreement executed by such property owner at the time of issuance of the Bonds.

(e) In addition to any of the information expressly required to be provided under paragraphs (a), (b) and (c) of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City.
- (13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional Fiscal Agent or the change of name of the Fiscal Agent, if material.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it

determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Willdan Financial Services.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (1) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (2) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto

containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Participating Underwriters or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Fiscal Agent, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Fiscal Agent, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: August 1, 2015

CITY OF ROSEVILLE for and on behalf of the CITY
OF ROSEVILLE WESTPARK COMMUNITY
FACILITIES DISTRICT NO. 1 (PUBLIC
FACILITIES)

By: _____
Treasurer/Chief Financial Executive

AGREED AND ACCEPTED:
Willdan Financial Services,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Roseville

Name of Bond Issue: \$67,860,000 City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities) Special
Tax Refunding Bonds, Series 2015

Date of Issuance: August 12, 2015

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated _____, 2015 executed by the City and countersigned by Willdan Financial Services, as dissemination agent. The City anticipates that the Annual Report will be filed by _____.

Dated: _

DISSEMINATION AGENT:

APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds (herein, the "Securities") to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the City of Roseville (the "City") in connection with the issuance of the bonds captioned above (the "Bonds"). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently April 1 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" means Willdan Financial Services, Inc., or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

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

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement dated July 30, 2015, executed by the City in connection with the issuance of the Bonds.

"*Participating Underwriters*" means Piper Jaffray & Company and Stifel, Nicolaus & Company, Incorporated, the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2016, with the report for the 2014-15 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the City, file a report with the City and the Participating Underwriters certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following documents and information:

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. This submission should be made with the following caveat:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY (OTHER THAN THE PROCEEDS OF THE SPECIAL TAXES LEVIED FOR THE DISTRICT AND SECURING THE BONDS) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following additional items, indicating information as of the previous September 30th, with respect to the Bonds:

(1) Principal amount of Bonds outstanding under the Fiscal Agent Agreement.

(2) Balance in Reserve Fund.

(3) Table indicating Special Tax levy, amount collected, delinquent amount and percent delinquent for the most recent year.

(4) Status of foreclosure proceedings and summary of results of foreclosure sales, if available.

(5) Identity of any delinquent taxpayer representing more than 5% of levy and value-to-lien ratios of applicable properties (using assessed values unless more accurate information is available).

(6) Aggregate assessed value for all parcels in the District.

(7) Until the fiscal year in which the Special Tax levied on the developed property in the District is greater than or equal to the annual debt service on the Bonds, the number of building permits issued by the City for single family residential homes in such fiscal year.

(c) For so long as there is any owner of property in the District whose properties in the District collectively represent 10% or more of the Special Taxes, the following information regarding the status of development in the District:

(1) Significant amendments to land use entitlements.

(2) Status of any legislative, administrative and judicial challenges to the construction of the development known to the Issuer.

(3) Assessed valuation of property shown on County Assessor's tax rolls with no "improvements" value in the District for the current (as of the date of the report) fiscal year.

(4) List of landowners (as shown County Assessor's tax roll) and assessor's parcel number(s) of parcels held by owners whose properties collectively represent 10% or more of the Special Taxes for the current (as of the date of the report) fiscal year.

(5) Number of building permits issued by the City for property in the District for the reported fiscal year.

(d) For so long as any owner of property in the District whose properties in the District collectively represent 10% or more of the total Special Tax for the entire District, the information contained in Section 4 of the Continuing Disclosure Agreement executed by such property owner at the time of issuance of the Bonds.

(e) In addition to any of the information expressly required to be provided under paragraphs (a), (b) and (c) of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City.
- (13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional Fiscal Agent or the change of name of the Fiscal Agent, if material.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Willdan Financial Services.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (1) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (2) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Participating Underwriters or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Fiscal Agent, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Fiscal Agent, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: August 1, 2015

CITY OF ROSEVILLE for and on behalf of
the CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: _____
Treasurer/Chief Financial Executive

AGREED AND ACCEPTED:
WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Roseville
Name of Bond Issue: \$67,860,000 City of Roseville
Westpark Community Facilities District No. 1 (Public Facilities)
Special Tax Refunding Bonds, Series 2015
Date of Issuance: August 12, 2015

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of August 1, 2015 executed by the City and countersigned by Willdan Financial Services, as dissemination agent. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

DISSEMINATION AGENT:

By: _____
Name:
Title:

REPORT OF FINAL SALE

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

CDIAC #: 2015-1527

Under California Government Code Section 8855(j), "The issuer of any new public debt issue shall, not later than 21 days after the sale of the debt, shall submit a report of final sale and official statement (or alternate bond documents) to the Commission. The Commission may require information to be submitted in the report of final sale that it considers appropriate."

ISSUER NAME: City of Roseville

(If pool bond, list participants)

ISSUE NAME: Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015

STATUTE ISSUANCE IS AUTHORIZED UNDER? Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Act"), and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015

ACTUAL SALE DATE: 7/30/2015 PRINCIPAL SOLD: \$ 67,860,000.00
(Date Purchase Agreement Signed/Bid Acceptance)

DATED DATE: 08/12/2015

IS ANY PORTION OF THE DEBT FOR REFUNDING?¹

No Yes, refunding amount (including costs) \$ 74,615,780.63

ISSUER CONTACT:

Name: Jay Panzica Title: City Treasurer/ Chief Financial Executive
Address: 311 Vernon Street City, State, Zip: Roseville CA 95678
Phone: 916-774-5319 ISSUER LOCATED IN Placer COUNTY
E-Mail: jpanzica@roseville.ca.us

FILING CONTACT: Name of Individual (representing: Bond Counsel, Borrower Counsel (Loan), Issuer, Financial Advisor, or Lead Underwriter) who completed this form and may be contacted for information:

Name: David T. Fama, Esq. Firm/Agency: Jones Hall, A Professional Law Corporation
Address: 475 Sansome Street, Suite 1700 City, State, Zip: San Francisco, CA 94111
Phone: 415-391-5780 Ext. 260 E-Mail: dfama@joneshall.com
Send acknowledgement/copies to: Mike Kelley E-Mail: mkelley@joneshall.com

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

NAME OF INDIVIDUAL TO WHOM AN INVOICE FOR THE CDIAC ISSUE FEE SHOULD BE SENT:²

Name: Pierce Walsh Firm: Stifel, Nicolaus & Company, Incorporated
Address: One Montgomery Street, Suite 3700 City, State, Zip: San Francisco, CA 94104
Phone: 415-364-2907 E-Mail: walshpi@stifel.com

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

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

FINANCING PARTICIPANTS (Firm name)

FINANCIAL ADVISOR: First Southwest Company
 LEAD UNDERWRITER/PURCHASER: Stifel, Nicolaus &
 BORROWER COUNSEL (LOAN): _____
 BOND COUNSEL: Jones Hall, A Professional Law Corporation
 CO-BOND COUNSEL: _____
 TRUSTEE/PAYING AGENT: The Bank of New York Mellon Trust
 PLACEMENT AGENT: _____

OFFICE LOCATION (City/State)

Santa Monica, CA
San Francisco, CA

San Francisco, CA

Los Angeles, CA

MATURITY SCHEDULE

Attached Included in Official Statement

MATURITY STRUCTURE

Serial (S) Term (T)
 Serial and term bonds (B)

FINAL MATURITY DATE: 09/01/2037

FIRST OPTIONAL CALL DATE: _____

SENIOR/SUBORDINATE STRUCTURE Yes No

OFFICIAL STATEMENT/OFFERING MEMORANDUM:

Enclosed None prepared

WAS THE ISSUE INSURED OR GUARANTEED?

No
 Bond Insurance (I)
 Letter of Credit (L)
 State Intercept Program (T)
 Other (0)

GUARANTOR: _____

ENHANCEMENT EXPIRATION DATE: _____

INDICATE CREDIT RATING:

(For example, "AAA" or "Aaa")

Not Rated
 Rated
 Standard & Poor's: _____

Fitch: _____
 Moody's: _____
 Other: _____

REASON FOR NEGOTIATED REFUNDINGS

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

- (1) Timing of the sale provided more flexibility than a public sale
- (2) More cost savings were expected to be realized than a public sale
- (3) More flexibility in debt structure was available than a public sale
- (4) Issuer able to work with participants familiar with issue/r than a public sale
- (5) All of the above
- (6) Other (please specify) _____

IS THE INTEREST ON THE DEBT TAXABLE?

Under State Law: Yes (taxable) No (tax-exempt)
 Under Federal Law: Yes (taxable) No (tax-exempt)
 If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax? Yes No

INTEREST TYPE:

NIC - Int. Cost: 4.509036 %
 TIC - Int. Cost: 4.357812 %
 Variable Other _____ (Index/Rate)

CAPITAL APPRECIATION BOND: Yes No

RATE REDUCTION SAVINGS: _____
(In accordance with Government Code Section 6588.7)

ISSUANCE COSTS AND FEES:

A) Management Fee	\$ <u>unavailable-pls contact UW</u>
B) Total Takedown	\$ <u>unavailable-pls contact UW</u>
C) Underwriter Expenses	\$ <u>unavailable-pls contact UW</u>
Underwriter Spread or Discount	\$ <u>946,895.00</u>
D) Bond Counsel	\$ <u>158,343.00</u>
E) Borrower Counsel (Loan)	\$ <u>0.00</u>
F) Co-Bond Counsel	\$ <u>0.00</u>
G) Disclosure Counsel	\$ <u>45,000.00</u>
H) Financial Advisor	\$ <u>25,000.00</u>
I) Rating Agency	\$ <u>0.00</u>
J) Credit Enhancement	\$ <u>0.00</u>
K) Trustee Fee	\$ <u>3,600.00</u>
L) Placement Agent	\$ <u>0.00</u>
M) Other Expenses	\$ <u>62,798.00</u>
Total Issuance Costs	\$ <u>294,741.00</u>
ORIGINAL ISSUE PREMIUM	\$ <u>0.00</u>
ORIGINAL ISSUE DISCOUNT	\$ <u>0.00</u>
NET ORIGINAL ISSUE DISCOUNT/PREMIUM	\$ <u>4,231,594.75</u>



CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

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

July 8, 2015

TO: Mike Kelley
Jones Hall A Professional Law Corp
475 Sansome Street, Suite 1700
San Francisco, CA 94111

FROM: Mark Campbell, Executive Director

RE: ACKNOWLEDGEMENT OF REPORT OF PROPOSED DEBT ISSUANCE

California Government Code Section 8855(i) requires written notice to be given to the California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the proposed sale of any debt issue.

CDIAC acknowledges receipt of your notice of the following proposed debt issuance:

CDIAC Number: 2015-1527
Issuer: Roseville CFD No 1
Project: Westpark
Proposed Amount: \$70,000,000
Proposed Sale Date: July 28, 2015
Date Notice Received: July 02, 2015

Issuers may electronically file the Report of Final Sale (RFS) through CDIAC's website, using the following CDIAC number and password, which are unique to this filing and must be used for any subsequent reporting under this CDIAC number.

CDIAC Number: 2015-1527
Password: 536400

In accordance with Government Code Section 8855(j), the RFS for this issue must be submitted not later than 21 days after the sale of the debt. The RFS may be submitted electronically at <http://www.treasurer.ca.gov/cdiac/reporting.asp>. An official statement or other financing documents must accompany the RFS.

Any questions regarding reporting requirements may be directed to CDIAC's Data Unit by email at CDIAC_Issuance@treasurer.ca.gov or by telephone at (916) 653-3269.

Cc: Jay Panzica
City Treasurer/Chief Financial Executive

REPORT OF PROPOSED DEBT ISSUANCE

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

CDIAC NO.: 2015-1527

Completion and timely submittal of this form to the California Debt and Investment Advisory Commission (CDIAC) at the above address will assure your compliance with existing California State law and will assist in the maintenance of a complete database of public debt in California. Thank you for your cooperation.¹

ISSUER NAME: City of Roseville

ISSUE NAME: Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015

Please specify type/name of project: _____

PROPOSED SALE DATE: 7/28/2015 PRINCIPAL TO BE SOLD: \$ 70,000,000.00

WILL A VALIDATION ACTION BE PURSUED: No Yes Unknown

IS ANY PORTION OF THE DEBT FOR REFUNDING?²

No Yes, proposed amount for refunding \$ 70,000,000.00

Issuer Contact:

Name: First Jay Middle _____ Last Panzica Email: jpanzica@roseville.ca.us

Title: City Treasurer/ Chief Financial Executive

Address: 311 Vernon Street City: Roseville State: CA Zip Code: 95678

Phone: (916) 774-5319 Extension: _____ Issuer Located In Placer County

Filing Contact: Name of Individual (representing: Bond Counsel, Borrower Counsel (Loan), Financial Advisor, Issuer or, Lead Underwriter) who completed this form and may be contacted for information:

Name: First David Middle T. _____ Last Fama

Firm/Agency: Jones Hall, A Professional Law Corporation

Address: 475 Sansome Street, Suite 1700 City: San Francisco State: CA Zip Code: 94111

Phone: (415) 391-5780 Extension: 260 E-mail: dfama@joneshall.com

Send acknowledgement/copies to: Mike Kelley E-mail: mkelley@joneshall.com

FINANCING PARTICIPANTS:

BOND COUNSEL: Jones Hall, A Professional Law Corporation

BORROWER COUNSEL (LOAN): _____

FINANCIAL ADVISOR: First Southwest Company

UNDERWRITER/PURCHASER: Stifel, Nicolaus & Company, Incorporated

IS THE INTEREST ON THE DEBT TAXABLE?

Under State law: YES (taxable) NO (tax-exempt)
Under Federal law: YES (taxable) NO (tax-exempt) If the issue is federally tax-exempt, is interest a specific preference item for the purpose of alternative minimum tax?
 Yes, preference item No, not a preference item

TYPE OF SALE: Competitive Negotiated

IS THIS FINANCING A PRIVATE PLACEMENT? No Yes

¹ Section 8855(g) of the California Government Code requires the issuer of any proposed new public debt issue to give written notice of the proposed sale to the CDIAC no later than 30 days prior to the sale. Under California Government Code Section 8855(i), "The issuer of any new public debt issue shall, not later than 21 days after the signing of the bond purchase contract in a negotiated or private financing, or after the acceptance of a bid in a competitive offering, submit a report of final sale and official statement to the commission. The Commission may require information to be submitted in the report of final sale that is considered appropriate."

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

TYPE OF DEBT INSTRUMENT

NOTE

- Bond anticipation (BAN)
- Grant anticipation (GAN)
- Loan from bank/other institution (LOAN)
- Other note (Please specify below.) (OTHN)
- Revenue anticipation (RAN)
- Tax allocation (TALN)
- Tax and revenue anticipation (TRAN)
- Tax anticipation (TAN)

- Commercial paper (CP)
- Certificates of participation/leases (COPL)
- Other (Please specify below.) (OTH)

BOND

- Conduit revenue (Private obligor) (CRB)
- General obligation (GOB)
- Limited tax obligation(LTOB)
- Other bond (Please specify below.) (OTHB)
- Pension Obligation (POB)
- Public lease revenue (PLRB)
- Rate Reduction (GC 6588.7) (RRB)
- Revenue (Pool) (RB)
- Revenue (Public enterprise) (PERB)
- Sales tax revenue (STRB)
- Special assessment (SAB)
- Tax allocation (TAB)

Please specify if "Other note/Other bond/Other" was checked: _____

SOURCE(S) OF REPAYMENT

- Bond proceeds (BDPR)
- General fund of issuing jurisdiction(GNFD)
- Grants (GRNT)
- Intergovernmental transfers other than grants (ITGV)
- Local obligations (LOB)
- Private obligor payments (POP)
- Other (Please specify below.) (OTH)

- Property tax revenues (PRTX)
- Public enterprise revenues (PER)
- Sales tax revenues (SATR)
- Special Assessments (SA)
- Special tax revenues (SPTR)
- Tax-increment (TI)

- Utility Project Charges (UPC)

PURPOSE(S) OF FINANCING

- Cash flow, interim financing (CFIF)
- Project, interim financing (PIF)

- College/university housing (CUH)
- Multifamily housing (MFH)
- Other Housing (OTHH)
- Single-family housing (SFH)

- Health care facilities (HCF)
- Hospital (HOSP)
- Medical Research/Institute(MRES)
- Other/multiple health care purposes (equipment; etc.)(OMHC)

- College/university facility (CUF)
- K-12 school facility (KSCH)
- Other/multiple educational uses (equipment, etc.) (OMED)
- Student Loans (SLC)

- Redevelopment, multiple uses (RD)

- Commercial development (CMDV)
- Industrial development (INDV)
- Pollution control (PC)

- Airport (APRT)
- Bridges and highways (BRHI)
- Convention center (CCTR)
- Equipment (EQUF)
- Flood control/storm drainage (FLDS)
- Multiple capital improvements and public works (MCAP)
- Other capital improvements and public works (OCAP)
- Parking (PRKG)
- Parks/Open space (PRKO)
- Ports and marinas (PRTS)
- Power generations/transmission (PWR)
- Prisons/jails/correctional facilities (PRSN)
- Public building (PB)
- Public transit (PTR)
- Recreation and sports facilities (RCSP)
- Seismic safety improvements/repair (SSI)
- Solid waste recovery facilities (SWST)
- Street construction and improvements (SCI)
- Theater/Arts/Museums (THAM)
- Wastewater collection and treatment (WSTW)
- Water supply/storage/distribution (WTR)

- Commercial Energy Conservation/Improvement (CECI)
- Human Resources (HR)
- Insurance/pension funds (IPF)
- Other than listed above(OTH)
- Residential Energy Conservation/Imporvement (RECI)

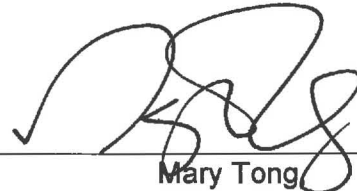
Please Specify type/name of project: Westpark Public Improvements

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE OF FILING REPORT OF FINAL SALE

I, Mary Tong, Project Coordinator, of Jones Hall, A Professional Law Corporation, hereby state and certify that on the date hereof, for and on behalf of the City of Roseville, I caused to be filed via email to cdiac_issuance@treasurer.ca.gov, a Report of Final Sale relating to the captioned bonds with the California Debt and Investment Advisory Commission, a true copy of which Report is hereto attached.

Dated: August 12, 2015



Mary Tong
Project Coordinator
Jones Hall, A Professional Law Corporation

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT No. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

OFFICER'S CERTIFICATE OF THE CITY

The undersigned hereby state and certify that:

(i) we are the duly elected or appointed, qualified and acting Treasurer/Chief Financial Executive and City Clerk, respectively, of the City of Roseville, a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), and as such, we are familiar with the facts herein certified and are authorized and qualified to certify the same;

(ii) we are each an "Authorized Officer" of the City, as such term is defined in that certain Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent");

(iii) the signatures set forth opposite the names of the following persons are the true and correct specimens of, or are, the genuine signatures of, such persons, each of whom holds the office designated below:

<u>Name and Title</u>	<u>Signature</u>
Carol Garcia, Mayor	
Jay Panzica, Treasurer/Chief Financial Executive	
Monty Hanks, Finance Director	
Sonia Orozco, City Clerk	

(iv) on July 15, 2015, at an open public meeting which was called, noticed and conducted in accordance with all applicable requirements of California law and at which a quorum was present and acting throughout, the City Council of the City duly adopted Resolution No. 15-323, entitled "Resolution Authorizing the Issuance of Special Tax Refunding Bonds For and On Behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities), Approving and Directing the Execution of a Fiscal Agent Agreement, Approving the Form of Preliminary Official Statement, Approving Sale of Such Bonds, and Approving Other Related Documents and Actions" (the "Resolution"), which Resolution has not been amended, supplemented, modified, rescinded or repealed and remains in full force and effect as of the date hereof;

(v) the bonds issued by the City designated "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015," in the aggregate principal amount of \$67,860,000 and dated August 12, 2015 (the "Bonds"), have been executed by the facsimile signature of the within-named Mayor and countersigned by the facsimile signature of the within-named City Clerk;

(vi) by all necessary action, the City has duly authorized and approved the execution and delivery of the Official Statement, dated July 30, 2015 (the "Official Statement"), relating to the Bonds, and the execution and delivery of, and the performance by the City of the obligations on its part contained in, the following agreements (collectively, the "Agreements"):

- (a) Fiscal Agent Agreement,
- (b) Bond Purchase Agreement, dated July 30, 2015 (the "Purchase Agreement"), by and between the City and Stifel, Nicolaus & Company, Incorporated (the "Representative"), as representative of itself and of Piper Jaffray & Co. (together with the Representative, the "Underwriter"),
- (c) Irrevocable Refunding Instructions, dated as of August 1, 2015 (the "Refunding Instructions"), given by the City and The Bank of New York Mellon Trust Company, N.A., as prior bonds fiscal agent, and
- (d) Continuing Disclosure Agreement, dated as of August 1, 2015 (the "Disclosure Agreement"), by and between the City and Willdan Financial Services, as dissemination agent;

(vii) pursuant to Section 2.05 of the Fiscal Agent Agreement, the Fiscal Agent is requested to authenticate the Bonds, substantially in the form attached as Exhibit A to the Fiscal Agent Agreement, and to deliver the Bonds to, or upon the order of, the Underwriter, upon receipt on the date hereof by the Fiscal Agent of the net purchase price of the Bonds;

(viii) for and on behalf of the City, the within-named Treasurer/Chief Financial Executive has executed the Fiscal Agent Agreement, the Purchase Agreement, the Refunding Instructions and the Disclosure Agreement and the within-named Finance Director has executed the Purchase Agreement;

(ix) the representations and warranties of the City contained in the Agreements are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references herein to the Preliminary Official Statement shall be deemed to be references to the Official Statement;

(x) to the best of our knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds, the Formation Documents and the Agreements conform as to form and tenor to the descriptions thereof contained in the Official Statement;

(xi) the City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Formation Documents, the Agreements and the Official Statement at or prior to the date hereof;

(xii) to the best of our knowledge, after due inquiry, there is no litigation pending or threatened:

- (a) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Special Taxes pledged under the Fiscal Agent Agreement,
- (b) in any way contesting or affecting the issuance of the Bonds or the validity or enforceability of the Bonds, or
- (c) in any way contesting the existence or powers of the City;

(xiii) the City has obtained all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which constitute a condition precedent to the levy of the Special Taxes or the issuance of the Bonds and the performance by the District of its obligations thereunder or under the Fiscal Agent Agreement; and

(xiv) the City's employer identification number for federal tax purposes is 94-6000409.

* * * * *

Capitalized terms used herein and not otherwise defined have the meanings given them in the Fiscal Agent Agreement or the Purchase Agreement.

Dated: August 12, 2015

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: 
Jay Panzica
Treasurer/Chief Financial Executive

By: 
Sonia Orozco
City Clerk

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE AS TO ARBITRAGE

I, the undersigned Finance Director of the City of Roseville, California (the "City"), being one of the officers of the City duly charged (by resolution of the City Council of the City), with others, with the responsibility of issuing the City's \$67,860,000 principal amount of Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015 (the "Bonds"), dated August 12, 2015, and being issued this date, hereby certify and covenant as follows:

(1) Purpose of Bonds. The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"), for the following purposes

(a) The refunding on a current basis the City's outstanding Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005 (the "2005 Bonds"), dated August 24, 2005, and issued on August 24, 2005, in the original principal amount of \$57,905,000 (of which \$54,615,000 principal amount is being refunded on the date hereof). The 2005 Bonds were issued for the purpose of financing certain public facilities (the "2005 Project") more particularly described in the Certificate Regarding Use of Proceeds, dated the date hereof and included elsewhere in the transcript for the Bonds (the "Proceeds Certificate").

(b) The refunding on a current basis the City's outstanding Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006 (the "2006 Bonds" together with the 2005 Bonds, the "Prior Bonds"), dated August 3, 2006, and issued on August 3, 2006, in the original principal amount of \$22,095,000 (of which \$17,950,000 principal amount is being refunded on the date hereof). The 2006 Bonds were issued for the purpose of financing certain public facilities (the "2006 Project") more particularly described in the Proceeds Certificate.

(2) Statement of Expectations. On the basis of the facts and estimates in existence on the date hereof, I reasonably expect the following with respect to the amount and use of gross proceeds of the Bonds:

(a) Amount Received from Sale of Bonds; No Aggregated Issues. The Bonds were sold to Stifel, Nicolaus & Company, Incorporated as representative of itself and Piper Jaffray & Co. (collectively, the "Underwriter"), at their face amount (\$67,860,000), plus net original issue premium of \$4,231,594.75, less Underwriter's discount of

\$644,670.00 for a total amount of \$71,446,924.75. Of said amount, \$305,617.00 will be deposited in the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Costs of Issuance Fund (the "Costs of Issuance Fund"); \$5,526,050.00 will be deposited in the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Reserve Fund (the "Reserve Fund"); and the remaining \$65,615,257.75 will be deposited in the bond fund created with respect to the Prior Bonds (the "Prior Bond Fund") held by the Fiscal Agent, as fiscal agent for the Prior Bonds (the "Prior Fiscal Agent"). All of such Funds and Accounts (other than the Prior Bond Fund) are held by the Fiscal Agent as fiscal agent for the Bonds. No tax-exempt debt has been sold within fifteen (15) days before or after the date the Bonds were sold that will be paid from substantially the same source of funds as the Bonds (excluding guarantees from unrelated parties).

(b) Refunding Schedules. At the request of the City, the schedules included elsewhere in the transcript for the Bonds (the "Schedules") have been prepared by the Underwriter, for the purpose of detailing all relevant aspects of the refunding program. The Schedules are incorporated herein by this reference.

(c) Costs of Issuance Fund. The proceeds of the Bonds deposited in the Costs of Issuance Fund will be used for payment of legal fees, printing costs and other costs of issuance of the Bonds and will be fully expended promptly upon receipt of invoices. Amounts deposited in the Costs of Issuance Fund, if invested, will be invested without yield restrictions. Interest earnings and gains resulting from said investment will be retained in the Costs of Issuance Fund and used for the purposes thereof. Amounts, if any, remaining in the Costs of Issuance Fund on the date 2 months after the date hereof will be deposited in the Special Tax Fund (described below) and used for the payment of debt service on the Bonds.

(d) Prior Bond Fund; Deposits and Investment. The City has delivered certain Irrevocable Refunding Instructions (the "Refunding Instructions") to the Prior Fiscal Agent dated as of August 1, 2015, pertaining to the Prior Bonds. Pursuant to the Refunding Instructions, concurrent with the deposit of proceeds of the Bonds in the amount of \$65,615,257.75 into the Prior Bond Fund, the City will cause the Fiscal Agent to transfer to the Prior Bond Fund \$3,499,730.63 from the bond funds created for the Prior Bonds and \$5,500,792.25 from the reserve funds created for the Prior Bonds, being a total of \$9,000,522.88 transferred to the Prior Bond Fund from the funds created for the Prior Bonds and a total deposit into the Prior Bond Fund of \$74,615,780.63. The total amount deposited into the Prior Bond Fund will be held in cash uninvested; however, if invested, said amount will be invested at an unrestricted yield for a temporary period not exceeding 90 days after the date hereof. As of the date of sale of the Bonds United States Treasury Securities, State and Local Government Series were not available for purchase.

(e) Prior Bond Fund; Use and Allocation of Amounts Deposited. A portion of the amounts deposited in the Prior Bond Fund will be used to pay interest on the 2005 Bonds through September 1, 2015, and on said date will be used to redeem the then outstanding principal amount of the 2005 Bonds of \$54,615,000 (there is no redemption premium). The remaining portion of the amounts deposited in the Prior Bond Fund will be used to pay principal (\$845,000) and interest on the 2006 Bonds through September

1, 2015, and on said date will be used to redeem the then outstanding principal amount of the 2006 Bonds of \$17,105,000 and to pay the redemption premium of \$171,050.00 (being 1.0% of the principal amount redeemed). Amounts, if any, remaining in the Prior Bond Fund following redemption of the Prior Bonds will be transferred to the Bond Fund (described below) and used for the payment of debt service on the Bonds.

(f) Prior Improvement Fund. On the date hereof, \$32,926.42 on deposit in the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2005 Improvement Fund will be transferred to the Fiscal Agent and held in a segregated account by the Fiscal Agent (the "Prior Improvement Fund"). The proceeds on deposit in the Prior Improvement Fund represent a 5% holdback by the City as warranty for work done by the contractor on the 2005 Project (the "2005 Contractor"). Once the terms of the warranty are met, all moneys on deposit in the Prior Improvement Fund will be released to the 2005 Contractor. While on deposit in the Prior Improvement Fund, said moneys will be invested at a yield not in excess of the yield of the Bonds.

(g) Reserve Fund. The proceeds of the Bonds (\$5,526,050.00) deposited in the Reserve Fund equal the "Reserve Requirement," being maximum annual debt service on the Bonds. The Reserve Requirement is less than one hundred and twenty-five percent (125%) of average annual debt service on the Bonds and less than ten percent (10%) of the issue price of the Bonds, as referenced below. The Underwriter has represented that the establishment of the Reserve Fund in the amount of the Reserve Requirement was vital to the marketing of the Bonds and reasonably required to assure the payment of debt service on the Bonds. Amounts deposited in the Reserve Fund will be invested without yield restrictions. Interest earnings and gains resulting from said investment will be retained in the Reserve Fund in the event that the amount on deposit in such Fund is less than the Reserve Requirement and otherwise will be deposited in the Bond Fund and applied to the payment of debt service on the Bonds when and as due.

(h) Pledge of Tax Revenues; Debt Service Funds. The City has pledged certain revenues from special taxes imposed on certain property in the City (the "Tax Revenues") to the payment of debt service on the Bonds. Upon receipt, the Tax Revenues will be deposited in the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015 Special Tax Fund (the "Special Tax Fund") held by the City. Prepayment of special taxes will be deposited into the Prepayment Account of the Special Tax Fund. Within ten (10) business days after receipt of such funds (other than from prepayment of special taxes), amounts in the Special Tax Fund will be transferred from said Fund to the Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Bond Fund (the "Bond Fund") held by the Fiscal Agent to the extent necessary to pay debt service due on the Bonds. Amounts on deposit in the Prepayment Account of the Special Tax Fund will be transferred to the Prepayment Account of the Bond Fund and used to redeem Bonds on the next redemption date. After said transfers, excess moneys on deposit in the Special Tax Fund not needed to replenish the Reserve Fund will be transferred to the Surplus Account of the Special Tax Fund (the "Surplus Account"). The portion of the Special Tax Fund containing amounts to be transferred to the Bond Fund and the Prepayment Account therein, the Bond Fund and the Prepayment Account therein (together the "Debt Service Funds") have been established primarily to achieve a proper

matching of revenues (consisting primarily of Tax Revenues and certain interest earnings) and debt service due on the Bonds during each year that the Bonds are outstanding. Amounts deposited in the Debt Service Funds will be spent within thirteen (13) months of the date of deposit, and the Debt Service Funds will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of earnings on the Debt Service Funds during the preceding bond year for the Bonds (see below) or one-twelfth (1/12th) of debt service on the Bonds during the preceding bond year for the Bonds. Amounts in the Debt Service Funds will be invested without yield restrictions. Interest earnings and gains resulting from investment will be retained in the Fund in which investment was made and used for the purposes thereof.

(i) Surplus Fund. Amounts in excess of required transfers from the Special Tax Fund to the Bond Fund and the Prepayment Account of the Bond Fund and Reserve Fund will at least annually be transferred to the Surplus Fund. Amounts deposited in the Surplus Fund will be used for the payment of costs of administering the special tax program represented by the Tax Revenues and of carrying the Bonds. Amounts in the Surplus Fund are not available for payment of debt service on the Bonds and, if invested, will be invested without yield restrictions. Interest earnings and gains resulting from that investment will be deposited in the Surplus Fund and used for the purposes thereof.

(j) No Other Pledged Amounts or Investment-Type Property. Except as described herein, no amounts have been pledged to, or are reasonably expected to be used directly or indirectly to pay, principal or interest on the Bonds, nor are there any amounts that have been reserved or otherwise set aside such that there is a reasonable assurance that such amounts will be available to pay principal or interest on the Bonds. In addition, the City has not entered into, and does not reasonably expect to enter into, a hedge contract primarily for the purpose of reducing the City's risk of interest rate changes with respect to the Bonds.

(k) No Negative Pledges. There are no amounts held under any agreement requiring the maintenance of amounts at a particular level for the direct or indirect benefit of the owners of the Bonds or any guarantor of the Bonds, excluding for this purpose amounts in which the City may grant rights that are superior to the rights of the owners of the Bonds or any guarantor of the Bonds and amounts that do not exceed reasonable needs for which they are maintained and as to which the required level is tested no more frequently than every six (6) months and that may be spent without any substantial restriction other than a requirement to replenish the amount by the next testing date.

(l) No Replacement Proceeds. There are no amounts that have a sufficiently direct nexus to the Bonds or to the refunding program to conclude that the amounts would have been used for debt service on the Bonds or for the refunding program if the proceeds of the Bonds were not being used for those purposes. The term of the Bonds is not longer than reasonably necessary for refunding of the Prior Bonds in that the weighted average maturity of the Bonds does not exceed one hundred twenty percent (120%) of the average reasonably expected remaining economic life of the 2005 Project and the 2006 Project (together the "Prior Projects").

(m) No Improper Financial Advantage. The transaction contemplated herein does not represent an exploitation of the difference between tax-exempt and taxable interest rates to obtain a material financial advantage and does not overburden the tax-exempt bond market in that the City is not issuing more bonds, issuing bonds earlier, or allowing bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the bonds.

(n) Bond Year for the Bonds. The City hereby selects each period from September 2 through September 1 of the following calendar year as the bond years for the Bonds, except that the first bond year will commence on the date hereof and the last bond year will end on the date of payment of the Bonds in full.

(o) Rebate Requirement. The City has covenanted in the Fiscal Agent Agreement to comply with requirements for rebate of excess investment earnings to the federal government to the extent applicable and acknowledges that the first payment of excess investment earnings, if any, is required to be rebated to the federal government no later than sixty (60) days after the end of the fifth (5th) bond year for the Bonds. No portion of the Bonds will constitute a private activity bond within the meaning of section 141(a) of the Code, the average maturity of the Bonds is greater than five (5) years and none of the interest rates on the Bonds vary during the term of the Bonds. As a consequence of the foregoing, investment earnings on the Debt Service Funds will be excluded for the purposes of computation of the amount required to be rebated to the federal government as referenced in this subparagraph without regard to the total amount of said earnings. The use of actual facts is elected for purposes of determining eligibility for and compliance with any expenditure exceptions to arbitrage rebate. The Prior Bonds are subject to requirements for rebate of excess investment earnings to the federal government and the City acknowledges that it is in compliance with those requirements.

(p) Yield of the Bonds. The Underwriter has represented that the yield of the Bonds is 4.057192%, determined on the basis of regularly scheduled principal and interest payments on the Bonds, adjusted by assuming present value in lieu of certain principal payments in the case of Bonds constituting certain discounted term Bonds, if any, and by assuming certain early redemption of principal in the case of certain yield-to-call Bonds, if any, all in accordance with the procedures for computing the yield on a fixed yield issue contained in Treasury Regulation §1.148-4(b). Said amounts are all discounted to \$72,091,594.75, representing the issue price of the Bonds (being the face amount of the Bonds of \$67,860,000, plus net original issue premium of \$4,231,594.75). The Underwriter has represented that (i) based upon reasonable expectations and actual facts which existed on the date the Underwriter agreed to purchase (the "Sale Date") the Bonds from the City, the initial offering price of each maturity of the Bonds to the public (excluding bondhouses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of each maturity of the Bonds was expected to be sold to the public as of the Sale Date is set forth on Exhibit A attached hereto and by this reference incorporated herein; and (ii) the Bonds of each maturity were actually offered to the general public in a bona fide public offering for the prices set forth in Exhibit A. The City has no reasonable expectations regarding when or if prepayments of Tax Revenues and optional redemption of the

Bonds will occur and therefore yield is not adjusted to take into account redemption, if any, from prepayments of Tax Revenues.

(q) Purpose of Refunding. The purpose of the refunding of the Prior Bonds is to enable a present value savings to the City,

(r) No Remaining Amounts. After the transfers referenced above, no funds remain in any account or fund established for payment of debt service on the Prior Bonds or established from the proceeds of the Prior Bonds.

(s) No Hedge Bonds. The Bonds do not constitute "hedge bonds" because the Prior Bonds were not hedge bonds. The Prior Bonds were not hedge bonds because on the date of issuance of each of the Prior Bonds, the City reasonably expected that not less than eighty-five percent (85%) of the proceeds of each of the Prior Bonds would be expended within three (3) years of that date of issuance and not more than fifty percent (50%), if any, of the proceeds of each of the Prior Bonds was invested in investments having a substantially guaranteed yield for four (4) or more years.

(3) Allocation and Accounting Procedures. The City will use a consistently applied accounting method to account for investments and expenditures of proceeds of the Bonds. To the extent the Prior Projects are financed with moneys that are not proceeds of the Prior Bonds or the Bonds (the "Equity Proceeds"), the City hereby elects and allocates any and all expenditures for any and all portions of the Prior Projects which are or may be used for a private use as described in section 141 of the Code first to the Equity Proceeds. Allocations of Bond proceeds to expenditures will be made only with respect to a current outlay of cash for the expenditures. The City will not invest proceeds of the Bonds in a commingled fund in which the City owns more than ten percent (10%) of the beneficial interest thereof. The City will maintain books and records until three years after the date of retirement or redemption of the Bonds sufficient to (i) establish the accounting method used, (ii) account for all investments of proceeds of the Bonds, and (iii) substantiate the allocation of proceeds of the Bonds to expenditures. The City will allocate proceeds of the Bonds to expenditures with respect to the Project no later than 18 months after the later of the date the expenditure is paid or the date the Project is placed in service. In the event such allocations of Bond proceeds to expenditures are not made within 60 days after the date five years after the date hereof, the City will use a specific tracing accounting method to account for investment and expenditures of proceeds of the Bonds.

On the basis of the foregoing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds within the meaning of section 148 of the Code and applicable regulations. To the best of my knowledge, information and belief, the expectations herein expressed are reasonable and there are no facts or estimates, other than those expressed herein, that would materially affect the expectations herein expressed.

Dated: August 12, 2015

CITY OF ROSEVILLE



Monty Hanks
Finance Director

EXHIBIT A

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price
2018	\$ 965,000	3.00%	2.16%	102.467%
2019	2,230,000	4.00	2.45	105.944
2020	2,320,000	5.00	2.79	110.346
2021	2,435,000	5.00	3.05	110.701
2022	555,000	3.00	3.37	97.693
2022	2,000,000	5.00	3.37	110.154
2023	2,675,000	5.00	3.53	110.223
2024	2,805,000	5.00	3.66	110.244
2025	945,000	3.50	3.78	97.674
2025	2,000,000	5.00	3.78	110.122
2026	3,080,000	5.00	3.88	109.247 ^C
2027	3,230,000	5.00	3.96	108.553 ^C
2028	3,395,000	5.00	4.04	107.864 ^C
2029	3,565,000	5.00	4.11	107.266 ^C
2030	740,000	4.00	4.18	98.002
2030	3,000,000	5.00	4.18	106.672 ^C
2031	3,925,000	5.00	4.24	106.165 ^C
2032	4,120,000	5.00	4.28	105.829 ^C
2033	4,325,000	5.00	4.31	105.578 ^C
2037	15,000,000	5.00	4.39	104.912 ^C
2037	4,550,000	4.25	4.39	98.032

^C Priced to the optional call date of September 1, 2025 at par.

**CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he is the Finance Director of the City of Roseville, California (the "City"), and, as such, is duly authorized to execute and deliver this certificate and further hereby certifies that:

(1) this certificate is being delivered in connection with the sale and issuance of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015 (the "Bonds") in order to enable the underwriter of the Bonds to comply with Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended (the "Rule");

(2) in connection with the sale and issuance of the Bonds, there has been prepared a Preliminary Official Statement dated July 17, 2015 setting forth information concerning the Bonds and the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "Preliminary Official Statement"); and

(3) except for the Permitted Omissions, the Preliminary Official Statement is deemed final within the meaning of the Rule. As used herein, the term "Permitted Omissions" refers to the offering price(s), interest rates(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all as set forth in the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of July 17, 2015.

CITY OF ROSEVILLE, CALIFORNIA

By: 
Its: Finance Director

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE REGARDING USE OF PROCEEDS

The undersigned is the Finance Director of the City of Roseville (the "Issuer"), is authorized to execute this certificate on behalf of the Issuer, is knowledgeable with respect to the matters set forth herein, and hereby states and certifies as follows:

(1) Issuance of Bonds. The Issuer is issuing the bonds captioned above (the "Bonds") on the date of this Certificate (the "Closing Date") pursuant to a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent").

(2) Bond Fund Deposits. Of the proceeds of the Bonds received on the Closing Date, \$65,615,257.75 will be deposited in the Bond Fund for the City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2005, issued in the original principal amount of \$57,905,000 (the "2005 Bonds") and the City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2006, issued in the original principal amount of \$22,095,000 (the "2006 Bonds"). Amounts on deposit in the Bond Fund will be used to refund the 2005 Bonds and 2006 Bonds (together, the "Refunded Bonds").

(3) Description of Prior Project. The Refunded Bonds financed the capital improvements (the "Prior Project") described in Part I of Exhibit A hereto attached and by this reference herein incorporated.

(4) Private Uses of Prior Project. Part II of Exhibit A describes:

(A) each use previously made (between the date the Refunded Bonds were issued and the Closing Date of the Bonds) and to be made in the future of the Prior Project by any private person or entity (that is, any entity *other than* (i) the Issuer, (ii) other non-federal governmental entities, or (iii) members of the public generally), and

(B) all payments (if any) directly or indirectly in respect of any use to be made of the Project by any private person or entity, previously made (between the date the Refunded Bonds were issued and the Closing Date of the Bonds) and to be made after the Closing Date.

(5) No Private Loans. No portion of the proceeds of the Bonds or the Refunded Bonds will be used, directly or indirectly, to make or finance a loan to any person (other than a State or local government unit).

(6) Expectations Regarding Project Use for Life of Bonds. The Issuer reasonably expects to use the Prior Project for the purposes referenced in the Exhibits attached hereto or for other governmental purposes of the Issuer during the entire term of the Bonds.

The Issuer acknowledges that, for the purposes hereof, proceeds of the Bonds used to refund the Refunded Bonds are deemed to be used for the same purposes as the proceeds of the Refunded Bonds (that is, the proceeds of the Bonds are deemed to have been used to finance the Prior Project).

(7) Practices and Procedures for Accounting for and Monitoring of Bond Proceeds. The Issuer agrees to implement the practices and procedures (the "Written Procedures") set forth in Exhibit B in order to assure that the proceeds of the Bonds are used in such a manner so as not to violate the provisions of the Internal Revenue Code of 1986, as amended, under which interest on the Bonds is excluded from federal income taxation, and to take remedial actions in the event of a violation. These Written Procedures generally account for and monitor (i) the expenditure and investment of Bond proceeds, (ii) the use of the Project financed with the proceeds of the Bonds, and (iii) any changes in the underlying structure of the Bond financing.

The Issuer acknowledges that Written Procedures in Exhibit B are not exclusive and covenants to comply with (1) all tax limitations and requirements imposed with respect to the Bonds and (2) all State and local legal requirements regarding the valid incurrence of debt and permitted uses of the proceeds of the Bonds. Unless otherwise set forth in the Written Procedures or subsequently changed by the Issuer, the Finance Director will undertake post-issuance compliance relating to the Bonds.

Notwithstanding the foregoing, failure to perform any task set forth in the Fiscal Agent Agreement.

(9) Certifications.

(a) The above statements are made on the basis of the facts, estimates and circumstances in existence on the date hereof and the undersigned has exercised due diligence to assure that all material facts, estimates and circumstances relating to the above statements were made available to the undersigned and reviewed by the undersigned.

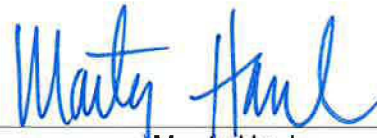
(b) To the best knowledge of the undersigned the above statements are reasonable and there are no other facts, estimates or circumstances, other than those set forth herein, that would materially affect the statements made herein.

(c) The undersigned is aware that Jones Hall, A Professional Law Corporation, is rendering an opinion on the date hereof substantially to the effect that the interest on the Bonds is excluded from gross income for federal income tax purposes and in rendering such opinion is relying upon the statements made in this Certificate and in the Exhibits attached to this Certificate.

Dated: August 12, 2015

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: _____



Monty Hanks
Finance Director

EXHIBIT A

PART I. Detailed Description of Prior Project

Transportation Improvements. *Authorized facilities include the following transportation-related improvements:*

- *Fiddymment Road*
- *Del Webb Boulevard*
- *Pleasant Grove Boulevard*
- *Village Green Drive*
- *Bob Doyle Drive*
- *Phillip Road*
- *Upland Drive*
- *West Side Drive*
- *Market Street*
- *Loop Street D*
- *Residential Street C*
- *Village Center Streets, as indicated in Specific Plan*
- *Loop Street D*
- *Other public roadway improvement required to meet the needs of the project*

Eligible roadway improvements include, but are not limited to: 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; street lights, signalization, and traffic signal control system; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation as shown in the Specific Plan; bus shelters; 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.

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 Specific Plan. These facilities include, but are not limited to, potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities. Eligible improvements also include the Recycled Water Storage Tank Facility. Facility improvements include, but are not limited to, these: site clearing, grading and paving; curbs and gutters; recycled water storage tanks, booster pump stations and all appurtenances thereto; wells; water treatment; stand-by generator; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage. Water rights acquisition, purchase of water supply, and transfer fees are also authorized improvements.*

Wastewater System Improvements. Authorized facilities include any and all backbone wastewater facilities designed to meet the needs of development in the West Roseville 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; odor-control facilities; sewer treatment plant improvements and permitting related thereto; and related sewer system improvements. Eligible improvements also include access improvements to the Pleasant Grove Wastewater Treatment Plant.

Drainage System Improvements. Authorized facilities include any and all backbone drainage and storm drainage improvements designed to meet the needs of development in 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; access gates, and fencing; and striping and signage.

Solid Waste Improvements. Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in 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 Improvements. Authorized facilities include any and all improvements to parks and paseos located in the Specific Plan.

Open Space Improvements. Authorized facilities include any and all open space improvements designed to meet the needs of development in the Specific Plan, including, but not limited to: 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 Specific Plan. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

Other Expenses. In addition to the above facilities, 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, costs associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order 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.

PART II. Description of Any Private Use of Prior Project

A. Describe each use previously made or to be made of the Prior Project by any private person or entity (that is, any entity *other than* (i) the Issuer, (ii) other non-federal governmental entities, or (iii) members of the public generally). For this purpose, “use” includes, without limitation, sales, leases or other use agreements with respect to the Prior Project with private, nongovernmental entities. “Use” of the Prior Project *does not include* uses by members of the general public within the meaning of §1.141-3(c) of the Treasury Regulations (the “Regulations”).

None.

B. Payments to be made from the date of issue of the Refunded Bonds and expected to be made through the final maturity of the Bonds in respect of above uses.

None.

EXHIBIT B

PRACTICES AND PROCEDURES FOR POST ISSUANCE COMPLIANCE

General

The Issuer will take all appropriate action to assure that (i) no use of the proceeds of the Bonds, and no other event or action, will cause the Bonds to violate federal income tax limitations with respect to the exclusion of interest on the Bonds from federal income taxation, and (ii) all uses of proceeds of the Bonds comply with State and local legal requirements regarding the valid incurrence of debt and permitted uses of proceeds of the Bonds.

Without limiting the generality of the foregoing, the Issuer will take the following actions to account for and monitor (i) the expenditure and investment of Bond proceeds, (ii) the use of the Prior Project refinanced with the proceeds of the Bonds, and (iii) any changes in the underlying structure of the Bond financing. The Issuer has the discretion to make exceptions or to require additional procedures as it deems necessary or desirable. The Issuer reserves the right to modify these written procedures.

The Finance Director (the "Responsible Officer") will undertake post-issuance compliance relating to the Bonds. The Responsible Officer is familiar with the provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations (the "Regulations") governing the tax-exempt status of the Bonds. The Responsible Officer may delegate tasks to other officers or staff of the Issuer or to outside attorneys or other experts.

Initial Documentation Review

1. Upon receipt of the transcript for the Bonds, review the covenants of the Issuer with respect to the tax-exempt status of the Bonds, the use of proceeds certificate, the Certificate as to Arbitrage (the "Tax Certificate"), the verification report (if any) and any additional tax documentation. Confirm filing of the applicable 8038 form with the IRS.
2. Create a written schedule for due diligence reviews based upon expectations set forth in the transcribed documents.

Refunding

1. For advance refunding escrows, confirm that any scheduled purchases of State and Local Government Series or open market securities are made as scheduled.
2. On the redemption date, confirm that the Refunded Bonds have been redeemed and cancelled.
3. Promptly following the redemption date, confirm that all proceeds of the Bonds and all proceeds of the Refunded Bonds have been spent. Verify that excess proceeds, if any, of the Bonds do not exceed an amount permitted by the Regulations.

Allocation of Refunded Bond Proceeds to Expenditures

With respect to the proceeds of the Refunded Bonds, confirm that the following steps were taken and appropriate documentation retained:

1. No less often than every six months through completion of the Prior Project, monitor and document all expenditures from the Project Fund and make the relevant determinations set forth under “Arbitrage and Rebate” below.
2. Monitor and document reimbursement of expenditures paid from non-bond proceeds prior to the date of issue of the Refunded Bonds and verify compliance with §1.150-2 of the Regulations.
3. Allocate proceeds of Refunded Bonds to expenditures subject to §1.148-6(d) and §1.141-6(a) of the Regulations by 18 months after the later of the date the expenditure was made or the date the Prior Project was placed in service, but not later than the earlier of 5 years after the Bonds were issued or 60 days after the issue is retired. Use a consistent application of the same methodology for all expenditures of Refunded Bond proceeds. Document this allocation.

Non-governmental Uses of the Bond-Financed Facilities

No less than annually, take the following steps to review and document any non-governmental uses of the Prior Project:

1. Confer with personnel responsible for the Prior Project to identify, and discuss, any existing or planned use of Bond-financed or refinanced facilities, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate.
2. Monitor and document sales, leases or other use agreements with respect to the Prior Project with nongovernmental entities, not including uses by members of the general public within the meaning of §1.141-3(c) of the Regulations. Compute the percent of private business use or private payments or private security with respect to those nongovernmental uses.
3. Monitor and document management contracts (see e.g., Rev. Proc. 97-13) with nongovernmental entities.
4. Monitor and document other special legal entitlements with respect to the Bond-financed property (e.g., licenses, use agreements, easements, etc.).
5. Consult with legal counsel regarding any private use or proposed change in use with respect to the Prior Project.

Arbitrage and Rebate

1. If the Bonds are exempt from rebate, as set forth in the Tax Certificate, no rebate payments under Section 148(f) of the Tax Code will be required.
2. If Bonds are not exempt from rebate, hire a rebate calculation agent or perform rebate calculations internally.
3. Make any required rebate payments according to the following schedule:
 - a. The first installment is due 60 days after the end of 5th bond year.
 - b. Succeeding installments are due 60 days after end of every 5th bond year thereafter.
 - c. The final installment is due 60 days after retirement of the last bond of the issue.
4. Monitor expenditures of Bond proceeds for qualification for the 6 month rebate expenditure exception.
5. Consult with legal counsel before entering into any post-issuance credit enhancement transactions or any hedging transactions with respect to the Bonds or Bond proceeds.

Response to Noncompliance

1. Upon a determination of noncompliance, consult promptly with qualified bond counsel and other legal counsel and advisers to determine what course of actions can be taken to preserve the tax-exempt status of the Bonds.
2. If the noncompliance will be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the Regulations or other published guidance from the IRS, determine the deadline for taking action and proceed with diligence to take the required remedial actions.
3. If remedial actions are unavailable, determine whether to make a submission to the Tax Exempt Bonds Voluntary Closing Agreement Program ("VCAP") under Internal Revenue Manual 7.2.3.

Record Retention

1. Retain records of accounting and monitoring with respect to the Refunded Bonds at least 3 years after the earlier of the maturity or redemption of the Bonds.
2. Retain records of all accounting and monitoring the Issuer carries out with respect to the Bonds for at least 3 years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the Issuer will retain its

records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the bonds which refunded the Bonds.

3. Maintain special records required by the safe harbor for investment contracts or defeasance escrows under §1.148-5 of the Regulations.
4. Maintain a record of the identification on the Issuer's books and records of any "qualified hedge" contract under §1.148-4(h)(2)(viii) and §1.148-11A(i)(3) of the Regulations.
5. Maintain a record of any election not to take depreciation on property required to be owned by a governmental unit which is leased to a nongovernmental entity as required by §1.103(n)-2T Q/A7 of the Regulations.
6. Maintain records of accounting for rebate for a period of at least 3 years after the earlier of the maturity or redemption of the Bonds.

Reissuance

A significant modification of the Bond documents may result in the Bonds being deemed refunded or "reissued". Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new arbitrage certificate. Qualified bond counsel should be consulted in the event of modification of the Bond documents.

Additional Procedures

The Issuer is encouraged, but is not required, to adopt additional written practices and procedures in order to further ensure that: due diligence reviews are completed at regular intervals; any officials or employees responsible for review or compliance have been adequately trained; all documents and records needed to substantiate compliance are retained; noncompliance is identified in a timely manner; and any noncompliance is corrected in a timely manner.

I hereby acknowledge that as Finance Director of the Issuer, I have primary responsibility for implementation of these post-issuance procedures relating to the Bonds.

Acknowledgement:

By: 

Monty Hanks
Finance Director

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

REQUISITION NO. 1 FOR DISBURSEMENT
FROM THE COSTS OF ISSUANCE FUND

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting Treasurer/Chief Financial Executive of the City of Roseville, a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") and as such, I am familiar with the facts herein certified and am authorized to certify the same;

(ii) I am an "Authorized Officer" of the City, as such term is defined in that certain Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent");

(iii) under Section 3.04(B) of the Fiscal Agent Agreement, the undersigned hereby requests and authorizes the Fiscal Agent to disburse from the Costs of Issuance Fund established under the Fiscal Agent Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of Costs of Issuance (as that term is defined in the Fiscal Agent Agreement) as described on attached Schedule A; and

(iv) the disbursements described on the attached Schedule A constitute Costs of Issuance, and are properly chargeable to the Costs of Issuance Fund.

Dated: August 12, 2015

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: _____


Jay Panzica

Treasurer/Chief Financial Executive

SCHEDULE A

<u>Payee Name and Address</u>	<u>Purpose of Obligation</u>	<u>Amount</u>
First Southwest Company 1620 26th Street, Suite 230 South Santa Monica, CA 90404	Issuer's Financial Advisor Fee	\$25,000.00
Jones Hall, A Prof. Law Corporation 475 Sansome Street, Suite 1700 San Francisco, CA 94111	Bond Counsel Services Rendered Reimbursable Expenses	\$159,841.00
Jones Hall, A Prof. Law Corporation 475 Sansome Street, Suite 1700 San Francisco, CA 94111	Disclosure Counsel Services Rendered	\$45,000.00
The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, Suite 400 Los Angeles, CA 90071	Fiscal Agent/Escrow Agent Fees	\$3,600.00
Law Offices of Samuel D. Waldman 64 Oak Knoll Drive San Anselmo, CA 94960	Fiscal Agent/Escrow Agent's Counsel Fees	\$2,300.00
Willdan Financial Services 27368 Via Industria, Suite 200 Temecula, CA 92590	Fiscal Consultant and Dissemination Agent Fees	\$25,000.00
Seevers Jordan Ziegenmeyer 3825 Atherton Road, Suite 500 Rocklin, CA 95765	Appraiser Fee	\$32,000.00
Royce Printing 1207 W. California Avenue Mill Valley, CA 94941	Printing and distribution of Official Statements	\$2,000.00
	Total:	\$294,741.00



August 12, 2015
Account Number: 7785005

Invoice Number: 10892
Terry Maas

Invoice

Mr. Monty Hanks
Finance Director
City of Roseville
311 Vernon Street
Roseville, California 95678

Re: Roseville, CA
\$67,860,000 Roseville, CA: Westpark CFD Rfdg: 7785005

Fees And Expenses Incurred

FA Fees	\$25,000.00
Total	<u>\$25,000.00</u>

Please Remit Payment To:

*FirstSouthwest
325 N. Saint Paul St. Suite 800
Dallas, TX 75201*

Wiring Instructions

*The Bank of New York
1 Wall Street
New York, NY 10012
ABA Number: 021-000-018
Account Name: First Southwest Company
Account Number: 890 0271 779
Reference: 7785005*



JONES HALL

August 12, 2015

Jay Panzica,
City Treasurer / Financial Executive
City of Roseville
311 Vernon Street
Roseville, California 95678

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

RE: \$67,860,000 City of Roseville, Westpark Community Facilities District No. 1, (Public Facilities) Special Tax Refunding Bonds Series 2015

INVOICE

For Legal Services Rendered as Bond Counsel:	\$ 158,343.00
For Legal Services Rendered as Disclosure Counsel:	<u>45,000.00</u>
	\$ 203,343.00

For Reimbursable Expenditures:

Delivery & Messenger	\$ 90.00	
Photocopies	178.00	
CD Preparation Costs	500.00	
Transcript Preparation Costs	<u>730.00</u>	
		<u>1,498.00</u>
		<u>\$ 204,841.00</u>

Instructions for Wire Transfer:

Comerica Bank
ABA No. 121137522
Two Embarcadero Center, Suite 300
San Francisco, CA 94111
For Credit : Jones Hall, APLC
Acct. No. 1894734241

LAW OFFICES OF
SAMUEL D. WALDMAN

64 OAK KNOLL DR.
SAN ANSELMO, CALIFORNIA 94960
TELEPHONE: (415) 459-4535
FACSIMILE: (415) 459-4747

August 12, 2015

Ms. Lisa Infusino
The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite #400
Los Angeles, CA 90071

Re: \$67,860,000 City of Roseville Westpark Community Facilities District No. 1
(Public Facilities) Special Tax Refunding Bonds, Series 2015

STATEMENT

Services rendered in connection with the bond closing	\$2,250.00
Printing/copying	50.00
Total	\$2,300.00

Submit payment to:

Citibank, N.A.
ABA #: 321171184
Credit: A/C #:40021240391
Beneficiary: Samuel D. Waldman
Ref: Roseville Westpark-2015



INVOICE

Monty Hanks
Finance Director
City of Roseville
311 Vernon Street
Roseville, CA 95678

INVOICE #: 010-28550
INVOICE DATE: 8/11/2015
PROJECT #: 101053
PHASE#: 4014
TERMS: NET 30 DAYS

Description: **CITY OF ROSEVILLE WESTPARK CFD 1 REFUNDING BONDS, SERIES 2015**

G/L Acct. Code	Description	Amount Due
	Bond Refinance Tax Tables	\$ 25,000.00

INVOICE TOTAL: \$ 25,000.00

Remit To: Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, CA 92590
Questions? Please call Billing at (951) 587-3500



SEEVERS. JORDAN. ZIEGENMEYER

3825 Atherton Road Ste 500
Rocklin, CA 95765
(916) 435-3883 FAX (916) 435-4774
TAX I.D. 91-1766837

INVOICE

DATE	INVOICE #
6/8/2015	16244

<p>CITY OF ROSEVILLE FINANCE DEPARTMENT 311 VERNON STREET ROSEVILLE, CA 95678</p>
--

JOB NO.	Phone Number	TERMS	APPRAISER
2015-206	916-774-5300	TEN DAYS	LCJ

DESCRIPTION	AMOUNT
<p>FEE FOR APPRAISAL SERVICES CITY OF ROSEVILLE WESTPARK CFD NO. 1 ROSEVILLE, CALIFORNIA</p>	32,000.00
<p>A finance charge of 1.25% per month may be assessed on past due balances.</p> <p>To ensure proper credit, return one copy of this invoice with remittance.</p>	Total Amount \$32,000.00
	Balance Due \$32,000.00

ROYCE PRINTING

1207 W. California Avenue
Mill Valley, CA 94941

Tel: 415/381-7262

Cell: 510/220-7744

royceprinting@comcast.net

www.royceprinting.com

Invoice to:

Date: 8/10/15

City of Roseville

c/o Ms. Mary Tong
Project Coordinator

Jones Hall

475 Sansome Street, Suite 1700
San Francisco, CA 94111

Invoice #: 3149

\$67,860,000

CITY OF ROSEVILLE

WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)

SPECIAL TAX REFUNDING BONDS

SERIES 2015

Preparation and distribution of electronic version of the Preliminary and Final Official Statement to e-mails provided.

Printing of the Preliminary Official Statement, 3 copies @ 326 pages including a four page cover. Cover printed color on front, black on inside. Text printed black throughout. Books perfect-bound.

Printing of the Final Official Statement, 11 copies @ 326 pages including a four page cover. Cover printed color on front, black on inside. Text printed black throughout. Books perfect-bound.

Cost of Production:	\$1,816.00
Sales Tax:	154.36
Delivery:	<u>29.64</u>
TOTAL:	\$2,000.00

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

**WRITTEN REQUEST OF THE CITY TO
FISCAL AGENT REGARDING INVESTMENT OF FUNDS**

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting City Manager/Treasurer of the City of Roseville, a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) I have read Article VI of the Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"), and the definitions contained in the Fiscal Agent Agreement of the capitalized terms used in said Article;

(iii) on behalf of the City, I hereby request the Fiscal Agent to invest, on the date hereof, the amounts deposited on the date hereof in the funds established pursuant to the Fiscal Agent Agreement in the investments set forth on Exhibit A attached hereto and by this reference incorporated herein and hereby directs that those investments be acquired at their Fair Market Value as such term is defined in the Fiscal Agent Agreement; and

(iv) I acknowledge that the investments listed on Exhibit A are "Permitted Investments," as that term is defined in the Fiscal Agent Agreement.

Dated: August 12, 2015

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: 
Jay Panzica
City Manager/Treasurer

EXHIBIT A


<u>Account</u>	<u>Amount of Deposit</u>	<u>Invested Amount</u>	<u>Description by Name</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Purchase Price</u>
Reserve Fund	\$5,526,050.00	\$5,526,050.00	Dreyfus Government Cash Mgmt Money Market – Institutional	Daily	Variable	100%
Costs of Issuance Fund	\$305,617.00	\$14,476.00	Dreyfus Government Cash Mgmt Money Market – Institutional	Daily	Variable	100%

* This amount represents the initial deposit into the Costs of Issuance Fund \$305,617.00, less disbursements made on the date hereof in the amount of \$291,141.00.

The undersigned hereby acknowledges that the foregoing investment instructions have been complied with.

Dated: August 12, 2015

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Fiscal Agent

By: 
Authorized Officer

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE REGARDING SUFFICIENCY OF ESCROW

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting Finance Director of the City of Roseville, a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") and as such, I am familiar with the facts herein certified and am authorized to certify the same;

(ii) I am an "Authorized Officer" of the City, as such term is defined in that certain Fiscal Agent Agreement, dated as of August 1, 2005, as amended by the First Supplement to Fiscal Agent Agreement, dated as of August 1, 2006 (the "Prior Bonds Fiscal Agent Agreement"), in each case by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Prior Bonds Fiscal Agent");

(iii) the City has previously issued pursuant to the Prior Bonds Fiscal Agent Agreement City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2005, in the original principal amount of \$57,905,000 (the "2005 Bonds") and City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2006, in the original principal amount of \$22,095,000 (the "2006 Bonds," and together with the 2005 Bonds, the "Prior Bonds");

(iv) I certify that the following amount is the amount of principal, interest and redemption premium required to be deposited with the Prior Bonds Fiscal Agent pursuant to Section 9.03 of the Prior Bonds Fiscal Agent Agreement to discharge the entire indebtedness of the outstanding Prior Bonds on September 1, 2015, with the effect set forth more particular in Section 9.03 of the Prior Bonds Fiscal Agent Agreement:

2005 Bonds

<u>Series</u>	<u>Interest</u>	<u>Redeemed Principal</u>	<u>Total</u>
Term Bond of 2016 (5.00% interest rate)	\$ 11,750.00	\$ 470,000.00	\$ 481,750.00
Term Bond of 2016 (4.625% interest rate)	\$ 7,053.13	305,000.00	\$ 312,053.13
All Other 2005 Bonds Outstanding	\$1,396,573.75	53,840,000.00	<u>\$55,236,573.75</u>
		Total:	<u>\$56,030,376.88</u>

2006 Bonds

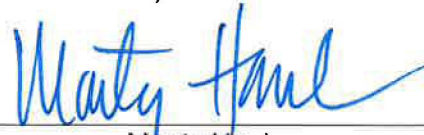
<u>Series</u>	<u>Interest</u>	<u>Redeemed Principal</u>	<u>Redemption Premium</u>	<u>Total</u>
Term Bond of 2016	\$ 21,125.00	\$ 845,000.00	--	\$866,125.00
All Other 2006 Bonds Outstanding	\$443,228.75	17,105,000.00	\$171,050.00	<u>\$17,719,278.75</u>
			Total:	<u>\$18,585,403.75</u>

(v) I further certify that the City has delivered irrevocable refunding instructions to the Fiscal Agent, as Prior Bonds Fiscal Agent, and has caused to be deposited with the Prior Bonds Fiscal Agent the amount set forth above and instructed the Prior Bonds Fiscal Agent to use the moneys deposited to redeem all of the outstanding Prior Bonds on September 1, 2015.

Dated: August 12, 2015

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: _____



Monty Hanks
Finance Director

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name City of Roseville		2 Issuer's employer identification number (EIN) 94 6000409
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 311 Vernon Street	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Roseville, CA 95678		7 Date of issue 08/11/2015
8 Name of issue Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015		9 CUSIP number 777870 WB8
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Monty Hanks, Finance Director		10b Telephone number of officer or other employee shown on 10a (916) 774-5313

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ► Various public improvements	18	72,091,594 75
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	09/01/2037	\$ 72,091,594.75	\$ 67,860,000.00	14.2108 years	4.0572 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22	Proceeds used for accrued interest	22	0	00
23	Issue price of entire issue (enter amount from line 21, column (b))	23	72,091,594	75
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	950,287	00
25	Proceeds used for credit enhancement	25	0	00
26	Proceeds allocated to reasonably required reserve or replacement fund	26	5,526,050	00
27	Proceeds used to currently refund prior issues	27	65,615,257	75
28	Proceeds used to advance refund prior issues	28	0	00
29	Total (add lines 24 through 28)	29	72,091,594	75
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	0	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	13.2501 years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	09/01/2015
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	08/24/2005 08/03/2006

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b Enter the final maturity date of the GIC ▶ _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____			
c Enter the EIN of the issuer of the master pool obligation ▶ _____			
d Enter the name of the issuer of the master pool obligation ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/>			
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>			
41a If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>			
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input checked="" type="checkbox"/>			
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input checked="" type="checkbox"/>			
45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	8/11/15 Date	Monty Hanks, Finance Director Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name David T. Fama, Esq.	Preparer's signature 	Date 8/11/15	Check <input type="checkbox"/> if self-employed PTIN P01083298
	Firm's name ▶ Jones Hall, A Professional Law Corporation			Firm's EIN ▶ 94-2698987
	Firm's address ▶ 475 Sansome Street, Suite 1700, San Francisco, CA 94111			Phone no. 415 391-5780

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE OF MAILING FORM 8038-G

I, Mary Tong, Project Coordinator, of Jones Hall, A Professional Law Corporation, hereby state and certify that on the date hereof, for and on behalf of the City of Roseville, I caused to be mailed by UPS 2nd Day Air, an Information Return For Tax-Exempt Governmental Obligations Form 8038-G relating to the captioned bonds to the Department of the Treasury, Internal Revenue Service Center, Ogden, Utah 84201, a true copy of which Form 8038-G is hereto attached.

Dated: August 12, 2015



Mary Tong,
Project Coordinator
Jones Hall, A Professional Law Corporation

August 12, 2015

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

Stifel, Nicolaus & Company, Incorporated
as representative of itself and of
Piper Jaffray & Co.
One Montgomery Street, Suite 3700
San Francisco, California 94104

OPINION: \$67,860,000 City of Roseville Westpark Community Facilities District No. 1
(Public Facilities) Special Tax Refunding Bonds, Series 2015

Ladies and Gentlemen:

I am the City Attorney for the City of Roseville (the "City") and have acted as such in connection with the issuance by the City for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District") of its Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015," in the aggregate principal amount of \$67,860,000 and dated August 12, 2015 (the "Bonds"). The Bonds are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the California Government Code (the "Act"), Resolution No. 15-323 adopted by the City Council of the City on July 15, 2015 (the "Resolution"), and a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement, dated July 30, 2015 (the "Purchase Agreement"), by and between the City and Stifel, Nicolaus & Company, Incorporated (the "Representative"), as representative of itself and of Piper Jaffray & Co. (together with the Representative, the "Underwriter").

In this connection, I have reviewed and examined the Fiscal Agent Agreement; the Purchase Agreement; the Irrevocable Refunding Instructions, dated as of August 1, 2015, given by the City to The Bank of New York Mellon Trust Company, N.A., as prior bonds fiscal agent; the Continuing Disclosure Agreement, dated as of August 1, 2015, by and between the City and Willdan Financial Services, as dissemination agent (the foregoing agreements are collectively referred to herein as the "Agreements"); the Preliminary Official Statement, dated July 17, 2015 relating to the Bonds (the "Preliminary Official Statement"); the Official Statement, dated July 30, 2015 (the "Official Statement"), relating to the Bonds; and certain proceedings and documents with respect to the Bonds, the Resolution, and such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion.

Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. To its current actual knowledge and except as disclosed in the Preliminary Official Statement and Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the City has been served with process or is known to us to be threatened, as to which the City is or would be a party, which would materially adversely affect the ability of the City or the District to perform their obligations under the Bonds, the Formation Documents or the Agreements, or which seeks to restrain or enjoin the issuance, sale and delivery of the Bonds or exclusion from gross income for federal income tax purposes or State of California personal income taxes of interest on the Bonds, or the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the Bonds, or which in any way contests or affects the validity or enforceability of the Bonds, the Formation Documents or the Agreements or the accuracy of the Official Statement, or any action of the City contemplated by any of said documents or the development of property within the District.

2. The City is duly organized and validly existing as a municipal corporation and charter city under the laws of the State of California and the District is duly organized and validly existing as a community facilities district under the laws of the State of California, and the City has full legal right, power and authority to issue the Bonds and to perform all of its obligations under the Formation Documents and the Agreements.

2. The Resolution approving and authorizing the execution and delivery of the Agreements and approving the Preliminary Official Statement and Official Statement was duly adopted at a meeting of the governing body of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

3. The City has obtained all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which constitute a condition precedent to the levy of the Special Tax, the issuance of the Bonds or the performance by the City of its obligations thereunder or under the Fiscal Agent Agreement, except that no opinion is expressed regarding compliance with blue sky or other securities laws or regulations, whatsoever.

4. The City Council has duly and validly adopted the Formation Documents at meetings of the City Council which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Formation Documents are now in full force and effect and have not been amended.

5. The City has duly authorized, executed and delivered the Agreements and the Bonds and has duly authorized the preparation and delivery of the Preliminary Official Statement and Official Statement.

Respectfully submitted,



ROBERT R. SCHMITT
City Attorney

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

OFFICER'S CERTIFICATE

I do hereby certify that:

(i) I am the duly elected Officer of The Bank of New York Mellon Trust Company, N.A.; (the "Company");

(ii) attached hereto is a true, correct copy of Signing Authorities extracts from by-laws of the Company adopted by action of the Board of Directors of the Company and presently in effect;

(iii) attached hereto is a list of the persons who, as of the date hereof, are certain duly elected officers of the Company, which lists sets forth the title of each such officer next to his or her typed name, with which officers I am personally familiar; and

IN WITNESS WHEREOF, I have hereunto executed this Certificate as Vice President of the Company this 12th day of August, 2015.



Officer's Name: Lisa Infusino
Title: Vice President

I hereby certify that as of the date hereof that Lisa Infusino is the duly elected Officer of The Bank of New York Mellon Trust Company, N.A. and that the signature which appears on the foregoing pages is the signature of Lisa Infusino and that it is a signature with which I am personally familiar and do certify as to its authenticity:


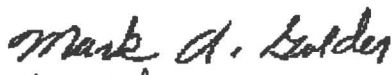
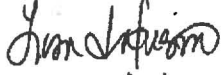
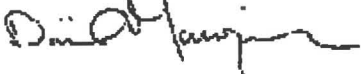
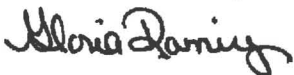
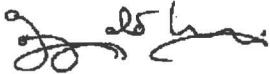


Dated: August 12, 2015



By: Fanny Chen
Title: Vice President

**THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION**

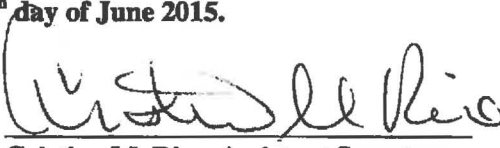
I, the undersigned, Cristina M. Rice, Assistant Secretary of The Bank of New York Mellon Trust Company, National Association, a national banking association organized under the laws of the United States (the "Association") and located in the State of California, DO HEREBY CERTIFY that the following individuals are duly appointed and qualified Officers of the Association and that the signature appearing next to each officer listed is a true copy of the signature of such officer:

<u>Officer Name and Title</u>	<u>Signing Authority</u>	<u>Signature</u>
<u>Los Angeles, California (400 South Hope Street)</u>		
Fanny Chen Vice President	A, J, N	
Mark A. Golder Vice President	A, J, N	
Lisa Infusino Vice President	A, J, N	
Daniel Marroquin Vice President	A, J, N	
Gloria Ramirez Vice President	A, J, N	
Gonzalo Urey Vice President	A, J, N	
Deborah D. Young Vice President	A, J, N	
<u>Seattle, Washington (601 Union Street)</u>		
Carol Nelson Vice President	A, J, N	

I further certify that as of this date they have been authorized to sign on behalf of the Association in discharging or performing their duties in accordance with the senior and limited signing powers provided under Article V, Sections 5.2 and 5.3 of the By-laws of the Association and the paragraphs indicated above of the signing authority resolution of the Board of Directors of the Association.

Attached hereto are true and correct copies of excerpts of the By-laws of the Association and the signing authority resolution, which have not been amended or revised since October 15, 2009 and are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Bank of New York Mellon Trust Company, National Association this 15th day of June 2015.


Cristina M. Rice, Assistant Secretary

Extracts from By-Laws
of
The Bank of New York Mellon Trust Company, N.A.
As Amended through October 15, 2009

ARTICLE V
SIGNING AUTHORITIES

Section 5.1 Real Property. Real property owned by the Association in its own right shall not be deeded, conveyed, mortgaged, assigned or transferred except when duly authorized by a resolution of the Board. The Board may from time-to-time authorize officers to deed, convey, mortgage, assign or transfer real property owned by the Association in its own right with such maximum values as the Board may fix in its authorizing resolution.

Section 5.2. Senior Signing Powers. Subject to the exception provided in Section 5.1, the President and any Executive Vice President is authorized to accept, endorse, execute or sign any document, instrument or paper in the name of, or on behalf of, the Association in all transactions arising out of, or in connection with, the normal course of the Association's business or in any fiduciary, representative or agency capacity and, when required, to affix the seal of the Association thereto. In such instances as in the judgment of the President, or any Executive Vice President may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer to have the powers set forth in this section applicable only to the performance or discharge of the duties of such officer within his or her particular division or function. Any officer of the Association authorized in or pursuant to Section 5.3 to have any of the powers set forth therein, other than the officer signing pursuant to this Section 5.2, is authorized to attest to the seal of the Association on any documents requiring such seal.

Section 5.3. Limited Signing Powers. Subject to the exception provided in Section 5.1, in such instances as in the judgment of the President or any Executive Vice President, may be proper and desirable, any one of said officers may authorize in writing from time-to-time any other officer, employee or individual to have the limited signing powers or limited power to affix the seal of the Association to specified classes of documents set forth in a resolution of the Board applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function.

Section 5.4. Powers of Attorney. All powers of attorney on behalf of the Association shall be executed by any officer of the Association jointly with the President, any Executive Vice President, or any Managing Director, provided that the execution by such Managing Director of said Power of Attorney shall be applicable only to the performance or discharge of the duties of said officer within his or her particular division or function. Any such power of attorney may, however, be executed by any officer or officers or person or persons who may be specifically authorized to execute the same by the Board of Directors.

Section 5.5. Auditor. The Auditor or any officer designated by the Auditor is authorized to certify in the name of, or on behalf of the Association, in its own right or in a fiduciary or representative capacity, as to the accuracy and completeness of any account, schedule of assets, or other document, instrument or paper requiring such certification.

SIGNING AUTHORITY RESOLUTION

**Pursuant to Article V, Section 5.3 of the By-Laws
Adopted October 15, 2009**

RESOLVED that, pursuant to Section 5.3 of the By-Laws of the Association, authority be, and hereby is, granted to the President or any Executive Vice President, in such instances as in the judgment of any one of said officers may be proper and desirable, to authorize in writing from time-to-time any other officer, employee or individual to have the limited signing authority set forth in any one or more of the following paragraphs applicable only to the performance or discharge of the duties of such officer, employee or individual within his or her division or function:

(A) All signing authority set forth in paragraphs (B) through (I) below except Level C which must be specifically designated.

(B1) Individuals authorized to accept, endorse, execute or sign any bill receivable; certification; contract, document or other instrument evidencing, embodying a commitment with respect to, or reflecting the terms or conditions of, a loan or an extension of credit by the Association; note; and document, instrument or paper of any type, including stock and bond powers, required for purchasing, selling, transferring, exchanging or otherwise disposing of or dealing in foreign currency, derivatives or any form of securities, including options and futures thereon; in each case in transactions arising out of, or in connection with, the normal course of the Association's business.

(B2) Individuals authorized to endorse, execute or sign any certification; disclosure notice required by law; document, instrument or paper of any type required for judicial, regulatory or administrative proceedings or filings; and legal opinions.

(C1) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000 with single authorization for all transactions.

(C2) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in excess of \$500,000,000*.

(C3) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$500,000,000.

(C4) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount in excess of \$100,000,000 but not to exceed \$500,000,000*.

(C5) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt;

certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$100,000,000.

(C6) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$10,000,000.

(C7) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000,000.

(C8) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$1,000,000.

(C9) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$250,000.

(C10) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$50,000.

(C11) Authority to accept, endorse, execute or sign or effect the issuance of any cashiers, certified or other official check; draft; order for payment of money; check certification; receipt; certificate of deposit; money transfer wire; and internal transfers resulting in a change of beneficial ownership; in each case, in an amount up to \$5,000.

*Dual authorization is required by any combination of senior officer and/or Sector Head approved designee for non-exempt transactions. Single authorization required for exempt transactions.

(D1) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$1,000,000.

(D2) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$250,000.

(D3) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$50,000.

(D4) Authority to accept, endorse, execute or sign any contract obligating the Association for the payment of money or the provision of services in an amount up to \$5,000.

(E) Authority to accept, endorse, execute or sign any guarantee of signature to assignments of stocks, bonds or other instruments; certification required for transfers and deliveries of stocks, bonds or other instruments; and document, instrument or paper of any type required in connection with any Individual Retirement Account or Keogh Plan or similar plan.

(F) Authority to accept, endorse, execute or sign any certificate of authentication as bond, unit investment trust or debenture trustee and on behalf of the Association as registrar and transfer agent.

(G) Authority to accept, endorse, execute or sign any bankers acceptance; letter of credit; and bill of lading.

(H) Authority to accept, endorse, execute or sign any document, instrument or paper of any type required in connection with the ownership, management or transfer of real or personal property held by the Association in trust or in connection with any transaction with respect to which the Association is acting in any fiduciary, representative or agency capacity, including the acceptance of such fiduciary, representative or agency account.

(I1) Authority to effect the external movement of free delivery of securities and internal transfers resulting in changes of beneficial ownership.

(I2) Authority to effect the movement of securities versus payment at market or contract value.

(J) Authority to either sign on behalf of the Association or to affix the seal of the Association to any of the following classes of documents: Trust Indentures, Escrow Agreements, Pooling and Servicing Agreements, Collateral Agency Agreements, Custody Agreements, Trustee's Deeds, Executor's Deeds, Personal Representative's Deeds, Other Real Estate Deeds for property not owned by the Association in its own right, Corporate Resolutions, Mortgage Satisfactions, Mortgage Assignments, Trust Agreements, Loan Agreements, Trust and Estate Accountings, Probate Petitions, responsive pleadings in litigated matters and Petitions in Probate Court with respect to Accountings, Contracts for providing customers with Association products or services.

(N) Individuals authorized to accept, endorse, execute or sign internal transactions only, (i.e., general ledger tickets); does not include the authority to authorize external money movements, internal money movements or internal free deliveries that result in changes of beneficial ownership.

(P1) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in excess of \$10,000,000.

(P2) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000,000.

(P3) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000,000.

(P4) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$1,000,000.

(P5) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$250,000.

(P6) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$100,000.

(P7) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$50,000.

(P8) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$25,000.

(P9) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$10,000.

(P10) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$5,000.

(P11) Authority to approve the payment of valid expenses as incurred to meet the obligations of the Association, excluding salary and other employee directed benefit payments; in each case, in an amount up to \$3,000.

RESOLVED, that any signing authority granted pursuant to this resolution may be rescinded by the President or any Executive Vice President and such signing authority shall terminate without the necessity of any further action when the person having such authority leaves the employ of the Association.

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE OF FISCAL AGENT

The undersigned hereby states and certifies that:

(i) I am an authorized officer of The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing and in good standing under the laws of the United States of America, acting as fiscal agent (the "Fiscal Agent") under that certain Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City of Roseville (the "City") and the Fiscal Agent, and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) the Fiscal Agent is authorized to carry out corporate trust powers and has the full power and authority to enter into and perform its duties under the Fiscal Agent Agreement;

(iii) the Fiscal Agent is duly authorized to execute and deliver the Fiscal Agent Agreement, to accept the obligations created by the Fiscal Agent Agreement, and to authenticate the Bonds pursuant to the terms of the Fiscal Agent Agreement;

(iv) to the best knowledge of the Fiscal Agent, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Fiscal Agent that has not been obtained is or will be required for the authentication and delivery of the Bonds, or the consummation by the Fiscal Agent of the other transactions contemplated to be performed by the Fiscal Agent in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Fiscal Agent Agreement;

(v) to the best knowledge of the Fiscal Agent, the execution and delivery by the Fiscal Agent of the Fiscal Agent Agreement and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Fiscal Agent is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Fiscal Agent or any of its activities or properties (except that no representation, warranty or agreement is made by the Fiscal Agent with respect to any Federal or state securities or blue sky laws or regulations) which conflict, breach or default would materially impair the ability of the Fiscal Agent to perform its obligations under the Fiscal Agent Agreement, or (except with respect to the lien of the Fiscal Agent Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Fiscal Agent; and

(vi) to the best knowledge of the Fiscal Agent, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or threatened against or affecting the existence of the Fiscal Agent, or in any way contesting or affecting the validity or enforceability of the Fiscal Agent Agreement or contesting the powers of the Fiscal Agent or its authority to enter into and perform its obligation thereunder, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Fiscal Agent Agreement, or which, in any way, would adversely affect the validity of the Fiscal Agent Agreement, or any agreement or instrument to which the Fiscal Agent is a party and which is used or contemplated for use in the consummation of the transactions contemplated thereunder.

Dated: August 12, 2015

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Fiscal Agent

By: 

Lisa Infusino
Vice President

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

FISCAL AGENT'S RECEIPT OF PROCEEDS
AND ACKNOWLEDGMENT OF TRANSFER OF FUNDS

The undersigned hereby states and certifies that:

(i) I am an authorized officer of The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing and in good standing under the laws of the United States of America, acting as fiscal agent (the "Fiscal Agent") under that certain Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City of Roseville (the "City") and the Fiscal Agent, and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) on the date hereof, the Fiscal Agent received from Stifel, Nicolaus & Company, Incorporated (the "Representative"), as representative of itself and of Piper Jaffray & Co. (together with the Representative, the "Underwriter") of the captioned Bonds, dated August 12, 2015 (the "Bonds"), the amount of \$71,446,924.75, representing the net purchase price for the Bonds, and has deposited or transferred such amounts pursuant to the Fiscal Agent Agreement as follows:

\$ 5,526,050.00	Deposited into the Reserve Fund
305,617.00	Deposited into the Costs of Issuance Fund
<u>65,615,257.75</u>	Transferred to The Bank of New York Mellon Trust Company, N.A., as fiscal agent to the Prior Bonds (the "Prior Bonds Fiscal Agent")
<u>\$ 71,446,924.75</u>	TOTAL AMOUNT DEPOSITED OR TRANSFERRED THIS DATE

(iii) the purchase price has been calculated by the Underwriter and represented to the Fiscal Agent to be as follows:

\$ 67,860,000.00	Principal Amount of Bonds
4,231,594.75	Plus Original Issue Premium
<u>(644,670.00)</u>	Less Underwriter's Discount
<u>\$ 71,446,924.75</u>	NET PURCHASE PRICE OF THE BONDS

(iv) on the date hereof, the Fiscal Agent received from the Prior Bonds Fiscal Agent the amount of \$32,926.42 from the Improvement Fund for the 2005 Bonds established pursuant to the Prior Bonds Fiscal Agent Agreement and deposited said amount to the 2005 Improvement Fund established pursuant to Section 3.05 of the Fiscal Agent Agreement.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement.

Dated: August 12, 2015

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Fiscal Agent**

By: 

Lisa Infusino
Vice President

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

PRIOR BONDS FISCAL AGENT'S RECEIPT OF FUNDS

The undersigned hereby states and certifies that:

(i) I am an authorized officer of The Bank of New York Mellon Trust Company, N.A., acting as prior bonds fiscal agent (the "Prior Bonds Fiscal Agent"), under that Irrevocable Refunding Instructions, dated as of August 1, 2015 (the "Refunding Instructions"), given by the City of Roseville (the "City") to the Prior Bonds Fiscal Agent, and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same on behalf of the Prior Bonds Fiscal Agent;

(ii) the City previously issued its (a) City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2005 in the original principal amount of \$57,905,000 (the "2005 Bonds") and (b) City of Roseville Westpark Community Facilities District No.1 (Public Facilities) Special Tax Bonds Series 2006 in the original principal amount of \$22,095,000 (the "2006 Bonds" and together with the 2005 Bonds, the "Prior Bonds") under a Fiscal Agent Agreement, dated as of August 1, 2005 and amended by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2006 (as so amended, the "Prior Bonds Fiscal Agent Agreement"), by and between the Prior Bonds Fiscal Agent and the City;

(iii) under Prior Bonds Fiscal Agent Agreement, the Prior Bonds Fiscal Agent had established the Bond Fund for the Prior Bonds (the "Bond Fund");

(iv) under Section 1 of the Refunding Instructions, the Prior Bonds Fiscal Agent has this date received and deposited into the Bond Fund the sum of \$74,615,780.63 in immediately available funds, which have been derived from the following:

- \$65,615,257.75 from proceeds of the above-captioned bonds (the "Bonds"),
- \$2,190,376.88 from the Special Tax Fund for the 2005 Bonds,
- \$5,085,220.46 from the Reserve Fund for the 2005 Bonds,
- \$1,309,353.75 from the Special Tax Fund for the 2006 Bonds, and
- \$415,571.79 from the Reserve Fund for the 2006 Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given them in the Refunding Instructions.

Dated: August 12, 2015

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Prior Bonds Fiscal Agent

By: 

Lisa Infusino
Vice President

LAW OFFICES OF
SAMUEL D. WALDMAN

64 OAK KNOLL DR.
SAN ANSELMO, CALIFORNIA 94960
TELEPHONE: (415) 459-4535
FACSIMILE: (415) 459-4747

August 12, 2015

City Council
City of Roseville
Roseville, California

Stifel, Nicolaus & Company, Incorporated
as representative of itself and of
Piper Jaffray & Co.
San Francisco, California

Re: \$67,860,000 City of Roseville Westpark Community Facilities District No. 1
(Public Facilities) Special Tax Refunding Bonds, Series 2015

Ladies and Gentlemen:

I have acted as special counsel to The Bank of New York Mellon Trust Company, N.A. ("BNY") in connection with its serving as (i) as fiscal agent under the Fiscal Agent Agreement dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City of Roseville (the "City") and BNY, and (ii) the prior bonds fiscal agent under the Irrevocable Refunding Instructions, dated as of August 1, 2015 (the "Refunding Instructions"), given by the City to BNY, relative to the issuance and delivery of the above captioned bonds (the "Bonds"). All defined terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned to them in the Fiscal Agent Agreement and in the Bond Purchase Agreement, dated July 30, 2015 (the "Purchase Agreement"), by and between the City and Stifel, Nicolaus & Company, Incorporated (the "Representative), as representative of itself and of Piper Jaffray & Co.

In that connection I have examined original documents or copies identified to my satisfaction of: (i) the Fiscal Agent Agreement, (ii) the Refunding Instructions and (iii) such other records, certificates and documents as I have considered necessary or appropriate for the purpose of the opinion hereinafter rendered. The Fiscal Agent Agreement and the Refunding Instructions are collectively referred to as the "Fiscal Agent Documents."

In rendering this opinion, I have relied upon the facts and information obtained from the records of BNY, officers of BNY, and other sources believed by me to be reliable, and have not undertaken to independently verify the accuracy of the factual matters represented, warranted, or certified in such

City Council
City of Roseville
Stifel, Nicolaus & Company, Incorporated
as representative of itself and of
Piper Jaffray & Co.
August 12, 2015
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documents. I have assumed the genuineness of all signatures (other than those of the BNY), the authenticity of documents, certificates and records submitted to me as originals, the conformity to the originals of all documents, certificates and records submitted to me as copies, the legal capacity of all natural persons executing documents, certificates and records, and the completeness and accuracy as of the date of this opinion letter of the information contained in such documents, certificates and records, which assumptions I have not independently verified. The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions.

Based upon and subject to the foregoing and subject to the qualifications set forth below, I am of the opinion that:

(A) BNY has been duly organized and is validly existing in good standing as a national banking association duly organized and existing under and by virtue of the laws of the United States of America with the full corporate power to undertake the trust and other duties and obligations of the Fiscal Agent Documents;

(B) BNY has duly authorized, executed and delivered the Fiscal Agent Documents, and by all proper corporate action has authorized the acceptance of the trusts and other duties and obligations of the Fiscal Agent Documents;

(C) assuming the due authorization, execution and delivery by the City, the Fiscal Agent Documents constitute the valid and binding agreements of BNY, enforceable against BNY in accordance with their terms, except as such enforcement thereof may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance, and other similar laws affecting the rights and remedies of creditors generally, and by the effect of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, whether considered in a proceeding at law or in equity; and

(D) no authorization, approval, consent or order of any governmental entity or, to the best of my knowledge, of any other person, association or corporation is required for the valid authorization, execution and delivery of the Fiscal Agent Documents by BNY or the authentication and delivery of the Bonds.

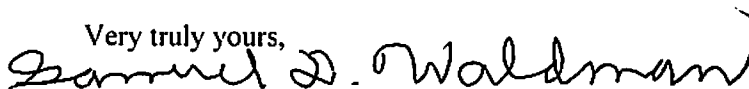
I express no opinion as to any matter other than as expressly set forth above, and, in conjunction therewith, I specifically express no opinion as to the status of the Bonds or the interest thereon under any federal securities laws, including but not limited to the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, or any state securities or "Blue Sky" law, or any federal, state or local tax law.

City Council
City of Roseville
Stifel, Nicolaus & Company, Incorporated
as representative of itself and of
Piper Jaffray & Co.
August 12, 2015
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This opinion is as of the date hereof, and I have undertaken no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein even though the changes may affect a legal analysis, conclusion or an information confirmation in this opinion letter. Further, this opinion neither implies, nor should it be viewed to imply, an approval or recommendation of any investment in any Bond.

I express no opinion as to the effect of any law other than the law of the State of California and the federal laws of the United States of America on the matters referred to herein, in each case as they exist on the date hereof. I express no opinion with respect to the laws, regulations, or ordinances of any county, municipal or other local governmental agency.

This opinion is furnished by me solely for your benefit. This opinion letter may be relied upon by you, and your successors and assigns, only in connection with the transaction described in the initial paragraph of this opinion letter and may not be used or relied upon by you for any other purpose or by any other person for any purpose whatsoever without, in each instance, my prior written consent.

Very truly yours,

Samuel D. Waldman

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT No. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE OF FINANCIAL ADVISOR

The undersigned hereby states and certifies that:

(i) I am an authorized representative of First Southwest Company LLC (the "Financial Advisor"), and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) the Financial Advisor has acted as such to the City of Roseville (the "City") in connection with the delivery by the City of the above-captioned bonds (the "Bonds"); and

(iii) while the Financial Advisor has not independently verified or undertaken an independent investigation of the information in the Preliminary Official Statement dated July 17, 2015 (the "Preliminary Official Statement") and the final Official Statement dated July 30, 2015 (the "Official Statement") relating to the Bonds, no information has come to the attention of the Financial Advisor which would lead the Financial Advisor to believe that the information contained in the Preliminary Official Statement and the Official Statement is as of their respective dates or as of the date of delivery of the Bonds, not true or correct in all material respects, or that the Preliminary Official Statement and the Official Statement contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Dated: August 12, 2015

FIRST SOUTHWEST COMPANY LLC,
as Financial Advisor

By: _____


Authorized Representative

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE OF UNDERWRITER

This Certificate is furnished by Stifel, Nicolaus & Company, Incorporated (the "Representative"), as representative of itself and of Piper Jaffray & Co. (together with the Representative, the "Underwriter") of the above-captioned bonds (the "Bonds") issued by the City of Roseville (the "Issuer") for and on behalf of Westpark Community Facilities District No. 1 (Public Facilities). The Underwriter hereby certifies and represents the following, based upon the information available to it:

1. Issue Price.

1.1 As of the date the purchase agreement was signed with respect to the Bonds (the "Sale Date"), we reasonably expected that the first prices at which the Bonds would be sold to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriter or wholesalers) in a bona fide public offering would be the prices listed on Schedule A.

1.2 In our opinion, and based upon our estimate as of the Sale Date, the initial offering prices of the Bonds set forth in Schedule A are within a reasonable range of, and should reflect, the fair market prices for such Bonds.

1.3 As of the Sale Date, all of the Bonds have actually been offered to the general public at the prices listed in Schedule A.

1.4 As of the Sale Date at least 10% of each maturity of the Bonds were first sold to the general public at the prices referred to in Schedule A.

2. Reserve Fund.

2.1 The funding of the Reserve Fund as provided in the Fiscal Agent Agreement related to the Bonds is reasonably required, was a vital factor in marketing the Bonds, facilitated the marketing of the Bonds at an interest rate comparable to that of bonds and other obligations of a similar type and is not in excess of the amount necessary for such purpose.

3. Arbitrage Yield

3.1 We have calculated the arbitrage yield with respect to the Bonds to be 4.057192% with respect to the Bonds in accordance with the following instructions provided by Bond Counsel. Bond Counsel has advised that yield on the Bonds is the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable

payments of principal and interest on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of bonds of the issue as of the issue date; provided that, the Issuer is assumed to exercise or not exercise an option or combination of options (including an optional redemption provision) in a manner that minimizes yield on the debt instrument and a holder is assumed to exercise or not exercise an option or combination of options in a manner that maximizes yield on a debt instrument. Bond Counsel has advised that the issue price is determined based on the prices of each maturity of the Bonds listed in Exhibit A as described in paragraph 1.1 above. To the extent that we provided the Issuer and Bond Counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Bonds, as shown in Schedule B, these computations are based on our understanding of directions that we have received from Bond Counsel regarding interpretation of the applicable law.


We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

Dated: August 12, 2015

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**, as representative of itself
and of **PIPER JAFFRAY & CO.**,
as Underwriter

By: _____


Managing Director

By: _____

Managing Director

payments of principal and interest on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of bonds of the issue as of the issue date; provided that, the Issuer is assumed to exercise or not exercise an option or combination of options (including an optional redemption provision) in a manner that minimizes yield on the debt instrument and a holder is assumed to exercise or not exercise an option or combination of options in a manner that maximizes yield on a debt instrument. Bond Counsel has advised that the issue price is determined based on the prices of each maturity of the Bonds listed in Exhibit A as described in paragraph 1.1 above. To the extent that we provided the Issuer and Bond Counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Bonds, as shown in Schedule B, these computations are based on our understanding of directions that we have received from Bond Counsel regarding interpretation of the applicable law.

We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

Dated: August 12, 2015

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as representative of itself
and of **PIPER JAFFRAY & CO.**,
as *Underwriter*

By: _____
Managing Director

By:  _____
Managing Director

SCHEDULE A
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

MATURITY SCHEDULE

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price
2018	\$ 965,000	3.00%	2.16%	102.467%
2019	2,230,000	4.00	2.45	105.944
2020	2,320,000	5.00	2.79	110.346
2021	2,435,000	5.00	3.05	110.701
2022	555,000	3.00	3.37	97.693
2022	2,000,000	5.00	3.37	110.154
2023	2,675,000	5.00	3.53	110.223
2024	2,805,000	5.00	3.66	110.244
2025	945,000	3.50	3.78	97.674
2025	2,000,000	5.00	3.78	110.122
2026	3,080,000	5.00	3.88	109.247 ^C
2027	3,230,000	5.00	3.96	108.553 ^C
2028	3,395,000	5.00	4.04	107.864 ^C
2029	3,565,000	5.00	4.11	107.266 ^C
2030	740,000	4.00	4.18	98.002
2030	3,000,000	5.00	4.18	106.672 ^C
2031	3,925,000	5.00	4.24	106.165 ^C
2032	4,120,000	5.00	4.28	105.829 ^C
2033	4,325,000	5.00	4.31	105.578 ^C
2037	15,000,000	5.00	4.39	104.912 ^C
2037	4,550,000	4.25	4.39	98.032

^C Priced to the optional call date of September 1, 2025 at par.

SCHEDULE B
SOURCES AND USES OF FUNDS

City of Roseville
Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
Fully-Funded Cash DSRF

FINAL NUMBERS

Dated Date	08/12/2015
Delivery Date	08/12/2015

Sources:

Bond Proceeds:

Par Amount	67,860,000.00
Net Premium	4,231,594.75
	72,091,594.75

Other Sources of Funds:

2005 Prior Reserve	5,085,220.46
2006 Prior Reserve	415,571.79
Prior 9/1/2015 Debt Service	3,499,730.63
	9,000,522.88

81,092,117.63

Uses:

Refunding Escrow Deposits:

Cash Deposit	74,615,780.63
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Other Fund Deposits:

Reserve	5,526,050.00
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Delivery Date Expenses:

Cost of Issuance	302,225.00
Underwriter's Discount	644,670.00
	946,895.00

Other Uses of Funds:

Contingency	3,392.00
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81,092,117.63

SUMMARY OF REFUNDING RESULTS

City of Roseville
Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
Fully-Funded Cash DSRF

FINAL NUMBERS

Dated Date	08/12/2015
Delivery Date	08/12/2015
Arbitrage yield	4.057192%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	67,860,000.00
True Interest Cost	4.357812%
Net Interest Cost	4.509036%
Average Coupon	4.878436%
Average Life	14.309
Par amount of refunded bonds	72,565,000.00
Average coupon of refunded bonds	5.199490%
Average life of refunded bonds	13.250
PV of prior debt to 08/12/2015 @ 4.057192%	82,251,650.95
Net PV Savings	5,135,038.37
Percentage savings of refunded bonds	7.076467%

SAVINGS

City of Roseville
Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
Fully-Funded Cash DSRF

FINAL NUMBERS

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/12/2015 @ 4.0571923%
09/01/2015	3,499,730.63	3,499,730.63				
09/01/2016	5,484,605.00		5,484,605.00	3,457,953.89	2,026,651.11	1,943,208.88
09/01/2017	5,485,667.50		5,485,667.50	3,284,600.00	2,201,067.50	2,029,724.89
09/01/2018	5,488,455.00		5,488,455.00	4,249,600.00	1,238,855.00	1,097,767.49
09/01/2019	5,485,942.50		5,485,942.50	5,485,650.00	292.50	1,414.68
09/01/2020	5,487,252.50		5,487,252.50	5,486,450.00	802.50	1,613.93
09/01/2021	5,486,162.50		5,486,162.50	5,485,450.00	712.50	1,518.87
09/01/2022	5,485,032.50		5,485,032.50	5,483,700.00	1,332.50	1,930.86
09/01/2023	5,487,585.00		5,487,585.00	5,487,050.00	535.00	1,198.48
09/01/2024	5,488,297.50		5,488,297.50	5,483,300.00	4,997.50	4,249.66
09/01/2025	5,486,905.00		5,486,905.00	5,483,050.00	3,855.00	3,311.66
09/01/2026	5,488,142.50		5,488,142.50	5,484,975.00	3,167.50	2,638.17
09/01/2027	5,483,840.00		5,483,840.00	5,480,975.00	2,865.00	2,346.00
09/01/2028	5,486,545.00		5,486,545.00	5,484,475.00	2,070.00	1,778.24
09/01/2029	5,485,797.50		5,485,797.50	5,484,725.00	1,072.50	1,135.22
09/01/2030	5,486,355.00		5,486,355.00	5,481,475.00	4,880.00	3,163.91
09/01/2031	5,487,697.50		5,487,697.50	5,486,875.00	822.50	861.84
09/01/2032	5,487,577.50		5,487,577.50	5,485,625.00	1,952.50	1,377.78
09/01/2033	5,487,090.00		5,487,090.00	5,484,625.00	2,465.00	1,549.68
09/01/2034	5,485,720.00		5,485,720.00	5,483,375.00	2,345.00	1,408.69
09/01/2035	5,482,950.00		5,482,950.00	5,477,925.00	5,025.00	2,472.39
09/01/2036	5,528,265.00		5,528,265.00	5,526,050.00	2,215.00	1,112.94
09/01/2037	5,483,525.00		5,483,525.00	5,482,275.00	1,250.00	604.38
	124,239,140.63	3,499,730.63	120,739,410.00	115,230,178.89	5,509,231.11	5,106,388.62

Savings Summary

PV of savings from cash flow	5,106,388.62
Less: Prior funds on hand	-5,500,792.25
Plus: Refunding funds on hand	5,529,442.00
Net PV Savings	5,135,038.37

BOND DEBT SERVICE

City of Roseville
 Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
 Fully-Funded Cash DSRF
 FINAL NUMBERS

Dated Date 08/12/2015
 Delivery Date 08/12/2015

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2016			3,457,953.89	3,457,953.89
09/01/2017			3,284,600.00	3,284,600.00
09/01/2018	965,000	3.000%	3,284,600.00	4,249,600.00
09/01/2019	2,230,000	4.000%	3,255,650.00	5,485,650.00
09/01/2020	2,320,000	5.000%	3,166,450.00	5,486,450.00
09/01/2021	2,435,000	5.000%	3,050,450.00	5,485,450.00
09/01/2022	2,555,000	** %	2,928,700.00	5,483,700.00
09/01/2023	2,675,000	5.000%	2,812,050.00	5,487,050.00
09/01/2024	2,805,000	5.000%	2,678,300.00	5,483,300.00
09/01/2025	2,945,000	** %	2,538,050.00	5,483,050.00
09/01/2026	3,080,000	5.000%	2,404,975.00	5,484,975.00
09/01/2027	3,230,000	5.000%	2,250,975.00	5,480,975.00
09/01/2028	3,395,000	5.000%	2,089,475.00	5,484,475.00
09/01/2029	3,565,000	5.000%	1,919,725.00	5,484,725.00
09/01/2030	3,740,000	** %	1,741,475.00	5,481,475.00
09/01/2031	3,925,000	5.000%	1,561,875.00	5,486,875.00
09/01/2032	4,120,000	5.000%	1,365,625.00	5,485,625.00
09/01/2033	4,325,000	5.000%	1,159,625.00	5,484,625.00
09/01/2034	4,540,000	** %	943,375.00	5,483,375.00
09/01/2035	4,750,000	** %	727,925.00	5,477,925.00
09/01/2036	5,030,000	** %	496,050.00	5,526,050.00
09/01/2037	5,230,000	** %	252,275.00	5,482,275.00
	67,860,000		47,370,178.89	115,230,178.89

BOND PRICING

City of Roseville
Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
Fully-Funded Cash DSRF
FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Bond Component:								
	09/01/2018	965,000	3.000%	2.160%	102.467			
	09/01/2019	2,230,000	4.000%	2.450%	105.944			
	09/01/2020	2,320,000	5.000%	2.790%	110.346			
	09/01/2021	2,435,000	5.000%	3.050%	110.701			
	09/01/2022	555,000	3.000%	3.370%	97.693			
	09/01/2022	2,000,000	5.000%	3.370%	110.154			
	09/01/2023	2,675,000	5.000%	3.530%	110.223			
	09/01/2024	2,805,000	5.000%	3.660%	110.244			
	09/01/2025	945,000	3.500%	3.780%	97.674			
	09/01/2025	2,000,000	5.000%	3.780%	110.122			
	09/01/2026	3,080,000	5.000%	3.880%	109.247 C	3.959%	09/01/2025	100.000
	09/01/2027	3,230,000	5.000%	3.960%	108.553 C	4.094%	09/01/2025	100.000
	09/01/2028	3,395,000	5.000%	4.040%	107.864 C	4.210%	09/01/2025	100.000
	09/01/2029	3,565,000	5.000%	4.110%	107.266 C	4.305%	09/01/2025	100.000
	09/01/2030	740,000	4.000%	4.180%	98.002			
	09/01/2030	3,000,000	5.000%	4.180%	106.672 C	4.389%	09/01/2025	100.000
	09/01/2031	3,925,000	5.000%	4.240%	106.165 C	4.458%	09/01/2025	100.000
	09/01/2032	4,120,000	5.000%	4.280%	105.829 C	4.506%	09/01/2025	100.000
	09/01/2033	4,325,000	5.000%	4.310%	105.578 C	4.544%	09/01/2025	100.000
		48,310,000						
Premium 2037 Term Bond:								
	09/01/2034	3,000,000	5.000%	4.390%	104.912 C	4.642%	09/01/2025	100.000
	09/01/2035	4,000,000	5.000%	4.390%	104.912 C	4.642%	09/01/2025	100.000
	09/01/2036	4,000,000	5.000%	4.390%	104.912 C	4.642%	09/01/2025	100.000
	09/01/2037	4,000,000	5.000%	4.390%	104.912 C	4.642%	09/01/2025	100.000
		15,000,000						

BOND PRICING

City of Roseville
 Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
 Fully-Funded Cash DSRF
 FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Discount 2037 Term Bond:								
	09/01/2034	1,540,000	4.250%	4.390%	98.032			
	09/01/2035	750,000	4.250%	4.390%	98.032			
	09/01/2036	1,030,000	4.250%	4.390%	98.032			
	09/01/2037	<u>1,230,000</u>	4.250%	4.390%	98.032			
		4,550,000						
		<u>67,860,000</u>						

Dated Date	08/12/2015	
Delivery Date	08/12/2015	
First Coupon	03/01/2016	
Par Amount	67,860,000.00	
Premium	4,231,594.75	
Production	72,091,594.75	106.235772%
Underwriter's Discount	-644,670.00	-0.950000%
Purchase Price	71,446,924.75	105.285772%
Accrued Interest		
Net Proceeds	71,446,924.75	

SUMMARY OF BONDS REFUNDED

City of Roseville
 Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
 Fully-Funded Cash DSRF

FINAL NUMBERS

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Special Tax Bonds Series 2005:					
BOND	09/01/2017	5.250%	985,000.00	09/01/2015	100.000
	09/01/2018	5.250%	1,105,000.00	09/01/2015	100.000
	09/01/2019	5.250%	1,230,000.00	09/01/2015	100.000
	09/01/2020	5.000%	1,365,000.00	09/01/2015	100.000
TERM1	09/01/2015	5.000%	470,000.00		
	09/01/2016	5.000%	530,000.00	09/01/2015	100.000
TERM2	09/01/2015	4.625%	305,000.00		
	09/01/2016	4.625%	350,000.00	09/01/2015	100.000
TERM3	09/01/2021	5.250%	1,500,000.00	09/01/2015	100.000
	09/01/2022	5.250%	1,655,000.00	09/01/2015	100.000
	09/01/2023	5.250%	1,815,000.00	09/01/2015	100.000
	09/01/2024	5.250%	1,985,000.00	09/01/2015	100.000
TERM4	09/01/2025	5.250%	2,165,000.00	09/01/2015	100.000
	09/01/2026	5.150%	2,355,000.00	09/01/2015	100.000
	09/01/2027	5.150%	2,555,000.00	09/01/2015	100.000
	09/01/2028	5.150%	2,765,000.00	09/01/2015	100.000
TERM5	09/01/2029	5.150%	2,995,000.00	09/01/2015	100.000
	09/01/2030	5.150%	3,230,000.00	09/01/2015	100.000
	09/01/2031	5.200%	3,485,000.00	09/01/2015	100.000
	09/01/2032	5.200%	3,750,000.00	09/01/2015	100.000
	09/01/2033	5.200%	4,035,000.00	09/01/2015	100.000
	09/01/2034	5.200%	4,335,000.00	09/01/2015	100.000
	09/01/2035	5.200%	4,655,000.00	09/01/2015	100.000
	09/01/2036	5.200%	4,995,000.00	09/01/2015	100.000
			<u>54,615,000.00</u>		
Special Tax Bonds Series 2006:					
TERM16	09/01/2015	5.000%	845,000.00		
	09/01/2016	5.000%	925,000.00	09/01/2015	101.000
TERM18	09/01/2017	5.000%	910,000.00	09/01/2015	101.000
	09/01/2018	5.000%	890,000.00	09/01/2015	101.000
TERM20	09/01/2019	5.100%	865,000.00	09/01/2015	101.000
	09/01/2020	5.100%	840,000.00	09/01/2015	101.000
TERM26	09/01/2021	5.200%	815,000.00	09/01/2015	101.000
	09/01/2022	5.200%	780,000.00	09/01/2015	101.000
	09/01/2023	5.200%	750,000.00	09/01/2015	101.000
	09/01/2024	5.200%	715,000.00	09/01/2015	101.000
TERM37	09/01/2025	5.200%	675,000.00	09/01/2015	101.000
	09/01/2026	5.200%	635,000.00	09/01/2015	101.000
	09/01/2027	5.250%	585,000.00	09/01/2015	101.000
	09/01/2028	5.250%	540,000.00	09/01/2015	101.000
	09/01/2029	5.250%	480,000.00	09/01/2015	101.000
	09/01/2030	5.250%	425,000.00	09/01/2015	101.000
	09/01/2031	5.250%	360,000.00	09/01/2015	101.000

SUMMARY OF BONDS REFUNDED

City of Roseville
 Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
 Fully-Funded Cash DSRF
 FINAL NUMBERS

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Special Tax Bonds Series 2006:					
TERM37	09/01/2032	5.250%	295,000.00	09/01/2015	101.000
	09/01/2033	5.250%	220,000.00	09/01/2015	101.000
	09/01/2034	5.250%	140,000.00	09/01/2015	101.000
	09/01/2035	5.250%	50,000.00	09/01/2015	101.000
	09/01/2037	5.250%	5,210,000.00	09/01/2015	101.000
			<u>17,950,000.00</u>		
			<u>72,565,000.00</u>		

BOND SOLUTION

City of Roseville
 Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
 Fully-Funded Cash DSRF

FINAL NUMBERS

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/01/2015						
09/01/2016		3,457,954	3,457,954	5,484,605	2,026,651	158.60839%
09/01/2017		3,284,600	3,284,600	5,485,668	2,201,068	167.01174%
09/01/2018	965,000	4,249,600	4,249,600	5,488,455	1,238,855	129.15227%
09/01/2019	2,230,000	5,485,650	5,485,650	5,485,943	293	100.00533%
09/01/2020	2,320,000	5,486,450	5,486,450	5,487,253	803	100.01463%
09/01/2021	2,435,000	5,485,450	5,485,450	5,486,163	713	100.01299%
09/01/2022	2,555,000	5,483,700	5,483,700	5,485,033	1,333	100.02430%
09/01/2023	2,675,000	5,487,050	5,487,050	5,487,585	535	100.00975%
09/01/2024	2,805,000	5,483,300	5,483,300	5,488,298	4,998	100.09114%
09/01/2025	2,945,000	5,483,050	5,483,050	5,486,905	3,855	100.07031%
09/01/2026	3,080,000	5,484,975	5,484,975	5,488,143	3,168	100.05775%
09/01/2027	3,230,000	5,480,975	5,480,975	5,483,840	2,865	100.05227%
09/01/2028	3,395,000	5,484,475	5,484,475	5,486,545	2,070	100.03774%
09/01/2029	3,565,000	5,484,725	5,484,725	5,485,798	1,073	100.01955%
09/01/2030	3,740,000	5,481,475	5,481,475	5,486,355	4,880	100.08903%
09/01/2031	3,925,000	5,486,875	5,486,875	5,487,698	823	100.01499%
09/01/2032	4,120,000	5,485,625	5,485,625	5,487,578	1,953	100.03559%
09/01/2033	4,325,000	5,484,625	5,484,625	5,487,090	2,465	100.04494%
09/01/2034	4,540,000	5,483,375	5,483,375	5,485,720	2,345	100.04277%
09/01/2035	4,750,000	5,477,925	5,477,925	5,482,950	5,025	100.09173%
09/01/2036	5,030,000	5,526,050	5,526,050	5,528,265	2,215	100.04008%
09/01/2037	5,230,000	5,482,275	5,482,275	5,483,525	1,250	100.02280%
	67,860,000	115,230,179	115,230,179	120,739,410	5,509,231	

BOND SOLUTION

City of Roseville
 Refunding of 2005 & 2006 Special Tax Bonds

Assumes NR 13:1 VTL Financing
 Fully-Funded Cash DSRF

FINAL NUMBERS

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/01/2015						
09/01/2016		3,457,954	3,457,954	5,484,605	2,026,651	158.60839%
09/01/2017		3,284,600	3,284,600	5,485,668	2,201,068	167.01174%
09/01/2018	965,000	4,249,600	4,249,600	5,488,455	1,238,855	129.15227%
09/01/2019	2,230,000	5,485,650	5,485,650	5,485,943	293	100.00533%
09/01/2020	2,320,000	5,486,450	5,486,450	5,487,253	803	100.01463%
09/01/2021	2,435,000	5,485,450	5,485,450	5,486,163	713	100.01299%
09/01/2022	2,555,000	5,483,700	5,483,700	5,485,033	1,333	100.02430%
09/01/2023	2,675,000	5,487,050	5,487,050	5,487,585	535	100.00975%
09/01/2024	2,805,000	5,483,300	5,483,300	5,488,298	4,998	100.09114%
09/01/2025	2,945,000	5,483,050	5,483,050	5,486,905	3,855	100.07031%
09/01/2026	3,080,000	5,484,975	5,484,975	5,488,143	3,168	100.05775%
09/01/2027	3,230,000	5,480,975	5,480,975	5,483,840	2,865	100.05227%
09/01/2028	3,395,000	5,484,475	5,484,475	5,486,545	2,070	100.03774%
09/01/2029	3,565,000	5,484,725	5,484,725	5,485,798	1,073	100.01955%
09/01/2030	3,740,000	5,481,475	5,481,475	5,486,355	4,880	100.08903%
09/01/2031	3,925,000	5,486,875	5,486,875	5,487,698	823	100.01499%
09/01/2032	4,120,000	5,485,625	5,485,625	5,487,578	1,953	100.03559%
09/01/2033	4,325,000	5,484,625	5,484,625	5,487,090	2,465	100.04494%
09/01/2034	4,540,000	5,483,375	5,483,375	5,485,720	2,345	100.04277%
09/01/2035	4,750,000	5,477,925	5,477,925	5,482,950	5,025	100.09173%
09/01/2036	5,030,000	5,526,050	5,526,050	5,528,265	2,215	100.04008%
09/01/2037	5,230,000	5,482,275	5,482,275	5,483,525	1,250	100.02280%
	67,860,000	115,230,179	115,230,179	120,739,410	5,509,231	

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

RECEIPT FOR BONDS


The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the "Representative"), as representative of itself and of Piper Jaffray & Co., hereby acknowledge receipt this date of the following described bonds issued by the City of Roseville:

"City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015," in the aggregate principal amount of \$67,860,000, dated August 12, 2015, issued as fully registered book-entry only bonds and authenticated by The Bank of New York Mellon Trust Company, N.A., as fiscal agent.

Dated: August 12, 2015

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as representative of itself
and of **PIPER JAFFRAY & CO.**,
as *Underwriter*

By: _____


Managing Director

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 1

\$965,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 3.000%	<u>MATURITY DATE:</u> September 1, 2018	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VF0
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***NINE HUNDRED SIXTY-FIVE THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 2

\$2,230,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
4.000%

MATURITY DATE:
September 1, 2019

BOND DATE:
August 12, 2015

CUSIP:
777870 VG8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***TWO MILLION TWO HUNDRED THIRTY THOUSAND
DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 3

\$2,320,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2020	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VH6
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***TWO MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 4

\$2,435,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2021	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VJ2
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***TWO MILLION FOUR HUNDRED THIRTY-FIVE THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 5

\$555,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 3.000%	<u>MATURITY DATE:</u> September 1, 2022	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VL7
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***FIVE HUNDRED FIFTY-FIVE THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 6

\$2,000,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
5.000%

MATURITY DATE:
September 1, 2022

BOND DATE:
August 12, 2015

CUSIP:
777870 VK9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***TWO MILLION DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 7

\$2,675,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2023	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VM5
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***TWO MILLION SIX HUNDRED SEVENTY-FIVE THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 8

\$2,805,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
5.000%

MATURITY DATE:
September 1, 2024

BOND DATE:
August 12, 2015

CUSIP:
777870 VN3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***TWO MILLION EIGHT HUNDRED FIVE THOUSAND
DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 9

\$945,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 3.500%	<u>MATURITY DATE:</u> September 1, 2025	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VQ6
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***NINE HUNDRED FORTY-FIVE THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 10

\$2,000,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2025	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VP8
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***TWO MILLION DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 11

\$3,080,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2026	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VR4
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***THREE MILLION EIGHTY THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 12

\$3,230,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
5.000%

MATURITY DATE:
September 1, 2027

BOND DATE:
August 12, 2015

CUSIP:
777870 VS2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***THREE MILLION TWO HUNDRED THIRTY THOUSAND
DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 13

\$3,395,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
5.000%

MATURITY DATE:
September 1, 2028

BOND DATE:
August 12, 2015

CUSIP:
777870 VT0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***THREE MILLION THREE HUNDRED NINETY-FIVE
THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 14

\$3,565,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
5.000%

MATURITY DATE:
September 1, 2029

BOND DATE:
August 12, 2015

CUSIP:
777870 VU7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***THREE MILLION FIVE HUNDRED SIXTY-FIVE THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 15

\$740,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 4.000%	<u>MATURITY DATE:</u> September 1, 2030	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VW3
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***SEVEN HUNDRED FORTY THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 16

\$3,000,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2030	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VV5
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***THREE MILLION DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 17

\$3,925,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2031	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VX1
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***THREE MILLION NINE HUNDRED TWENTY-FIVE
THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 18

\$4,120,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
5.000%

MATURITY DATE:
September 1, 2032

BOND DATE:
August 12, 2015

CUSIP:
777870 VY9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***FOUR MILLION ONE HUNDRED TWENTY THOUSAND
DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 19

\$4,325,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2033	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 VZ6
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***FOUR MILLION THREE HUNDRED TWENTY-FIVE
THOUSAND DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 20

\$15,000,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

<u>INTEREST RATE:</u> 5.000%	<u>MATURITY DATE:</u> September 1, 2037	<u>BOND DATE:</u> August 12, 2015	<u>CUSIP:</u> 777870 WA0
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***FIFTEEN MILLION DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. 21

\$4,550,000

CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BOND
SERIES 2015

INTEREST RATE:
4.250%

MATURITY DATE:
September 1, 2037

BOND DATE:
August 12, 2015

CUSIP:
777870 WB8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***FOUR MILLION FIVE HUNDRED FIFTY THOUSAND
DOLLARS***

The City of Roseville (the "City") for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"), for value received, hereby promises to pay solely from the Special Tax Revenues (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2016 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. in Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

This Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on September 15, 2004 and July 15, 2015 (the "Resolution"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements within the District, and is one of the bonds designated "City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of August 1, 2015, by and between the City and the Fiscal Agent (the "Agreement") and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the Special Tax Revenues and certain funds held under the Agreement. "Special Tax Revenues" means the proceeds of the special taxes levied under the Mello-Roos Act in the District (the "Special Taxes") that are received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date shown above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City as may be permitted by law. The Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein above.

The Bonds maturing on or before September 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on and after September 1, 2026 are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2025 and on any date thereafter, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption.

The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among series and maturities as will be specified by the City and by lot within a maturity, on September 1, 2016 and on any Interest Payment Date thereafter, at the following respective redemption prices (expressed as percentages of the

principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 2023	103%
September 1, 2023 and March 1, 2024	102%
September 1, 2024 and March 1, 2025	101%
September 1, 2025 and thereafter	100%

The Bonds maturing on September 1, 2037 (two series) (collectively, the “Term Bonds”) are subject to mandatory sinking payment redemption in part on September 1, 2034, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of their principal amount to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

**\$15,000,000 5.00% Term Bonds
Due September 1, 2037**

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
2034	\$3,000,000
2035	4,000,000
2036	4,000,000
2037 (maturity)	4,000,000

**\$4,550,000 4.25% Term Bonds
Due September 1, 2037**

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
2034	\$1,540,000
2035	750,000
2036	1,030,000
2037 (maturity)	1,230,000

The amounts in the foregoing tables shall be reduced pro rata, in order to maintain substantially level debt service, as a result of any prior partial optional redemption or mandatory redemption of the Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal

Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such Owner's order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Roseville has caused this Bond to be executed by the facsimile signatures of the Mayor and the City Clerk of the City, all as of the Bond Date stated above.

CITY OF ROSEVILLE, for and on behalf of the
CITY OF ROSEVILLE WESTPARK
COMMUNITY FACILITIES DISTRICT NO. 1
(PUBLIC FACILITIES)

By: Carl Garcia
Mayor

By: Donna Orzoff
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement.

Dated: August 12, 2015

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as *Fiscal Agent*

By: [Signature]
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

(Name, address and Tax identification Number of Assignee)

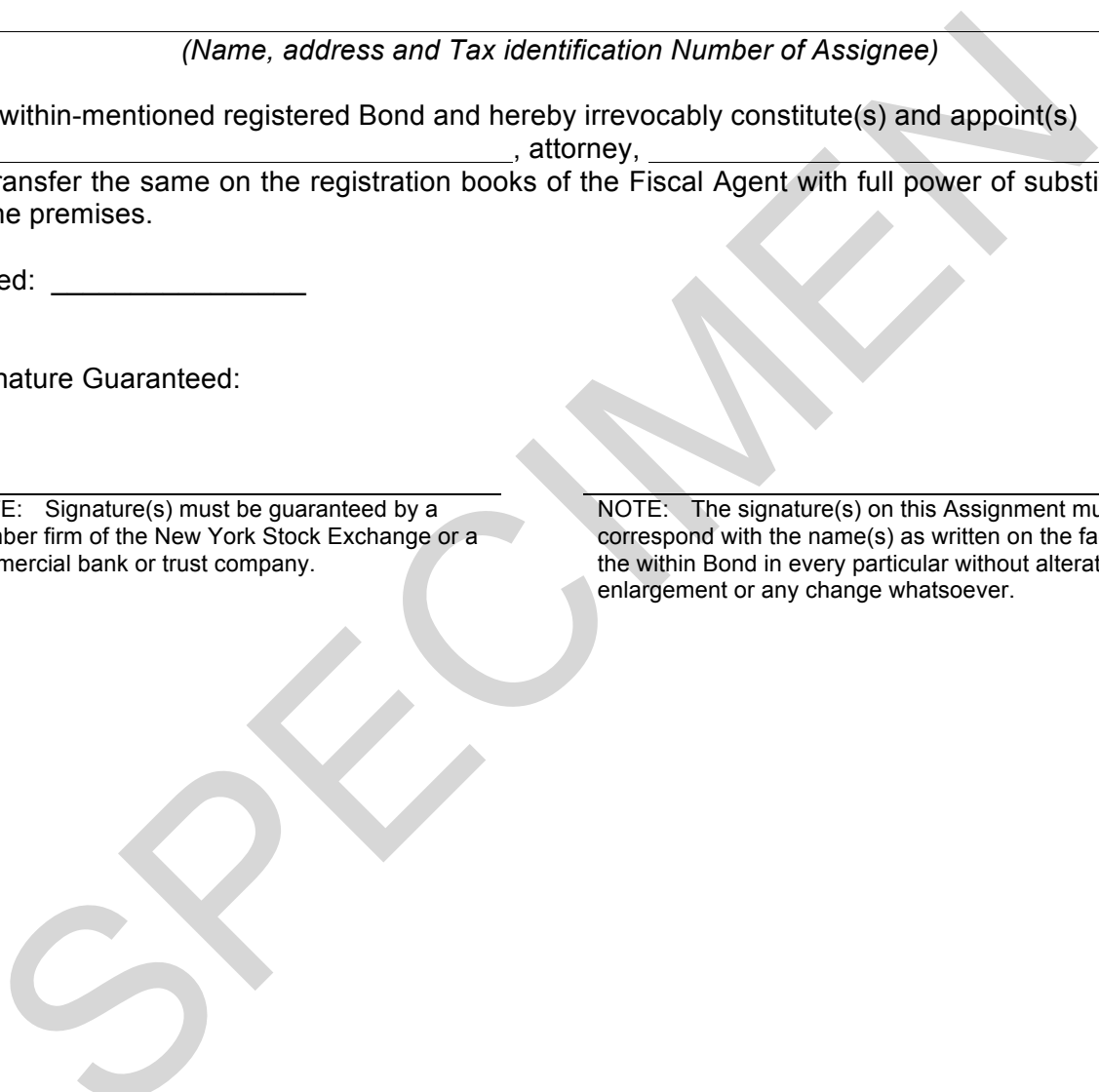
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, _____ to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.



August 12, 2015

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

OPINION: \$67,860,000 City of Roseville Westpark Community Facilities
District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015

Members of the City Council:

We have acted as bond counsel to the City of Roseville (the "City") in connection with the delivery by the City of the above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, *et seq.* (the "Act"), and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent. We have examined the Act, an executed copy of the Fiscal Agent Agreement and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The City is a charter city duly organized and existing under the laws of the State of California, with power to enter into the Fiscal Agent Agreement, to perform the agreements on its part contained therein and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the City and are legal, valid and binding obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.
3. The Fiscal Agent Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.



4. Pursuant to the Act, the Fiscal Agent Agreement establishes a valid lien on and pledge of the Special Tax Revenues (as such term is defined in the Fiscal Agent Agreement) for the security of the Bonds.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE OF SPECIAL TAX ADMINISTRATOR

The undersigned hereby states and certifies that:

(i) I am an authorized representative of Willdan Financial Services (the "Special Tax Administrator"), and as such I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) the Special Tax Administrator assisted the City of Roseville (the "City") in the preparation of a portion of the Preliminary Official Statement dated July 17, 2015 (the "Preliminary Official Statement") and the Official Statement dated July 30, 2015 (the "Official Statement") for the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015 (the "Bonds");

(iii) the amount of the Special Taxes that could be levied in each Fiscal Year on all Parcels (as defined in the Rate and Method of Apportionment of Special Tax for the District) of Taxable Property in the District less County Administrative Expenses (as defined in the Rate and Method of Apportionment of Special Tax for the District) of 1%, is at least one hundred ten percent (110%) of the total Annual Debt Service for each such Fiscal Year on the Bonds; and

(iv) all information supplied by the Special Tax Administrator for use in the Preliminary Official Statement and the Official Statement is true and correct as of their respective dates and as of the date hereof.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement, dated as of August 1, 2015, by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent.

Dated: August 12, 2015

WILLDAN FINANCIAL SERVICES,
as Special Tax Administrator

By: _____


Authorized Representative

\$67,860,000
CITY OF ROSEVILLE
WESTPARK COMMUNITY FACILITIES DISTRICT No. 1 (PUBLIC FACILITIES)
SPECIAL TAX REFUNDING BONDS
SERIES 2015

CERTIFICATE OF APPRAISER

The undersigned hereby states and certifies that:

(i) I am an authorized representative of Seevers Jordan Ziegenmeyer (the "Appraiser"), and as such I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) the Appraiser consents to the inclusion of our appraisal report related to the above-captioned bonds (the "Appraisal") in the Preliminary Official Statement dated July 17, 2015 (the "Preliminary Official Statement") and the Official Statement dated July 30, 2015 (the "Official Statement");

(iii) the information in the Preliminary Official Statement and the Official Statement relating to the Appraisal does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iv) since the date of the Appraisal, we are not aware of any facts that would materially affect the conclusions of value set forth therein.

Dated: August 12, 2015

SEEVERS JORDAN ZIEGENMEYER,
as Appraiser

By: _____



Eric A. Segal
Partner

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
660 NEWPORT CENTER DRIVE, SUITE 1600
NEWPORT BEACH, CA 92660-6422
TELEPHONE (949) 725-4000
FACSIMILE (949) 725-4100

CALIFORNIA
NEWPORT BEACH
SACRAMENTO
SAN DIEGO
SAN FRANCISCO
SANTA BARBARA
SANTA MONICA
COLORADO
DENVER
NEVADA
RENO

August 12, 2015

Stifel, Nicolaus & Company, Incorporated,
as Representative
San Francisco, California

Re: \$67,860,000 City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2015

Ladies and Gentlemen:

We have acted as legal counsel for you in connection with the purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement, dated July 30, 2015 (the "Purchase Agreement"), by and between Stifel, Nicolaus & Company, Incorporated, as representative of itself and of Piper Jaffray & Co. (collectively, the "Underwriters") and the City of Roseville, California (the "City") acting on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District"). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company N.A., as fiscal agent (the "Fiscal Agent").

In rendering our opinion, we have examined originals or copies certified or otherwise identified to our satisfaction of: (i) the Official Statement dated July 30, 2015 (the "Official Statement") relating to the Bonds; (ii) the Fiscal Agent Agreement; (iii) the Purchase Agreement; (iv) the Continuing Disclosure Agreement dated as of August 1, 2015, by and between the City and Willdan Financial Services (the "Continuing Disclosure Agreement"); (v) the Irrevocable Refunding Instructions, dated as of August 1, 2015, provided by the City to The Bank of New York Mellon Trust Company N.A.; (vi) letters, certificates and opinions delivered to you pursuant to the provisions of Section 3(d) of the Purchase Agreement; and (vii) such other documents, certificates, instructions and records as we have considered necessary or appropriate as a basis for our opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

Stifel, Nicolaus & Company, Incorporated,
as Representative
August 12, 2015
Page Two

Based upon and subject to the foregoing, we are of the opinion that:

(i) the Continuing Disclosure Agreement complies with the requirements of Section (b)(5)(1) of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") with respect to the requirement that the City agree to provide certain annual financial information and event notices to various information repositories at the times and as required by the Rule; and

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended.

Although we have not undertaken to check the accuracy, completeness or fairness of, or verified the information contained in the Official Statement, and are therefore unable to make any representation in that regard, we have participated in conferences prior to the date of the Official Statement with representatives of the Underwriters, representatives of the City, including Bond Counsel, Disclosure Counsel, the City Attorney, First Southwest Company, LLC, municipal advisor to the City, Willdan Financial Services, the Special Tax Administrator, Seevers Jordan Ziegenmeyer, the Appraiser, and the Fiscal Agent, during which conferences the contents of the Official Statement and related matters were discussed. Based upon the information made available to us in the course of our participation in such conferences, our review of the documents referred to above, our reliance on the documents, certificates, instructions and records and the opinions of counsel described above and our understanding of applicable law, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in the firm representing the Underwriters in this matter which caused us to believe that the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact, or as of its date omitted, or as of the date hereof omits, to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (excluding therefrom all financial and statistical data, assessed or appraised values, forecasts, projections, estimates, CUSIP numbers, information relating to past compliance by the City with continuing disclosure obligations pursuant to the Rule, a review of which matters we understand has been undertaken by Digital Assurance Certification LLC, assumptions and expressions of opinion included in the Official Statement, the appendices thereto and information regarding The Depository Trust Company and its book-entry only system, as to which no view is expressed).

This opinion is being rendered solely for your benefit in connection with the offering by the Underwriters of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. This opinion is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We express no opinion with respect to the validity of the Bonds, the tax treatment of the interest thereon or the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

Stifel, Nicolaus & Company, Incorporated,
as Representative
August 12, 2015
Page Three

Our engagement with respect to the Bonds terminates as of the date hereof. We have not undertaken any duty, and expressly disclaim any responsibility, to render advice as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Preliminary Official Statement or the Official Statement.

Respectfully submitted,

Stadling Yocco Carlson & Rauth

August 12, 2015

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

OPINION: \$67,860,000 City of Roseville Westpark Community Facilities
District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015

Members of the City Council:

We have acted as bond counsel to the City of Roseville (the "City") in connection with the delivery by the City of the above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, *et seq.* (the "Act"), and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as fiscal agent. We have examined the Act, an executed copy of the Fiscal Agent Agreement and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The City is a charter city duly organized and existing under the laws of the State of California, with power to enter into the Fiscal Agent Agreement, to perform the agreements on its part contained therein and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the City and are legal, valid and binding obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.
3. The Fiscal Agent Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.



4. Pursuant to the Act, the Fiscal Agent Agreement establishes a valid lien on and pledge of the Special Tax Revenues (as such term is defined in the Fiscal Agent Agreement) for the security of the Bonds.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'James Hill', written in a cursive style.

A Professional Law Corporation

August 12, 2015

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

Stifel, Nicolaus & Company, Incorporated
as representative of itself and of
Piper Jaffray & Co.
One Montgomery Street, Suite 3700
San Francisco, California 94104

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 400
Los Angeles, California 90071

RELIANCE LETTER Regarding Final Approving Legal Opinion:
\$67,860,000 City of Roseville Westpark Community Facilities District No. 1
(Public Facilities) Special Tax Refunding Bonds, Series 2015

Ladies and Gentlemen:

We have this day released to the City of Roseville our final approving legal opinion with respect to the captioned bonds.

The foregoing opinion may be relied upon by Stifel, Nicolaus & Company, Incorporated, as representative of itself and of Piper Jaffray & Co., as underwriters, and by The Bank of New York Mellon Trust Company, N.A., as fiscal agent, to the same extent as if such opinion were addressed to each of such entities.

Respectfully submitted,



A Professional Law Corporation

August 12, 2015

475 Sansome Street
Suite 1700
San Francisco, CA 94111
t. 415.391.5780
f. 415.276.2088

City of Roseville
311 Vernon Street
Roseville, California 95678

Stifel, Nicolaus & Company, Incorporated
as representative of itself and of
Piper Jaffray & Co.
One Montgomery Street, Suite 3700
San Francisco, California 94104

SUPPLEMENTAL OPINION: \$67,860,000 City of Roseville Westpark Community
Facilities District No. 1 (Public Facilities) Special Tax
Refunding Bonds, Series 2015

Ladies and Gentlemen:

We have acted as bond counsel to the City of Roseville (the "Issuer") in connection with the issuance by the Issuer of the above-referenced bonds (the "Bonds"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code (the "Law"), and a Fiscal Agent Agreement dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the Issuer on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District") and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). The Bonds were sold to Stifel, Nicolaus & Company, Incorporated (the "Representative"), as representative of itself and of Piper Jaffray & Co. (together with the Representative, the "Underwriter"), pursuant to a Bond Purchase Agreement, dated July 30, 2015 (the "Purchase Agreement"), between the Underwriter and the Issuer. This opinion letter is being delivered in our capacity as bond counsel to the Issuer and not as counsel to the Underwriter addressee.

We have examined the executed Fiscal Agent Agreement, the executed Irrevocable Refunding Instructions, dated as of August 1, 2015 (the "Refunding Instructions"), given by the Issuer to The Bank of New York Mellon Trust Company, N.A., as prior bonds fiscal agent, and the executed Continuing Disclosure Agreement, dated as of August 1, 2015, by and between the City and Willdan Financial Services, as dissemination agent (the "Disclosure Agreement"). We have also examined the Law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Fiscal Agent Agreement and the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.



Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Purchase Agreement, the Refunding Instructions, and the Disclosure Agreement have been duly authorized, executed and delivered by the City, and, assuming such agreements constitute a valid and binding obligation of the other respective parties thereto, constitute the legally valid and binding agreements of the City for the District enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, reorganization, moratorium, insolvency or other laws affecting creditor's rights or remedies and may be subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law).

2. The information contained in the Official Statement dated July 30, 2015 related to the Bonds on the cover and under the captions "INTRODUCTION," and "THE BONDS" (in each case, other than information relating to DTC and its Book-Entry Only System), "SECURITY FOR THE BONDS," "LEGAL MATTERS – Tax Exemption" and Appendices C and E thereof is accurate, insofar as such information purports to summarize or replicate certain provisions of the Law, the Bonds and the Fiscal Agent Agreement and the exclusion from gross income for federal income tax purposes and exemption from State of California personal income taxes of interest on the Bonds.

3. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This opinion is rendered solely for your benefit in connection with issuance of the Bonds and may not be relied upon, used, circulated, quoted or referred to, nor any copies hereof be delivered to, any other person without our prior written approval. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur, and our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

August 12, 2015

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City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street
Suite 400
Los Angeles, California 90071

Stifel, Nicolaus & Company, Incorporated
as representative of itself and of
Piper Jaffray & Co.
One Montgomery Street, Suite 3700
San Francisco, California 94104

DEFEASANCE OPINION: \$54,615,000 (Outstanding Principal Amount) City of
Roseville Westpark Community Facilities District No. 1
(Public Facilities) Special Tax Bonds, Series 2005, and

\$17,950,000 (Outstanding Principal Amount) City of
Roseville Westpark Community Facilities District No. 1
(Public Facilities) Special Tax Bonds, Series 2006

Ladies and Gentlemen:

We have acted as bond counsel to the City of Roseville (the "City") in connection with the delivery by the City of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015 (the "Bonds"), issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, *et seq.* (the "Act"), and pursuant to a Fiscal Agent Agreement dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the City, for and on behalf of the City of Roseville Westpark Community Facilities District No. 1 (the "District"), and The Bank of New York Mellon Trust Company, N.A., as fiscal agent.

This letter is being delivered in our capacity as bond counsel to the City and not as counsel to any other addressee hereof.

The Bonds have been issued for the purpose of refunding (i) the \$57,905,000 City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005 (of which \$54,615,000 principal amount is outstanding), and (ii) the \$22,095,000 City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006 (of which \$17,950,000 principal amount is outstanding) (together, the "Prior



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Bonds”), issued pursuant to a Fiscal Agent Agreement dated as of August 1, 2005, and supplemented by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2006 (as so supplemented, the “Prior Bonds Fiscal Agent Agreement”), by and between the City, for and on behalf of the District, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Prior Bonds Fiscal Agent”).

On the date hereof, pursuant to Irrevocable Refunding Instructions dated as of August 1, 2015, given by the City, for and on behalf of the District, to the Prior Bonds Fiscal Agent (the “Refunding Instructions”), (i) the City has caused to be deposited in the bond fund for the Prior Bonds a portion of the proceeds of the Bonds and certain other amounts held by the City with respect to the Prior Bonds, and (ii) the Prior Bonds Fiscal Agent has caused to be deposited in the bond fund for the Prior Bonds certain other amounts held by the Prior Bonds Fiscal Agent with respect to the Prior Bonds. Under the Refunding Instructions, the Prior Bonds Fiscal Agent will use such amounts to pay and redeem the Prior Bonds in full on September 1, 2015.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement and the Refunding Instructions, and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that as a result of the deposit of funds under the Refunding Instructions, the Prior Bonds have been defeased and discharged under the terms of the Prior Bonds Fiscal Agent Agreement, with the effect set forth more particularly in Section 9.03 of the Prior Bonds Fiscal Agent Agreement. In rendering the foregoing opinion, we have relied upon the certificate executed by the City on the date hereof relating to the sufficiency of amounts held by the Prior Bonds Fiscal Agent under the Refunding Instructions to discharge the Prior Bonds in accordance with the Prior Bonds Fiscal Agent Agreement, without independently undertaking to confirm such matters.

This opinion letter is solely for your benefit in connection with the transaction covered by the first paragraph of this letter and may not be relied upon, used, circulated, quoted or referred to, nor any copies hereof be delivered to, any other person without our prior written approval.

Respectfully submitted,

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One Montgomery Street, Suite 3700
San Francisco, California 94104

Re: \$67,860,000 City of Roseville Westpark Community Facilities
District No. 1 (Public Facilities) Special Tax Refunding Bonds, Series 2015

Ladies and Gentlemen:

We have acted as special disclosure counsel to the City of Roseville (the "Issuer") in connection with issuance of the referenced bonds (the "Bonds") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code (the "Act") and a Fiscal Agent Agreement, dated as of August 1, 2015 (the "Fiscal Agent Agreement"), by and between the Issuer on behalf of the City of Roseville Westpark Community Facilities District No. 1 (Public Facilities) (the "District") and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent"). This letter is being delivered in our capacity as disclosure counsel to the Issuer and not as counsel to the underwriter addressee. Capitalized terms not otherwise defined herein have the meanings assigned to them in the Fiscal Agent Agreement.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement relating to the Bonds dated July 30, 2015 (the "Official Statement") and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in connection with the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to our attention that cause us to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Depository Trust Company and the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and the appendices to the



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Official Statement, which we expressly exclude from the scope of this sentence) as of the date of the Official Statement or the date hereof contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The preceding paragraph is not an opinion but in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel to the Issuer. The scope of those activities performed by us for purposes of delivering this letter were inherently limited and do not purport to encompass all activities necessary for compliance with applicable securities laws. In addition, those activities performed by us relied on third party representations, warranties, certifications and opinions, including and primarily, representations, warranties and certifications made by the Issuer, and are otherwise subject to the conditions set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur, and our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A handwritten signature in blue ink that reads "James Hill". The signature is written in a cursive, flowing style.

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