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 Matters" herein.

$23,845,000
CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 5 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2017

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 Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) (the "District") under the Mello-Roos Community Facilities Act of 1982 (the "Act"), the Resolution of Issuance (as defined herein), and a Fiscal Agent Agreement dated as of June 1, 2017 (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) prepay special taxes applicable to property within the District, (ii) construct and acquire certain public facilities authorized for the District, (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 the Special Tax Revenues (as defined herein) received by the City from special taxes levied on property within the District according to the rate and method of apportionment of special tax for the District. The Bonds are secured by a first pledge of the Special Tax Revenues and the moneys on deposit in certain funds held by the Fiscal Agent under the Fiscal Agent Agreement. Additional bonds may be issued for the District in the future. See "SECURITY FOR THE BONDS."

Interest on the Bonds is payable on March 1, 2018, and semiannually thereafter on each March 1 and September 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"). DTC will act as securities depository for the Bonds. See "THE BONDS – Description of the Bonds" and "APPENDIX F – 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 "SPECIAL RISK FACTORS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds. THIS OFFICIAL STATEMENT IS FURNISHED SOLELY FOR THE PURPOSE OF CONSIDERATION OF AN INVESTMENT IN THE BONDS BY A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("QUALIFIED INSTITUTIONAL BUYERS") WITH THE EXPERIENCE AND FINANCIAL EXPERTISE TO UNDERSTAND AND EVALUATE THE HIGH DEGREE OF RISK INHERENT IN THE INVESTMENT. PURCHASE OF THE BONDS WILL CONSTITUTE AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST AND THE LOSS OF ALL OR PART OF THE INVESTMENT. THE DEBT SERVICE ON THE BONDS IS PAYABLE FROM SPECIAL TAX LEVIES ON PROPERTY IN THE DISTRICT AND THERE CAN BE NO ASSURANCE THAT THE PROPERTY OWNERS IN THE DISTRICT WILL PAY THE SPECIAL TAXES LEVIED ON SUCH PROPERTY WHEN DUE. SEE "SECURITY FOR THE BONDS" AND "SPECIAL RISK FACTORS" HEREIN, AND "APPENDIX H – FORM OF INVESTOR LETTER."

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, 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, is also serving as disclosure counsel to the City. Certain matters will be passed upon for the City by the City Attorney, and for the Underwriter 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 June 14, 2017.

STIFEL

The date of this Official Statement is: May 25, 2017.

MATURITY SCHEDULE

(Base CUSIP†: 777870)

$465,000 3.000% Term Bond due September 1, 2022, Yield: 2.660%, Price: 101.642%, CUSIP† No. XZ4

$1,350,000 5.000% Term Bond due September 1, 2027, Yield: 3.490%, Price: 112.875%, CUSIP† No. YA8

$2,530,000 5.000% Term Bond due September 1, 2032, Yield: 3.970%, Price: 108.573%[C], CUSIP† No. YB6

$19,500,000 5.000% Term Bond due September 1, 2047, Yield: 4.320%, Price: 105.561%[C], CUSIP† No. YC4

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† *CUSIP Copyright 2017, CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Global Services, managed by Standard & Poor's Capital IQ. Neither the City nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.*

C Priced to the first optional redemption date of September 1, 2027 at par.

CITY OF ROSEVILLE, CALIFORNIA

City Council
Susan Rohan, *Mayor*
Bonnie Gore, *Vice Mayor*
John Allard, *Councilmember*
Scott Alvord, *Councilmember*
Tim Herman, *Councilmember*

City Staff
Rob Jensen, *City Manager*
Jay Panzica, *Chief Financial Officer*
Robert R. Schmitt, *City Attorney*
Sonia Orozco, *City Clerk*

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San Francisco, California

Municipal Advisor
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Encino, California

Appraiser
Seevers Jordan Ziegenmeyer
Rocklin, California

Special Tax Consultant
Willdan Financial Services
Temecula, California

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

Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, 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 Underwriter 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 Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of 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 UNDERWRITER 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 UNDERWRITER 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 UNDERWRITER.

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

$23,845,000
CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 5 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2017

This Official Statement, including the cover page 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 Fiddyment Ranch Community Facilities District No. 5 (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 G – Summary of Certain Provisions of the Fiscal Agent Agreement."

Investment in the Bonds involves risks that may not be appropriate for some investors. See "SPECIAL RISK FACTORS" 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. ***THIS OFFICIAL STATEMENT IS FURNISHED SOLELY FOR THE PURPOSE OF CONSIDERATION OF AN INVESTMENT IN THE BONDS BY A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("QUALIFIED INSTITUTIONAL BUYERS") WITH THE EXPERIENCE AND FINANCIAL EXPERTISE TO UNDERSTAND AND EVALUATE THE HIGH DEGREE OF RISK INHERENT IN THE INVESTMENT. PURCHASE OF THE BONDS WILL CONSTITUTE AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST AND THE LOSS OF ALL OR PART OF THE INVESTMENT. THE DEBT SERVICE ON THE BONDS IS PAYABLE FROM SPECIAL TAX LEVIES ON PROPERTY IN THE DISTRICT AND THERE CAN BE NO ASSURANCE THAT THE PROPERTY OWNERS IN THE DISTRICT WILL PAY THE SPECIAL TAXES LEVIED ON SUCH PROPERTY WHEN DUE. SEE "SECURITY FOR THE BONDS" AND "SPECIAL RISK FACTORS" HEREIN, AND "APPENDIX H – FORM OF INVESTOR LETTER."***

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. 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**"), a Fiscal Agent Agreement dated as of June 1, 2017 (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 a resolution adopted on April 19, 2017 (the "**Resolution of Issuance**") by the City Council of the City (the "**City Council**"), as the legislative body of the District. See "THE BONDS – Authority for Issuance." The Bonds represent the first series of a total of $75,000,000 of bonds authorized for the District, and Additional Bonds (as defined herein) may be issued in the future to pay for the construction and acquisition of improvements necessary for further development of land in the District.

***The City and the County*.** The City is located in central Placer County (the "**County**"), which is located in the Sacramento Valley near the foothills of the Sierra Nevada mountain range, about 16 miles northeast of Sacramento and 110 miles east of San Francisco. It lies on the Highway 80 corridor between the City of Sacramento and the City of Auburn. The estimated population of the City as of January 2017 was approximately 135,868. For economic and demographic information regarding the area in and around the City, see "APPENDIX C – Placer County and City of Roseville Demographic Information."

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, 2018. The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company ("**DTC**"), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Fiscal Agent to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Trustee's books. See "THE BONDS."

Purpose of the Bonds. Proceeds of the Bonds will be used primarily to prepay special taxes applicable to property within the District levied for and on behalf of the City of Roseville Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) ("**CFD No. 1**"), which will in turn lead to the prepayment of a portion of the Prior CFD No. 1 Bonds (defined below). This prepayment of CFD No. 1 special taxes applicable to property in the District is referred to herein as the "**Prepayment**." Once effectuated by the Prepayment, land in the District will not be subject to the levy of the special taxes in CFD No. 1. Proceeds of the Bonds will also be used to establish a debt service reserve fund for the Bonds, pay costs of issuance, and finance costs of acquiring and constructing certain public infrastructure improvements (the "**Improvements**," as described herein), such as roadway, water, drainage, wastewater, and other infrastructure improvements necessary for development of property within the District. See "THE IMPROVEMENTS." The amount of proceeds available from the Bonds for Improvements is $6,000,000.

Concurrently with the issuance of the Bonds, the City is issuing special tax refunding bonds for CFD No. 1 (the "**CFD No. 1 Refunding Bonds**"). The proceeds of the CFD No. 1 Refunding Bonds will be used to refund the remaining portion of the Prior CFD No. 1 Bonds that are not being refunded by the Prepayment. The "**Prior CFD No. 1 Bonds**" consist of the "City of Roseville Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005" and the "City of Roseville Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006," outstanding in the amount of $34,390,000 and $37,185,000, respectively.

See “FINANCING PLAN” and “THE DISTRICT.”

Security and Sources of Payment for the Bonds. The City Council will annually levy special taxes on the property in the District (the “**Special Taxes**”) in accordance with the Rate and Method of Apportionment for City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) (the “**Special Tax Formula**”), which is attached as APPENDIX A to this Official Statement. The Bonds are secured by and payable from a first pledge of the net proceeds of the Special Taxes, including interest and penalties levied and received thereon net of County administration charges which are currently 1% of the annual tax levy (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 herein). See “SECURITY FOR THE BONDS.”

Pursuant to the Act, the Resolution of Issuance, 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 Special Tax Formula 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 necessary. See “SECURITY FOR THE BONDS – Special Tax Methodology” and “APPENDIX A – Rate and Method of Apportionment of Special Tax.”

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; Covenant for Superior Court Foreclosure.”

Additional Bonds. The maximum authorized indebtedness for the District is $75,000,000 (the “**Authorization**”). The Bonds represent the first series issued under the Authorization, and Additional Bonds may be issued in the future to pay for the construction and acquisition of additional Improvements. So long as the Bonds are outstanding, any future bonds issued for the District and secured on parity with the Bonds (herein, “**Additional Bonds**”) are required to meet certain conditions of issuance as set forth in the Fiscal Agent Agreement, and no bonds having a lien senior to the lien of the Bonds are allowed. See “SECURITY FOR THE BONDS – Additional Bonds.”

The District. The District is located in the northwestern portion of the City. As of the January 1, 2016 lien date for the Fiscal Year 2016-17 County property tax roll, there were two assessor’s parcels in the District (APNs 492-010-057 and -077), both of which were owned entirely by ATC Realty One, LLC, a Delaware limited liability company (the “**Owner**”). In late 2016, the Owner sold a portion of APN 492-010-077 to Fiddyment 116 Lots, LLC, an affiliate of

Signature Homes, Inc., a California corporation ("**Signature Homes**"). These parcels together contain approximately 533 net acres, which are expected to be divided into 1,472 low density residential lots, 586 medium density residential lots, 472 high density residential lots, 1 commercial lot, 5 park sites, 1 open space area and 1 school site. Additionally, the District is expected to include various open space areas along the roads classified as "Paseo" areas. Most of the residential lots are currently considered "paper lots," as they have tentative map approval but lack in-tract and backbone infrastructure. However, the final map for planning area F-13B1 (consisting of 75 lots) was recorded on September 27, 2016, generating new assessor's parcel numbers for these 75 lots. At the same time, planning area F-13B2, which is a remainder parcel designated for 41 lots, was designated. These 75 final mapped lots in F-13B1 and 41 planned lots for F-13B2 correspond to the portion of APN 492-010-77 that was sold by the Owner to Fiddyment 116 Lots, LLC.

Development in the District and in CFD No. 1 is governed by the City's West Roseville Specific Plan ("**WRSP**"). The land in the District and in CFD No. 1 is also known locally as the "Fiddyment Ranch" neighborhood and has been marketed to the general public as "Fiddyment Farm." Initial homebuilding activity in CFD No. 1 began in late 2005. For Fiscal Year 2017-18, special taxes are projected to be levied on 1,873 parcels in CFD No. 1. Of these 1,873 parcels, 1,587 parcels are developed residential properties with homes that are completed or under construction, 1 parcel has been developed into a commercial parcel, 71 parcels are finished single-family lots having a building permit issued, and the remaining 214 parcels are a mixture of finished single-family lots and parcels zoned for commercial or multi-family high-density residential uses. Development remains ongoing and further subdivision of certain parcels and sales of finished homes to individual homeowners in CFD No. 1 is expected. Due to a change in the development plan related to Phases 2 and 3 of the Fiddyment Farm development, which consists of the property comprising the District, the Owner desires to effectuate the Prepayment.

The Owner expects to complete the infrastructure required to transfer ownership of finished lots to merchant builders (including merchant builders that are affiliates of Signature Homes, such as Fiddyment 116 Lots, LLC) over time, which timing is dependent on market and other conditions. As development progresses in the District, further subdivision and sale of the parcels owned by the Owner and Fiddyment 116 Lots, LLC (which are currently the only owners of land in the District) is expected. For additional details, see "THE DISTRICT" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT."

Value Estimate of Property in the District. Taxable real property within the District is security for the Special Tax securing the Bonds. The City authorized the preparation of an appraisal report for all of the land in the District, which sets forth a total appraised value for such property, as of February 1, 2017, of $82,134,000. The valuation accounts for the impact of the lien of the Special Tax. The Appraisal consists of the original Appraisal Report dated April 19, 2017 and an Updated Appraisal Report dated April 24, 2017. See "VALUE OF PROPERTY WITHIN THE DISTRICT AND SPECIAL TAX BURDEN – The Appraisal." A complete copy of the appraisal is attached to this Official Statement as APPENDIX B. In considering the estimates of value evidenced by the appraisal, it should be noted that the appraisal is based upon a number of standard and special assumptions and conditions which affect the estimates as to value and should be carefully reviewed by prospective investors in their entirety.

Based upon the $82,134,000 valuation provided by the Appraiser, the appraised valuation of the taxable real property in the District is 3.44 times the $23,845,000 aggregate estimated principal amount of the Bonds. Taking into account overlapping debt (consisting of general obligation bonded indebtedness) as described herein, the appraised value-to-lien ratio

for property in the District is approximately 3.41 to 1. Value-to-lien ratios on individual parcels may vary considerably from this average. For example, given the affordable housing restrictions on Parcel F-6B, which is owned by the Owner, the Appraiser provided an estimate of market value of $0 for this parcel. Despite this estimate of value, this parcel is subject to the Special Tax securing the Bonds and is included within the average value-to-lien ratios described in this Official Statement. See "APPENDIX B – The Appraisal and Update to the Appraisal" and "VALUE OF PROPERTY WITHIN THE DISTRICT AND SPECIAL TAX BURDEN – Value to Special Tax Burden Ratios" herein.

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."

Limited Obligation of the City. **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.**

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 G – 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

General

The Bonds are being issued to (i) prepay special taxes levied in CFD No. 1 applicable to property within the District (referred to herein as the Prepayment), in the approximate amount of $18.7 million, which will in turn lead to the prepayment of a portion of the Prior CFD No. 1 Bonds equal to such amount, (ii) deposit $6.0 million to an improvement fund to be used to construct and acquire certain public facilities authorized for the District (referred to herein as the Improvements), (iii) establish a debt service reserve fund for the Bonds, and (iv) pay the costs of

issuing the Bonds. For additional information on the Improvements to be financed, see "THE IMPROVEMENTS" herein.

Concurrently with the issuance of the Bonds, the City is issuing special tax refunding bonds for CFD No. 1 (the "**CFD No. 1 Refunding Bonds**"). The proceeds of the CFD No. 1 Refunding Bonds will be used to refund the remaining portion of the Prior CFD No. 1 Bonds that are not being refunded by the Prepayment. The "**Prior CFD No. 1 Bonds**" consist of the "City of Roseville Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005" and the "City of Roseville Fiddyment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006," outstanding in the amount of $34,390,000 and $37,185,000, respectively.

Amounts needed for the Prepayment will be delivered to The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "**Escrow Bank**"), and used, together with certain other funds available to the City, to redeem special tax bonds issued for CFD No. 1 on September 1, 2017 (the "**Redemption Date**"). *Amounts deposited with the Escrow Bank are not available for the payment of debt service on the Bonds.*

Estimated Sources and Uses of Funds

A summary of the estimated sources and uses of funds associated with the sale of the Bonds follows.

Sources	
Principal Amount of Bonds	$23,845,000.00
Plus: Original Issue Premium	1,482,739.70
Other Sources of Funds Available for Prepayment	2,575,299.84
Total Sources	$27,903,039.54
Uses	
Prepayment of CFD No. 1 Special Taxes	$19,110,203.30
Deposit to Improvement Fund	6,000,000.00
Deposit to Reserve Fund (1)	2,076,947.13
Costs of Issuance (2)	715,889.11
Total Uses	$27,903,039.54

(1) Equal to the Reserve Requirement with respect to the Bonds as of their date of delivery.
(2) 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 Consultant, Underwriter's discount, 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 G – 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 Issuance and the Act. On March 16, 2016, the City Council adopted Resolution No. 16-84 (the "**Resolution of Formation**"), which formed the District and followed a Resolution of Intention adopted on January 20, 2016. The District was established and authorized to incur bonded indebtedness in an aggregate principal amount not to exceed $75,000,000 at a special election in the District held on the same day. 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 solely of the Owner, the only eligible landowner/voter in the District, who cast one vote for each gross acre or portion of an acre of land owned within the District. The landowner voted to incur the indebtedness and to approve the levy of Special Taxes to be collected within the District pursuant to the Special Tax Formula.

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 ("**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 F – 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, 2018.

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 F – 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 F – DTC and the Book-Entry Only System."

Redemption

Optional Redemption. The Bonds maturing on or before September 1, 2027 are not subject to optional redemption. The Bonds maturing on or after September 1, 2028 are subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among maturities as specified by the City and by lot within a maturity, on any date on or after September 1, 2027, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium.

Special Mandatory Redemption from Prepayments. The Bonds are subject to special mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date 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
Interest Payment Dates through March 1, 2025	103%
September 1, 2025 and March 1, 2026	102
September 1, 2026 and March 1, 2027	101
September 1, 2027 and Interest Payment Dates thereafter	100

Mandatory Sinking Fund Redemption. All of the Bonds are being issued as Term Bonds. The Bonds maturing September 1, 2022, September 1, 2027, September 1, 2032 and September 1, 2047 are subject to mandatory sinking payment redemption in part on September 1, 2019, September 1, 2023, September 1, 2028 and September 1, 2033, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term Bonds Due September 1, 2022

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2019	$75,000
2020	100,000
2021	130,000
2022 (maturity)	160,000

Term Bonds Due September 1, 2027

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2023	$190,000
2024	225,000
2025	265,000
2026	315,000
2027 (maturity)	355,000

Term Bonds Due September 1, 2032

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2028	$395,000
2029	450,000
2030	505,000
2031	560,000
2032 (maturity)	620,000

Term Bonds Due September 1, 2047

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2033	$685,000
2034	750,000
2035	820,000
2036	900,000
2037	975,000
2038	1,065,000
2039	1,155,000
2040	1,250,000
2041	1,350,000
2042	1,455,000
2043	1,565,000
2044	1,685,000
2045	1,805,000
2046	1,945,000
2047 (maturity)	2,095,000

The amounts in the foregoing tables will 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 Term Bonds.

Purchase In Lieu of Redemption. 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 the principal amount thereof, 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 Securities Depositories and to one or more Information Services, 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 is not 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.

Such 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.

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 deems 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, 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.

City's Right to Rescind. The City has the right to rescind any notice of the optional redemption of Bonds and such notice may be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. Neither the City nor the Fiscal Agent will have any liability to the Owners of the Bonds or any other party related to any such rescission of redemption.

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 are deposited in the Bond Fund, such 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 thereon on or after the redemption date specified in such 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 F. 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

As used in this section, references to "Bonds" means the Bonds and any Additional Bonds issued under the Fiscal Agent Agreement, as the context requires.

Pledge of Special Taxes

The Bonds are secured by and payable from a first pledge of the Special Tax Revenues. The Special Tax Revenues and all moneys deposited into the Bond Fund, the Reserve Fund and, until disbursed as provided in the Fiscal Agent Agreement, the Special Tax Fund and the Improvement 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, and the amounts to be used to redeem the Prior CFD No. 1 Bonds on the Redemption Date 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, the complete copy of which is set forth in APPENDIX A hereto, for all taxable properties in the District, by Willdan Financial Services, Temecula, California, the special tax consultant for the District (the "**Special Tax Consultant**"). 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 XIIIA 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 and the qualified electors. See "– Special Tax Methodology" below and "APPENDIX A – 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 "**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 A – 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 year's Special Tax levy is limited to the 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 "SPECIAL RISK FACTORS – Levy and Collection of the Special Tax" 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 A – Rate and Method of Apportionment of Special Tax" and in accordance with the Act. See "SPECIAL RISK FACTORS – Levy and Collection of Special Taxes." 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**" includes the following items:

(i) debt service on bonds issued for the District;

(ii) Administrative Fees and Expenses (including charges levied by the County);

(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 construction expenditures for authorized improvements (so long as such expenditure does not cause an increase in the Special Tax to be levied on Undeveloped Property).

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. Each Fiscal Year, the Administrator 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 that is exempt from the Special Tax pursuant to the Special Tax Formula. Taxable Property that is acquired by a public agency after the District has been 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; Method of Apportionment. The Special Tax will be levied each year by calculating the Special Tax Requirement, which needs to be generated by the Taxable Property in the District; the Special Tax (up to maximum allowable amount) will be levied against each Taxable Property until the total scheduled 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" (as defined in the Special Tax Formula) 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, and for other uses, the issuance of a building or use permit. See the Special Tax Formula in Appendix A and "– Backup Special Taxes" below.

The following table shows the assigned Special Tax for each category of Developed Property.

Table 1
City of Roseville
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Special Tax for Developed Property by Land Use Class

Land Use Class		2017-18 Assigned Special Tax[(1)]
Low-Density Residential	per unit	$1,757.03
Medium-Density Residential	per unit	1,351.56
High-Density Residential	per unit	675.78
Affordable Units	per unit	337.89
Non-Residential	per acre	6,757.80

(1) The Assigned Special Tax Rate is expected to equal the annual Maximum Tax Rate so long as the number of planned units are not reduced in a given planning area or land uses are not changed. The Assigned Special Tax Rate escalates at 2% each fiscal year.
Source: Special Tax Formula

The table on the following page shows the maximum Special Taxes for each planning area in the District, as set forth in the Special Tax Formula. The information in the table, including expected land use and number of residential units by planning area, are per the land use diagram dated December 2015 incorporated into the Special Tax Formula. As noted in the table below, the locations and boundaries of planning areas known as F-13B1, F-13B2 and F-13B3 have been reconfigured since the formation of the District. The total number of units, the total maximum tax and the exterior boundaries of the three combined planning areas remain unchanged; however, the total number of units within each are now 75, 41 and 45 for F-13B1, F-13B2 and F-13B3, respectively.

Table 2
City of Roseville
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Fiscal Year 2017-18 Assigned, Backup and Maximum Special Tax by Planning Area

District RMA Planning Areas [1]	Expected Land Use [1]	Expected Units [1]	2017-18 Assigned Special Tax Rate [2]	Expected Taxable Acreage [3]	2017-18 Backup Special Tax Rate per Acre [4]	2017-18 Maximum Tax [5]
F-6A1	LDR	92	$ 1,757.03	18.58	$ 9,136	$ 169,742
F-6A2	LDR	87	1,757.03	13.55	11,846	160,513
F-6B [6][7]	HDR	195	337.89	7.8	8,870	69,190
F-6C1	MDR	135	1,351.56	12.38	15,476	191,592
F-6C2	MDR	172	1,351.56	13.3	18,354	244,104
F-6D	CC	n/a	6,757.80	4.84	7,097	34,347
F-7A	LDR	67	1,757.03	10.37	11,920	123,609
F-7B	LDR	64	1,757.03	10.32	11,441	118,074
F-8A [6]	HDR	277	675.78	11.06	16,040	177,401
F-8B	MDR	127	1,351.56	10.92	16,505	180,234
F-8C	LDR	88	1,757.03	15.28	10,626	162,359
F-8D	LDR	38	1,757.03	10.88	6,444	70,113
F-9B	LDR	70	1,757.03	14.1	9,160	129,152
F-9C	LDR	83	1,757.03	17.26	8,873	153,140
F-9D	LDR	40	1,757.03	12.69	5,816	73,803
F-10A	LDR	122	1,757.03	29.3	7,682	225,092
F-10B	LDR	115	1,757.03	20.54	10,330	212,181
F-10C	LDR	80	1,757.03	19.9	7,417	147,599
F-11A1	LDR	47	1,757.03	8.78	9,877	86,716
F-11A2	LDR	57	1,757.03	8.71	12,074	105,163
F-11A3	LDR	71	1,757.03	11.79	11,110	130,992
F-11B	MDR	152	1,351.56	15.07	14,314	215,709
F-12	LDR	97	1,757.03	17.28	10,356	178,954
F-13A1	LDR	45	1,757.03	9.87	8,412	83,023
F-13A2	LDR	48	1,757.03	11.66	7,595	88,557
F-13B1 [8][9]	LDR	74	1,757.03	13.64	10,010	133,980
F-13B2 [8]	LDR	46	1,757.03	8.94	9,494	80,823
F-13B3 [8]	LDR	41	1,757.03	8.96	8,443	75,648
Total		**2,530**		**367.77**		**$3,821,809**

(1) Expected land use and number of residential units by planning area per land use diagram dated December 2015 incorporated into the Special Tax Formula.Certain locations and boundaries of planning areas have subsequently changed (see footnotes 8 and 9 below), and may change again in future. The designation “CC” refers to parcels planned for commercial uses.
(2) The Assigned Special Tax Rates are to be applied to each Developed Property. The Special Tax Formula generally defines a Developed Property as a single family detached lot created by a recorded subdivision map and for other uses, the issuance of a building or use permit. All maximum tax rates increase 2% annually commencing with FY 2016-17.
(3) Expected taxable acreage of each planning area per Table 3 of the Special Tax Formula.
(4) Maximum Tax rates per acre of Undeveloped Property. All maximum tax rates increase 2% annually commencing with FY 2016-17.
(5) This table does not include any acreage or tax amounts for the 10.44 acre school site knows as Parcel F-71, which is expected to be exempt from the Special Tax.
(6) 195 units within F-6B and 54 of the units within F-8A are expected to receive a reduced special tax rate due to affordable housing designations. This reduction is not reflected in this table. Should all of the 249 units become eligible for the lower affordable rate in FY 2017-18, these units would receive a combined maximum tax reduction of approximately $84,000.
(7) The financial feasibility section of the Appraisal states that the development of Parcel F-6B with its affordable requirements is not financially feasible without the input of grant money and/or government subsidies. Further, it is not uncommon in the District’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. Parcel F-6B’s allocable portion of the District's bonded debt together with the associated overlapping debt is approximately $440,000.
(8) The locations and boundaries of planning areas known as F-13B1, F-13B2 and F-13B3 have been reconfigured since the formation of the District. The total number of units, the total maximum tax and the exterior boundaries of the three combined planning areas remain unchanged; however, the total number of units within each are now 75, 41 and 45 for F-13B1, F-13B2 and F-13B3, respectively.
(9) Prior to May 1, 2017, 29 of the 74 lots within the District's planning area F-13B1 were subdivided into single family lots. As such, these 29 lots will be taxed as Developed Property for the FY 2017-18 Special Tax levy while the remaining portion of the planning area will be taxed as Undeveloped Property. Fiddyment 116 Lots, LLC owns the 29 lots to be taxed as Developed Property for FY 2017-18; the Owner owns the remnant parcel, which is entitled for 45 lots and will be taxed as Undeveloped Property for FY 2017-18.
Source: Willdan Financial Services.

Termination of the Special Tax. The Special Tax will be levied and collected (up to 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 facilities and to pay the Special Tax Requirement, subject to the following sentence. The Special Tax Formula provides that the Special Tax shall be levied so long as necessary to meet the Special Tax Requirement for a period not to exceed 50 fiscal years commencing with Fiscal Year 2016-17.

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, the Reserve Fund, fees, call premiums, negative arbitrage and any expenses incurred by the City in connection with the prepayment and expected future facilities costs.

Backup Special Taxes. The Special Tax Formula provides that each Fiscal Year, the CFD Administrator will assign a Backup Special Tax to all Assessor's Parcels within the District based on the Acreage of the Assessor's Parcel and the applicable Backup Special Tax Rate described in Table 2 to the Special Tax Formula. The Backup Special Tax rates increase by 2% each fiscal year.

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax or (ii) the application of the Backup Special Tax. Notwithstanding the foregoing, for any Fiscal Year in which all Taxable Property within a Planning Area is classified as Developed Property and the CFD Administrator has determined that the total Assigned Special Tax generated by the Developed Property is greater than or equal to the total Assigned Special Tax generated by the Anticipated Land Use for that Planning Area, the Maximum Special Tax for parcels within such Planning Area shall be equal to the Assigned Special Tax. The Maximum Special Tax for Provisional Property and Undeveloped Property in any Fiscal Year shall be equal to the Backup Special Tax.

Levy of Annual Special Tax; Maximum Special Tax

The annual Special Tax will be calculated by the City and levied each year to meet the Special Tax Requirement. However, 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. As shown in the table above, the Maximum Annual Special Tax rates for Fiscal Year 2017-18 range from $676 per planned unit for HDR parcels, $1,352 per planned unit for MDR parcels, and $1,757 per planned unit for LDR parcels (excluding planned Affordable Units, which have a Maximum Annual Special Tax rate of $338 each). A maximum of 249 residential units within the District are to be classified as Affordable Units. For Non-Residential parcels, the Special Tax is based upon the acreage of such parcels. The Annual Maximum Special Tax escalates by 2% each fiscal year. See "APPENDIX A – Rate and Method of Apportionment of Special Tax."

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.

The Special Tax levy may include a pay-as-you-go component. The Special Tax Formula provides a mechanism whereby the City may utilize the pay-as-you-go component to pay for and/or reimburse developers of property in the District for a portion of the cost of Improvements not funded by proceeds of the bonds issued for the District. In the event it 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, if the levy included a pay-as-you-go component, for authorized facilities costs not funded from Bond proceeds.

Special Tax Fund

Pursuant to the Fiscal Agent Agreement, all Special Tax Revenues, other than as a result of Prepayments, received by the City are required 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 (the "**Special Tax Fund**"). Within the Special Tax Fund, a "**Surplus Account**" is established for the purposes described below. Pending any disbursement, moneys in the Special Tax Fund will be subject to a lien in favor of the Owners of the Bonds.

As soon as practicable after the receipt by the City of any Special Tax Revenues, other than as a result of Prepayments, or the transfer of amounts to the Special Tax Fund pursuant to the Fiscal Agent Agreement, but no later than 10 Business Days after such receipt or transfer, the City will withdraw from the Special Tax Fund and transfer to the Fiscal Agent:

(i) for deposit in the Bond Fund (see "– Bond Fund" below), 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) for deposit in the Reserve Fund (see "– Reserve Fund" below), an amount, taking into account amounts then on deposit in the Reserve Fund, so that the amount in the Reserve Fund equals the Reserve Requirement (as defined below).

After the transfers described above have been made, the City may, on or after September 2nd of each year, transfer to the Surplus Account of the Special Tax Fund the amount remaining in the Special Tax Fund, whereupon such moneys transferred shall be free of the pledge for payment of the Bonds. From time to time, the City may withdraw from the Surplus Account amounts needed to pay Administrative Expenses, costs of the Improvements or incidental expenses of the District authorized under the Act. Moneys in the Surplus Account may, at the City's discretion, also be used to pay the principal of, premium, if any, and interest on the Bonds or to replenish the Reserve Fund to the amount of the Reserve Requirement.

Bond Fund

The Fiscal Agent Agreement establishes a Bond Fund (the "**Bond Fund**") to be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds. Moneys in the Bond Fund will be used for the payment of the principal of, and interest and any premium on, the Bonds, and pending such disbursement, subject to a lien in favor of the Owners of the Bonds. Within

the Bond Fund, the Fiscal Agent will establish and maintain a "**Prepayment Account**," which will be used exclusively for the administration of any Prepayments of Special Taxes to assure the timely redemption of Bonds.

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, including any amounts due on the Bonds by reason of the mandatory sinking fund payments or any optional redemption of the Bonds.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on any series of Bonds, the Fiscal Agent will withdraw from the respective reserve account within the Reserve Fund established for such series of Bonds to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent will provide written notice to the City of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund will be deposited in the Bond Fund. See "– Reserve Fund" below.

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 mandatory sinking fund payments, and then to payment of principal due on the Bonds by reason of mandatory sinking fund payments. Any mandatory sinking fund payment not made as scheduled shall be added to the following such payment date.

If 10 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 such fact to the City. The City covenants in the Fiscal Agent Agreement to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amounts authorized) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

Reserve Fund

The Fiscal Agent Agreement establishes a Reserve Fund (the "**Reserve Fund**"), to be held by the Fiscal Agent, and within the Reserve Fund the "**2017 Reserve Account**," to the credit of which a deposit shall be made as described above under "FINANCING PLAN." For each respective series of Additional Bonds covered by the Reserve Fund, the Fiscal Agent will establish a separate subaccount within the Reserve Fund for each such series. Moneys in each subaccount shall be held in trust by the Fiscal Agent for the benefit of the Owners of the respective series of Bonds as a reserve for the payment of principal of, and interest on, the respective series of Bonds and will be subject to a lien in favor of the Owners of the respective series of such 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: (i) a Qualified Reserve Fund Credit Instrument (as defined below), and (ii) 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. Prior to the

expiration of any Qualified Reserve Fund Credit Instrument, the City is obligated either to replace such Qualified Reserve Fund Credit Instrument with a new Qualified Reserve Fund Credit Instrument, or to deposit or cause to be deposited with the Fiscal Agent an amount of funds such that the funds on deposit in the Reserve Fund together with all Qualified Reserve Fund Credit Instruments held by the Fiscal Agent is at least equal to the Reserve Requirement (which funds may come from a draw by the Fiscal Agent on the Qualified Reserve Fund Credit Instrument prior to its expiration).

A "**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, provided that all of the following requirements are met:

(i) the long-term credit rating of such bank or insurance company is rated in the "AA" category or higher by S&P or Moody's at the time of issuance;

(ii) such letter of credit or surety bond has a term of at least 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 under the Fiscal Agent Agreement; and

(iv) the Fiscal Agent 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 Fiscal Agent Agreement.

If a Qualified Reserve Fund Credit Instrument were obtained in the future, and the long-term credit rating of the provider thereof was downgraded after the date of issuance of such Qualified Reserve Fund Credit Instrument, the City would not be obligated to replace the Qualified Reserve Fund Credit Instrument or otherwise fund the Reserve Fund.

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 means the lesser of 10% of the original principal amount of the Bonds covered by the Reserve Fund as calculated by the City, 100% of maximum annual debt service on the Bonds covered by the Reserve Fund, or 125% of average annual debt service on the Bonds covered by the Reserve Fund, as calculated at the time of issuance thereof. However, in no event will the City, in connection with the issuance of Additional Bonds covered by the Reserve Fund be obligated to deposit an amount in the Reserve Fund which is in excess of the amount permitted by the applicable provisions of the Tax Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Fund is so limited, the Reserve Requirement will, in connection with the issuance of such Additional Bonds, be increased only by the amount of such deposit as permitted by the Code, and the District may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Fund Credit Instrument in the Reserve Fund as described above.

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. Except as otherwise provided in the Fiscal Agent 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 5 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 respective series of Bonds on such Interest Payment Date.

To the extent the Fiscal Agent is required to draw on amounts in the Reserve Fund, the Fiscal Agent will draw on such amounts from any accounts within the Reserve Fund on a pro rata basis based upon the amounts produced by calculating the Reserve Requirement for each series of Bonds related to such accounts; provided, that because the accounts are established within the Reserve Fund solely for the purpose of complying with federal tax law, nothing in the Fiscal Agent Agreement will be construed to limit the availability of amounts in any account within the Reserve Fund to pay debt service on any series of Bonds.

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 Improvement Fund (if the Project has not been completed as the date of such transfer) or to the Bond Fund (if the Project has been completed as of such date), 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.

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.

Improvement Fund

Under the Fiscal Agent Agreement, there is established an Improvement Fund (the "**Improvement Fund**"), which is to be held in trust by the Fiscal Agent and will be disbursed as provided in the Fiscal Agent Agreement for the payment or reimbursement of the costs of the construction and acquisition of the Improvements. See "THE IMPROVEMENTS." Interest earnings from the investment of amounts in the Improvement Fund will be retained in the Improvement Fund to be used for the purposes of the Improvement Fund. Upon completion of the Improvements and the payment of all Administrative Expenses of the District, the Fiscal Agent will transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for application to the payment of principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement, and the Improvement Fund will be closed.

Delinquent Payments; Covenant for Superior Court Foreclosure

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes, except at the City's option, the Special Taxes may be billed directly to property owners or collected at a different time to meet the City's financial obligations. 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. However, if the City determines on the basis of such review that (i) 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 (ii) 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 that 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 Maximum Annual Special Tax rates set forth in the Special Tax Formula, the City may adjust (but not to exceed the Maximum Annual Special Tax and subject to the limitation described under the caption "– Special Tax Methodology – Limitation on Increases of Special Tax Levy" above) 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 120 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 "VALUE OF PROPERTY WITHIN THE DISTRICT AND SPECIAL TAX BURDEN – 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.

Additional Bonds

The District is authorized to issue up to $75,000,000 of bonds, of which the Bonds represent the first series. Additional Bonds may be issued in the future to pay for the construction and acquisition of improvements necessary for further development of land in the District. The City may by a Supplemental Agreement to the Fiscal Agent Agreement (a "**Supplemental Agreement**"), authorize the issuance of one or more additional series of Additional Bonds, payable from Special Taxes and secured by the Special Taxes on a parity with the Bonds and other Bonds previously issued, as development progresses in the District and upon compliance by the City with the conditions set forth in the Fiscal Agent Agreement, which include the following:

(i) The deposit into a subaccount in the Reserve Fund, or into a separate parity reserve fund, forthwith upon the receipt of the proceeds of the sale of such Additional Bonds, an amount at least equal to the Reserve Requirement with respect to such Series.

(ii) For each Bond Year that the Bonds and any Additional Bonds will be outstanding, projected maximum Special Taxes (net of County administration charges applicable to such Bonds and Additional Bonds at the time of issuance of the Additional Bonds) in each Fiscal Year are equal to or greater than 110% of debt service due in the Bond Year that begins in the corresponding Fiscal Year.

(iii) The aggregate value of all parcels in the District subject to the Special Tax, including then existing improvements and any facilities to be constructed or acquired with the proceeds of the proposed series of bonds, as determined by an MAI appraisal or, in the alternative, the assessed value of all such parcels and improvements thereon (and improvements to be financed from proceeds of the bonds proposed to be issued) as shown on the then current County tax roll, or by a combination of both methods is at least 3.00 times the sum of (1) the aggregate principal amount of all Bonds then outstanding plus (2) the aggregate principal amount of the series of Additional

Bonds proposed to be issued, plus (3) the aggregate principal amount of any bonds then outstanding and payable from assessments which are a lien against property in the District, plus (4) a portion of the aggregate principal amount of all Mello-Roos bonds, other than the Bonds then outstanding, and payable at least partially from special taxes to be levied on parcels of land subject to the Special Tax within the District (the "**Other Mello-Roos Bonds**") equal to the aggregate principal amount of the Other Mello-Roos Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other Mello-Roos Bonds on parcels of land within the District subject to the Special Tax, and the denominator of which is the total amount of special taxes levied for the Other Mello-Roos Bonds on all parcels of land subject to the Special Tax against which the special taxes are levied to pay the Other Mello-Roos Bonds (such fraction to be determined based upon the special taxes which could be levied the year in which maximum annual debt service on the Other Mello-Roos Bonds occurs), based upon information from the most recent available Fiscal Year.

Nothing in the Fiscal Agent Agreement will prevent or be construed to prevent any Supplemental Agreement to the Fiscal Agent Agreement providing for the issuance of Additional Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the Fiscal Agent Agreement, additional security for the benefit of such Additional Bonds or any portion thereof.

DEBT SERVICE SCHEDULE

The annual debt service on the Bonds, based on the interest rates and maturity schedule set forth on the inside cover of this Official Statement (assuming no early redemptions), is set forth below.

City of Roseville
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Special Tax Bonds Series 2017
Debt Service Schedule

Year Ending (Sept. 1)	Principal	Interest	Total
2018	--	$1,435,969.86	$1,435,969.86
2019	$75,000.00	1,182,950.00	1,257,950.00
2020	100,000.00	1,180,700.00	1,280,700.00
2021	130,000.00	1,177,700.00	1,307,700.00
2022	160,000.00	1,173,800.00	1,333,800.00
2023	190,000.00	1,169,000.00	1,359,000.00
2024	225,000.00	1,159,500.00	1,384,500.00
2025	265,000.00	1,148,250.00	1,413,250.00
2026	315,000.00	1,135,000.00	1,450,000.00
2027	355,000.00	1,119,250.00	1,474,250.00
2028	395,000.00	1,101,500.00	1,496,500.00
2029	450,000.00	1,081,750.00	1,531,750.00
2030	505,000.00	1,059,250.00	1,564,250.00
2031	560,000.00	1,034,000.00	1,594,000.00
2032	620,000.00	1,006,000.00	1,626,000.00
2033	685,000.00	975,000.00	1,660,000.00
2034	750,000.00	940,750.00	1,690,750.00
2035	820,000.00	903,250.00	1,723,250.00
2036	900,000.00	862,250.00	1,762,250.00
2037	975,000.00	817,250.00	1,792,250.00
2038	1,065,000.00	768,500.00	1,833,500.00
2039	1,155,000.00	715,250.00	1,870,250.00
2040	1,250,000.00	657,500.00	1,907,500.00
2041	1,350,000.00	595,000.00	1,945,000.00
2042	1,455,000.00	527,500.00	1,982,500.00
2043	1,565,000.00	454,750.00	2,019,750.00
2044	1,685,000.00	376,500.00	2,061,500.00
2045	1,805,000.00	292,250.00	2,097,250.00
2046	1,945,000.00	202,000.00	2,147,000.00
2047	2,095,000.00	104,750.00	2,199,750.00
Total	$23,845,000.00	$26,357,119.86	$50,202,119.86

Source: Underwriter.

The Special Tax Formula is structured to produce Special Tax Revenues from the levy of the Maximum Annual Special Tax which, when applied to the projected annual debt service on the Bonds, is anticipated to result in a debt service coverage ratio of at least 110% for the life of the Bonds.

THE WEST ROSEVILLE SPECIFIC PLAN

The West Roseville Specific Plan ("**WRSP**") is the primary land use, policy and regulatory document used to guide development of the land in the District. The WRSP establishes a development framework for land use, affordable housing, resource protection, circulation, utilities and services, implementation and design. All development projects and related activities in the WRSP area are required to be consistent with the WRSP. The WRSP implements the goals and policies of the City of Roseville General Plan, and augments these goals and policies by providing specific direction to reflect conditions unique to the project and plan area. The WSRP comprises the District, CFD No. 1 and an adjacent development with a similar land use concept known as "Westpark."

The WRSP land use plan includes a blend of residential, service, employment, open space and public uses. The WRSP includes a total of 10,438 dwelling units on approximately 3,222 acres. Other proposed land uses include a total of approximately 705 acres set aside in open space; 252 acres of parks; 136 acres of public/quasi-public uses; 63 acres of community commercial; and 88 acres of industrial and light industrial uses. The plan was originally adopted in February 2004 and has been amended since then, most recently in September 2015.

THE DISTRICT

Formation of the District

On January 20, 2016, 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 certain public infrastructure improvements. After conducting a noticed public hearing, on March 16, 2016, the City Council adopted the Resolution of Formation, which established the District, set forth the Special Tax Formula within the District and described the Improvements to be financed by the District. On the same day, an election was held within the District in which all of the qualified landowners in the District approved the proposed bonded indebtedness in the maximum aggregate principal amount of $75,000,000 and the levy of the Special Tax in accordance with the Special Tax Formula. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" below.

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 process of annexation of the area to the City was completed in October 2004. The area is generally west of existing Fiddyment Road and bounded by Phillip Road on the south and west. Central access to the District is via Blue Oaks Boulevard, a primary east-west traffic arterial that connects to State Highway 65 and ultimately to the Interstate 80 freeway system. Interstate 80 freeway 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.

Much of the area in this portion of the City has experienced a transition from largely undeveloped, agriculturally oriented uses toward a mixture of suburban land uses. 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 south and east, including those in the Crocker Ranch and Doctor's Ranch area to the east, and in the Woodcreek Oaks and Diamond Creek area to the southeast, and in the

Westpark and Westbrook neighborhoods to the south. New home construction and sales are still underway in the vicinity of the District.

The District occupies the majority of land that was previously designated for Phases 2 and 3 of the Fiddyment Ranch development, which is located east and west (substantially west) of Fiddyment Road, north and south of Blue Oaks Boulevard (substantially north of Blue Oaks Boulevard), within the City. The District is located in the northwestern portion of the City. As of the January 1, 2016 lien date for the Fiscal Year 2016-17 County property tax roll, there were two assessor's parcels in the District (APNs 492-010-057 and -077), both of which were owned entirely by the Owner. In late 2016, the Owner sold a portion of APN 492-010-077 to Fiddyment 116 Lots, LLC, an affiliate of Signature Homes. These parcels together contain approximately 533 net acres, which are expected to be divided into 1,472 low density residential lots, 586 medium density residential lots, 472 high density residential lots, 1 commercial lot, 5 park sites, 1 open space area and 1 school site. Additionally, the District is expected to include various open space areas along the roads classified as "Paseo" areas. Most of the residential lots are currently considered "paper lots," as they have tentative map approval but lack in-tract and backbone infrastructure. However, the final map for planning area F-13B1 (consisting of 75 lots) was recorded on September 27, 2016, generating new assessor's parcel numbers for these 75 lots. At the same time, planning area F-13B2, which is a remainder parcel designated for 41 lots, was designated. These 75 final mapped lots in F-13B1 and 41 planned lots for F-13B2 correspond to the portion of APN 492-010-77 that was sold by the Owner to Fiddyment 116 Lots, LLC.

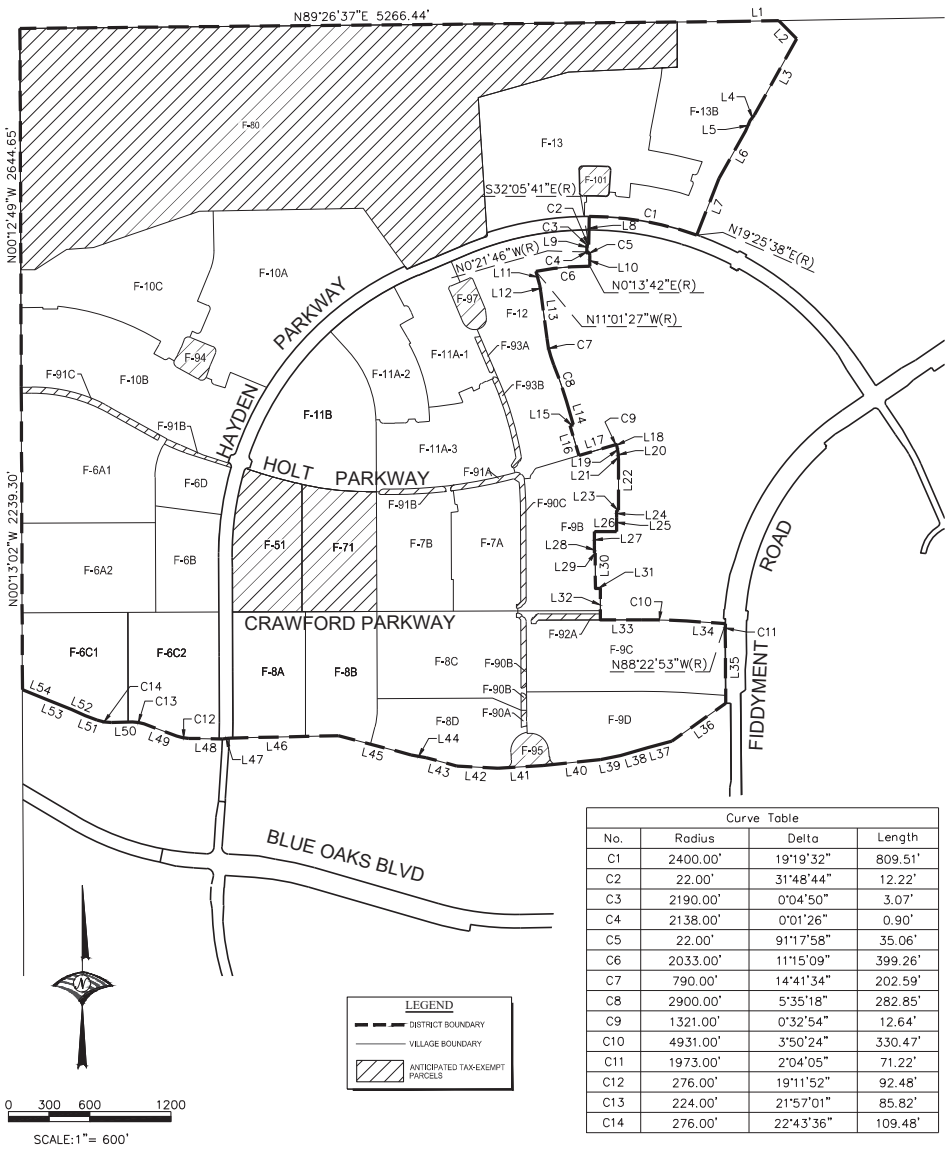
Maps. A District boundary map, aerial overview map and land use map are shown on the following pages.

PROPOSED BOUNDARIES OF

FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT No. 5 (PUBLIC FACILITIES)

CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

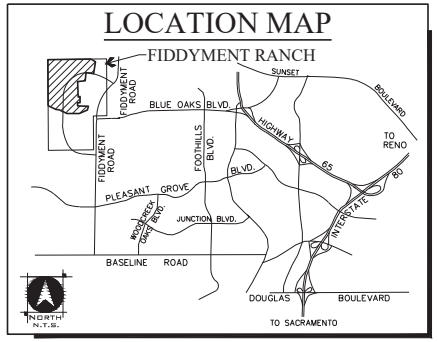
SECTIONS 13 AND 24, T. 11 N., R. 5 E. AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., M.D.B.&M.



Curve Table			
No.	Radius	Delta	Length
C1	2400.00'	19°19'32"	809.51'
C2	22.00'	31°48'44"	12.22'
C3	2190.00'	0°04'50"	3.07'
C4	2138.00'	0°01'26"	0.90'
C5	22.00'	91°17'58"	35.06'
C6	2033.00'	11°15'09"	399.26'
C7	790.00'	14°41'34"	202.59'
C8	2900.00'	5°35'18"	282.85'
C9	1321.00'	0°32'54"	12.64'
C10	4931.00'	3°50'24"	330.47'
C11	1973.00'	2°04'05"	71.22'
C12	276.00'	19°11'52"	92.48'
C13	224.00'	21°57'01"	85.82'
C14	276.00'	22°43'36"	109.48'

Line Table		
No.	Bearing	Length
L1	N88°56'05"E	336.22'
L2	N44°35'12"W	188.64'
L3	N29°04'16"E	642.86'
L4	N37°08'16"E	52.97'
L5	N24°01'12"E	84.43'
L6	N29°04'16"E	401.30'
L7	N21°30'48"E	448.04'
L8	N0°57'40"E	206.69'
L9	N0°21'46"W	52.00'
L10	N0°57'40"E	82.62'
L11	N14°43'07"W	105.23'
L12	N10°49'21"W	52.00'
L13	N7°21'01"W	346.96'
L14	N16°27'17"W	180.29'
L15	N73°32'43"E	25.00'
L16	N16°27'17"W	230.50'
L17	N73°32'43"E	275.10'
L18	N15°54'23"W	12.50'
L19	N9°14'37"W	58.72'
L20	N4°48'14"W	15.23'
L21	N1°55'09"W	21.92'
L22	N0°13'02"W	378.54'
L23	N89°46'58"E	14.80'
L24	N0°00'00"E	52.00'
L25	N0°13'02"W	105.00'
L26	N89°46'58"E	165.00'
L27	N0°13'02"W	105.00'
L28	N0°06'31"W	52.00'
L29	N89°46'58"E	6.31'
L30	N0°13'02"W	262.00'
L31	N89°46'58"E	36.74'
L32	N0°13'02"W	233.00'
L33	N89°46'58"E	305.22'
L34	N86°22'38"W	287.06'
L35	N0°26'58"W	518.24'
L36	N55°00'35"E	486.06'
L37	N74°28'30"E	183.80'
L38	N73°54'28"E	208.17'
L39	N78°27'30"E	151.07'
L40	N84°17'15"E	427.71'
L41	N86°22'37"E	333.50'
L42	N86°50'50"W	303.29'
L43	N74°51'00"W	237.11'
L44	N79°30'56"W	111.33'
L45	N75°15'02"W	554.80'
L46	N88°47'27"E	806.41'
L47	N81°46'49"E	50.82'
L48	N88°48'23"W	248.43'
L49	N69°36'31"W	256.50'
L50	N88°26'28"E	156.23'
L51	N68°49'56"W	91.74'
L52	N66°34'26"W	111.40'
L53	N67°53'05"W	204.07'
L54	N68°11'31"W	186.59'

LOCATION MAP



CITY CLERK'S STATEMENT

FILED IN THE OFFICE OF THE CLERK OF THE CITY OF ROSEVILLE, CALIFORNIA ON THIS_____DAY OF_____, _____.

_____

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

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 5 (PUBLIC FACILITIES), CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF ROSEVILLE, AT A MEETING THEREOF, HELD ON THE_____DAY OF_____, _____, BY ITS RESOLUTION NUMBER_____.

_____

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

RECORDER'S STATEMENT

FILED THIS_____DAY OF_____, _____, AT THE HOUR OF _____ O'CLOCK_____.M., IN BOOK_____OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE_____IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

_____

COUNTY RECORDER, COUNTY OF PLACER

WOOD RODGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS
3301 C St, Bldg. 100-B Tel 916.341.7760
Sacramento, CA 95816 Fax 916.341.7767

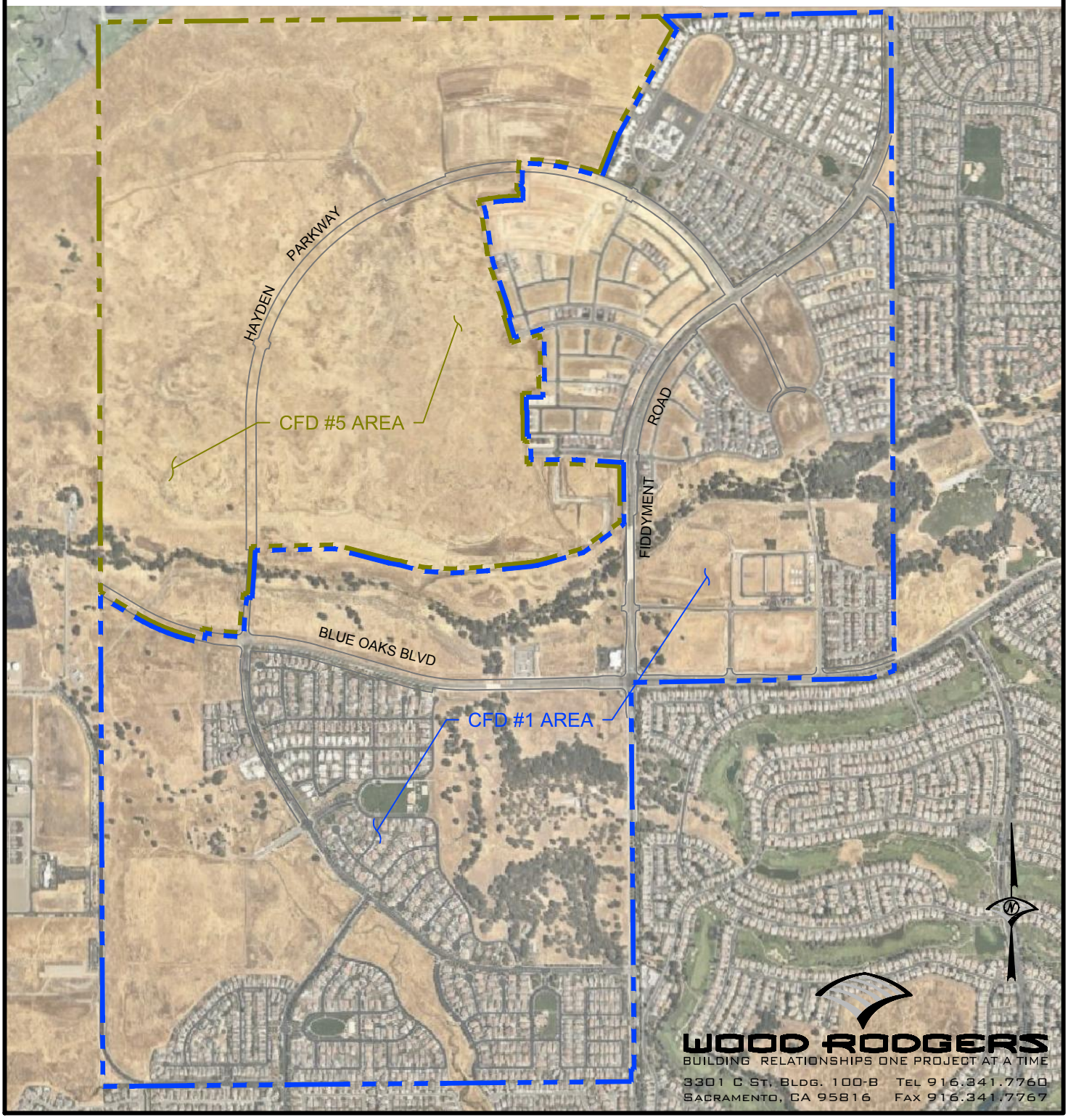
DECEMBER 2015

1027.147

FIDDYMENT RANCH
CFD #1 & CFD #5

ROSEVILLE **CALIFORNIA**

MAY 2, 2017
AERIAL FLOWN JULY 2016



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Sacramento, CA 95816 Fax 916.341.7767

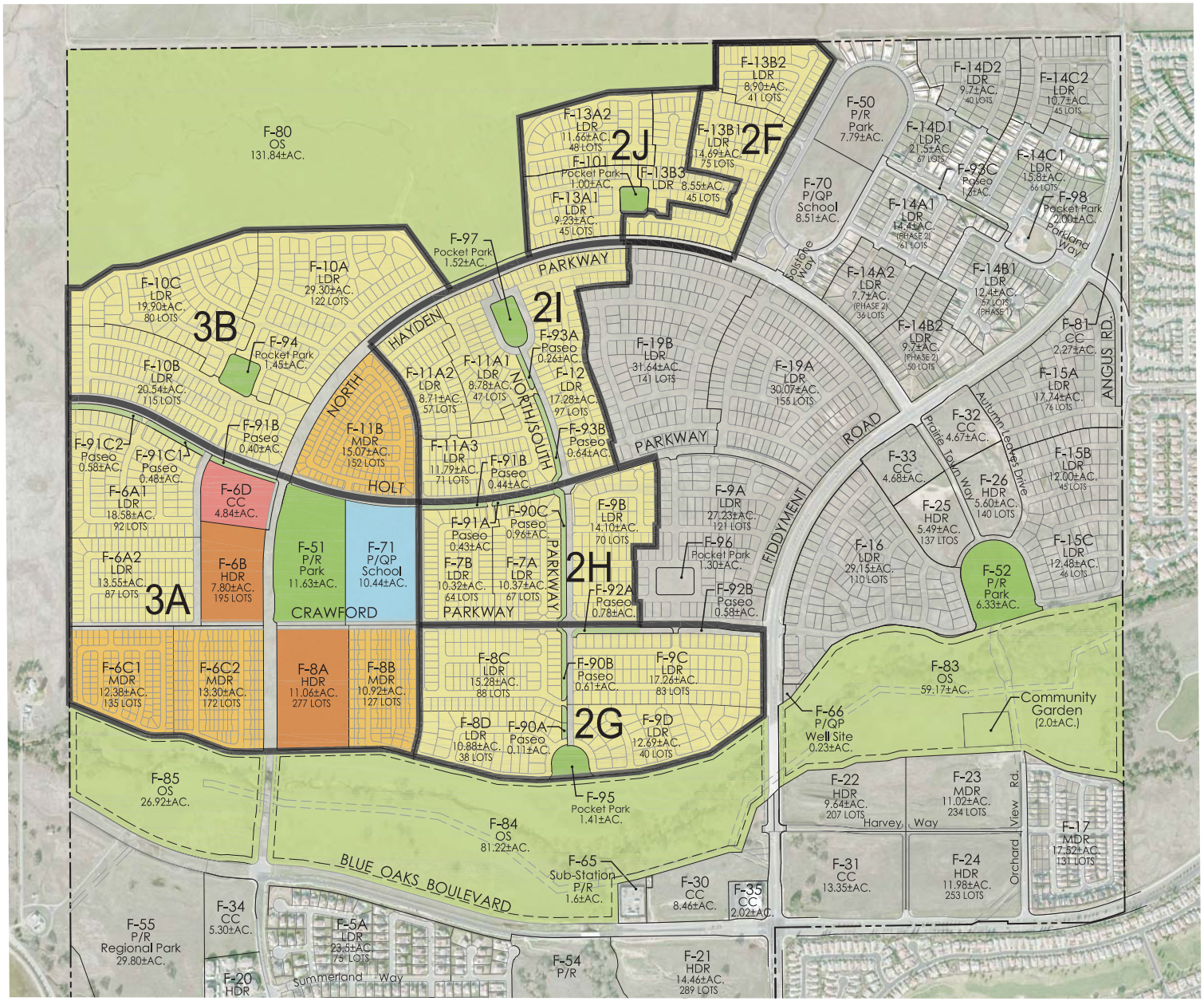
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PHASING PLAN

APPROVED FIDDYMENT RANCH - REMAINDER

CITY OF ROSEVILLE, CALIFORNIA

MARCH 1, 2017



LAND USE SUMMARY BY PHASE

PHASE NO.	VILLAGE/ LOT NO.	SPECIFIC PLAN	LAND USE DESCRIPTION	MINIMUM LOT DIM.	DWELLING UNITS	ACRE	DENSITY DU/AC
2F	F-13B-1	LDR	LOW DENSITY RESIDENTIAL	50'X105'	75	14.69	5.1
	F-13B-2	LDR	LOW DENSITY RESIDENTIAL	50'X105'	41	8.90	4.6
	SUBTOTAL				**116**	**23.59**	
2G	F-8C	LDR	LOW DENSITY RESIDENTIAL	50'x102.5'	88	15.28	5.8
	F-8D	LDR	LOW DENSITY RESIDENTIAL	65'x115'	38	10.88	3.5
	F-9C	LDR	LOW DENSITY RESIDENTIAL	60'x105'	83	17.26	4.8
	F-9D	LDR	LOW DENSITY RESIDENTIAL	65'x110'	40	12.69	3.2
	F-95	LDR	POCKET PARK			1.41	
	F-90A	LDR	PASEO			0.11	
	F-90B	LDR	PASEO			0.61	
	F-92A	LDR	PASEO			0.78	
	F-92B	LDR	PASEO			0.58	
	SUBTOTAL				**249**	**59.60**	
2H	F-7A	LDR	LOW DENSITY RESIDENTIAL	45'x100'	67	10.37	6.5
	F-7B	LDR	LOW DENSITY RESIDENTIAL	45'x100'	64	10.32	6.2
	F-9B	LDR	LOW DENSITY RESIDENTIAL	55'x105'	70	14.10	5.0
	F-90C	LDR	PASEO			0.96	
	F-91A	LDR	PASEO			0.43	
	F-91B	LDR	PASEO			0.44	
	SUBTOTAL				**201**	**36.62**	
2I	F-11A-1	LDR	LOW DENSITY RESIDENTIAL	45'x105'	47	8.78	5.4
	F-11A-2	LDR	LOW DENSITY RESIDENTIAL	45'x105'	57	8.71	6.5
	F-11A-3	LDR	LOW DENSITY RESIDENTIAL	45'x105'	71	11.79	6.0
	F-12	LDR	LOW DENSITY RESIDENTIAL	50'x105'	97	17.28	5.6
	F-97	LDR	POCKET PARK			1.52	
	F-93A	LDR	PASEO			0.26	
	F-93B	LDR	PASEO			0.64	
	SUBTOTAL				**272**	**48.98**	
2J	F-13A-1	LDR	LOW DENSITY RESIDENTIAL	55'X105'	45	9.23	4.9
	F-13A-2	LDR	LOW DENSITY RESIDENTIAL	55'X105'	48	11.66	4.1
	F-13B-3	LDR	LOW DENSITY RESIDENTIAL	50'X105'	45	8.55	5.3
	101	LDR	POCKET PARK			1.00	
	SUBTOTAL				**138**	**30.44**	
3A	F-6A1	LDR	LOW DENSITY RESIDENTIAL	55'x110'	92	18.58	5.0
	F-6A2	LDR	LOW DENSITY RESIDENTIAL	50'x105'	87	13.55	6.4
	F-6C1	MDR	MEDIUM DENSITY RESIDENTIAL	43'x57'	135	12.38	10.9
	F-6C2	MDR	MEDIUM DENSITY RESIDENTIAL	28'x73'	172	13.30	12.9
	F-8B	MDR	MEDIUM DENSITY RESIDENTIAL	28'x73'	127	10.92	11.6
	F-6B	HDR	HIGH DENSITY RESIDENTIAL		195	7.80	25.0
	F-8A	HDR	HIGH DENSITY RESIDENTIAL		277	11.06	25.0
	F-6D	CC	COMMUNITY COMMERCIAL			4.84	
	F-71	P/QP	ELEMENTARY SCHOOL			10.44	
	F-51	P/R	PARKS AND RECREATION			11.63	
	F-91B	LDR	PASEO			0.40	
	F-91C1	LDR	PASEO			0.48	
	F-91C2	LDR	PASEO			0.58	
	SUBTOTAL				**1085**	**115.96**	
3B	F-10A	LDR	LOW DENSITY RESIDENTIAL	55'x110'	122	29.30	4.2
	F-10B	LDR	LOW DENSITY RESIDENTIAL	50'x105'	115	20.54	5.6
	F-10C	LDR	LOW DENSITY RESIDENTIAL	60'x110'	80	19.90	4.0
	F-11B	MDR	MEDIUM DENSITY RESIDENTIAL	43'x57'	152	15.07	10.1
	F-94	LDR	POCKET PARK			1.45	
	SUBTOTAL				**469**	**86.26**	
	RIGHT-OF-WAY					**21.43**	
TOTAL					**2530**	**422.88**	

NORTH 0 300 600 1200

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Fax 916.341.7767

SHEET 1 OF 1

PHASING PLAN - APPROVED FIDDYMENT RANCH REMAINDER

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Current and Anticipated Development in the District

The Owner has provided the following information with respect to development within the District. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. Since the ownership of the parcels is subject to change, the development plans outlined below may not be continued by the subsequent owner if the parcels are sold, although development by any subsequent owner will be subject to the WRSP, the Development Agreement and the policies and requirements of the City. No assurance can be given that the plans or projections detailed below will actually occur.

Current Development and Anticipated Future Development. The land in the District (together with land in CFD No. 1) is known locally as the "Fiddyment Ranch" neighborhood and has been marketed to the general public as "Fiddyment Farm." Initial homebuilding activity in CFD No. 1 began in late 2005 and has been ongoing since then. For Fiscal Year 2017-18, special taxes are projected to be levied on 1,873 parcels in CFD No. 1. Of these 1,873 parcels, 1,587 parcels are developed residential properties with homes that are completed or under construction, 1 parcel has been developed into a commercial parcel, 71 parcels are finished single-family lots having a building permit issued, and the remaining 214 parcels are a mixture of finished single-family lots and parcels zoned for commercial or multi-family high-density residential uses. Development remains ongoing and further subdivision of certain parcels and sales of finished homes to individual homeowners in CFD No. 1 is expected. Development in the District constitutes phases 2 and 3 out of the three planned phases of the development of Fiddyment Farm.

Development within the District is anticipated to progress consistent with the WRSP land uses, which primarily consist of low density residential neighborhoods and, to a lesser extent, supporting uses such as schools, parks, recreation, open space and supporting neighborhood land uses. Permitted land uses are configured to reinforce the neighborhood identity and sense of community. See "THE WEST ROSEVILLE SPECIFIC PLAN" above. The Owner currently projects that the majority of the lots will be sold in super pad condition to merchant homebuilders. This process has already begun with the sale of Villages F-13B1 and F-13B2 (also referred to as planning areas F-13B1 and F-13B2) to Fiddyment 116 Lots, LLC, an affiliate of Signature Homes. Additionally, the Owner anticipates selling additional super pad lots to other merchant homebuilders. The non-residential and multi-family use property is expected to be sold or otherwise conveyed at an undetermined date in the future, once all or substantially all of the single-family residential lots have been developed. See Table 4 and Table 5 herein for additional details.

Initial development activity in the District has been focused on two planning areas (F-13B1 and F-13B2), consisting of 116 lots, all of which are owned by Fiddyment 116 Lots, LLC. These areas have been rough-graded, and the final map for F-13B1 (75 lots) has been recorded. The final map for F-13B2 (41 lots) is anticipated to be recorded in late 2017. Construction of the street and utility improvements for planning area F-13B1 are underway, with the sewer system improvements having been completed and the water system improvements being roughly 50% complete. Model home construction is anticipated to begin in planning area F-13B1 (under the project name "Woodbridge") in June 2017.

Signature Homes anticipates that the in-tract improvements for planning area F-13B1 will be completed in June 2017, with model homes complete in late September 2017. Signature Homes anticipates that construction of the first phase of production homes will begin in July

2017, with the first closings to individual homeowners occurring in December 2017. Signature Homes anticipates that construction of the Phase F-13B2 improvements will begin in April 2018.

Following the development of Villages F-13B1 and F-13B2 as described above, the next phase of development activity is expected to be for phases 2G and 2H of the project. These development phases cover Villages F-7A, 7-B, 8-C, 8-D, 9-B, 9-C, and 9-D, and include 450 low-density single-family residential lots total, consisting of 249 lots in Villages F-8C, F-8D, F-9C and F-9D planned for Phase 2G, and 201 lots in Villages F-7A, F-7B and F-9B planned for Phase 2H. A pocket park and various "Paseo" areas are also included within phases 2G and 2H.

With respect to backbone infrastructure, improvement plans for the extension of the sewer trunk main across Pleasant Grove Creek to serve the Villages planned for phases 2G and 2H, as well as the remainder of the land in the District, have been prepared and are in plan check at the City. In addition, the improvement plans for utility and collector street extensions to serve the 450 lots have been prepared and are in plan check at the City. A large lot final map to create parcels for each of the seven Villages in phases 2G and 2H described above has been prepared and is in plan check. A mass grading plan for the phases 2G and 2H area has been prepared and is in plan check at the City. With respect to in-tract improvements, improvement plans for each of the seven villages in phases 2G and 2H have been prepared and all seven improvement plan sets are in plan check at the City.

Entitlements; Tentative and Final Maps. Land in the District consists of approximately 533 net acres, and is entitled for 2,530 residential units, consisting of 1,472 low-density residential (LDR) lots, 586 medium density residential (MDR) lots, and 472 high-density residential (HDR) units. Additionally, the District is expected to include commercial areas, a school, park sites and various open space areas along the roads classified as "Paseo" areas. Most of the residential lots are currently considered "paper lots," as they have tentative map approval but lack in-tract and backbone infrastructure; however, there are 75 final mapped lots (all of which are owned by Fiddyment 116 Lots, LLC, an affiliate of Signature Homes). The multi-family and commercial parcels have zoning in place for development, but no additional entitlements/maps.

There are four small lot tentative maps that have been approved for the 1,472 LDR and 586 MDR lots described above. The expiration of these maps has recently been extended to be concurrent with the expiration of the Development Agreement (February 23, 2024).

The final map for parcel F-13B1 (75 lots) has been recorded. The remaining final maps are expected to be prepared and recorded as the planning areas are developed. It is anticipated that approximately six months will be required from start to finish for each final map.

Backbone Infrastructure. Backbone infrastructure improvements needed for the development in the District include basic streets, sidewalks, water, sewer, drainage, concrete curb, gutter and paving and all of the relevant utilities in the basic streets. Construction of backbone infrastructure in the District and CFD No. 1 was planned in three phases (Phases 1, 2 and 3) in order to proceed as necessary to facilitate periodic sales of land to merchant builders and the commencement of the merchant builders' homebuilding operations according to market demand. All of the Phase 1 backbone infrastructure, which is the infrastructure needed for development in CFD No. 1, has been completed. Phases 2 and 3 of the development relate to land in the District. As of the date of this Official Statement, construction of certain backbone infrastructure required for development in the District has not yet commenced.

A significant level of remaining backbone infrastructure is required to complete development in the District. According to cost budget information prepared by Wood Rodgers (a civil engineering firm), total District-funded infrastructure costs for the District are estimated at about $33.0 million (including a 15% contingency), and the total non-District funded infrastructure costs are estimated at about $21.7 million, for a grand total of approximately $54.7 million. The Bonds are expected to fund $6.0 million in construction costs, with the remaining funding of $48.7 million expected to be funded by sales of land by the Owner and other financing obtained by the Owner. See "THE IMPROVEMENTS – Estimated Costs of the Improvements" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT – Owner Financing Plan" (including Table 4 and Table 5) herein for additional details.

Utilities. All public utilities, including electricity, natural gas, sewer, water, and telephone, are available to the District's perimeter and are expected to be extended to individual lots within the District upon completion of site development. The City provides water, electric, police and fire services, and Pacific Gas & Electric Company provides natural gas. Sewer and storm water facilities are also provided by the City.

Affordable Units. The City's General Plan Housing Element establishes a citywide goal of 10% of all new housing units in the City be affordable to middle-, low- and very-low income households. Housing affordability is based on household income categories defined by the U.S. Department of Housing and Urban Development. Presently, there are two parcels in the District subject to affordable housing restrictions – Parcels F-6B and F-8A. Parcel F-6B is approved for 195 rental units, and is expected to include 66 "very low income" units, 66 "low income" units and 63 "moderate income" units (no market rate units). Parcel F-8A is approved for 277 units and is expected to include 54 "moderate income" units, with the remaining 223 units expected to be market rate. Given the affordable housing restrictions on Parcel F-6B, the Appraiser provided an estimate of market value of $0 for this parcel. Despite this estimate of value, this parcel is subject to the Special Tax securing the Bonds.

Development Agreement

General. The Owner is a party to a development agreement dated February 18, 2004 (as amended to date, the "**Development Agreement**") with the City in accordance with applicable state and local codes. 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 as 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. The Development Agreement was entered into in accordance with Sections 65864 through 65869.5 of the California Government Code, as implemented through Article V, Chapter 19.84 of the City's Zoning Ordinance No. 3014.

The Development Agreement is the primary implementation tool for the WRSP and creates a binding contract between the City and the Owner and their assigned successors in interest, which sets forth the needed infrastructure improvements, park dedication requirements, timing and method for financing improvements and other specific performance obligations of the City and the Owner as such obligations relate to development of the property in the District, including the terms, conditions, rules, regulations, entitlements, vested rights and other provisions relating to the development of the property in the District according to the WRSP entitlements. The Development Agreement includes provisions relating to infrastructure

improvements, public dedication requirements, landscaping amenities and other obligations of the parties. The Development Agreement has a 20-year term, runs with the property, and may be terminated, modified or extended by circumstances set forth therein or by mutual consent of the City and the Owner and in a manner consistent with the WRSP. With the Development Agreement in place, subject to compliance with the terms of the Development Agreement, construction of homes within the District may occur upon City approval of subdivision maps, satisfaction of certain design requirements and conditions of such maps and issuance of building permits. Until the Development Agreement terminates or expires, it will be binding on the Owner and all successor owner-developers of property in the District.

Land use and development entitlements granted under the Development Agreement for property in the District are consistent with the WRSP described under the caption "THE WEST ROSEVILLE SPECIFIC PLAN" and summarized above.

Improvements. The Development Agreement sets forth the responsibility of the Owner and its successors for a portion of the costs of certain public improvements required by the Development Agreement. Funding of the Improvements with proceeds of the Bonds will satisfy a portion, but not all, of the relevant obligations of the District for infrastructure improvements required by the Development Agreement. The estimate of value provided in the Appraisal assumes the Improvements funded by the Bonds are in place. The Improvements not funded from Bond proceeds or Special Taxes are expected to be funded by the Owner. See "THE IMPROVEMENTS" below.

Environmental Matters

Flood Zone. Land in the District is located within three different flood zones, although none of the developable areas of the property is within a designated floodplain. The majority of the property is located within Zone X – areas determined to be outside of the 500-year flood plain. Portions of the land in the District (most notably, the open space areas) are located within Zone A (area inundated by 100-year flood, no base flood elevations determined) or Zone AE (area inundated by 100-year flood, flood elevations determined). This information comes from the Federal Emergency Management Agency's flood insurance rate maps (Community-Panel Number 06061C-0394F and -0457F, with an effective date of June 8, 1998). Flood insurance is not required within the developable areas of the District (Zone X areas). In addition, all of the developable land in the District is located outside of the Central Valley Flood Protection Plan's target 200-year level of protection area.

Wetland Conditions; Section 404 Permits. According to the City's planning department, all wetland mitigation requirements have been met for development of land in the District. In addition, all developable properties within the boundaries of the District have a Section 404 permit in place from the U.S. Army Corp. of Engineers. The U.S. Army Corp. of Engineers has extended the time to complete the necessary and authorized work to December 30, 2020.

Section 1602 Streambed Alteration Agreement(s). Section 1602 of the California Fish and Game Code requires an entity to notify the California Department of Fish and Wildlife ("**CDFW**") prior to commencing certain activities affecting rivers, streams or lakes in the State. In connection with development of land in the District, the Owner has and/or will enter streambed alteration agreement(s) with CDFW and will perform its development activities in accordance therewith. The Owner is not aware of any issues that would prevent it from securing the needed Section 1602 agreements and is not aware of any impediments to

complying with all such required agreements with CDFW. These 1602 agreements are needed for the sewer to be extended across the creek in the District, which is necessary to allow building of Phase 2G (249 lots) and subsequent development phases as planned.

Seismic Conditions. According to the California Seismic Safety Commission, the District is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two earthquake 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 District 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.

THE IMPROVEMENTS

Eligible Improvements

The Bonds will provide a funding source for moneys expended to finance the public infrastructure and facilities authorized to be financed by the levy of Special Taxes in the District, which are referred to herein as the Improvements. The list of eligible Improvements is set forth in Exhibit A to the Resolution of Formation, adopted by the City Council, as the legislative body of the District, on March 16, 2016. These Improvements consist of the following:

Transportation Improvements. Improvements to the following roadways, as well as other public roadway improvements designed to meet the needs of the project:

- North Hayden Parkway;
- Holt Parkway;
- Crawford Parkway;
- North/South Parkway;
- Street 22; and
- Blue Oaks Boulevard

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

Potable and Non-Potable Water System Improvements. Authorized facilities include any and all on- and off-site backbone water facilities designed to meet the needs of development in the Phases 2 & 3 portion of the Fiddyment Ranch development. These facilities include, but are not limited to potable and non-potable mains, valves, services and appurtenances; wells; and water treatment facilities. Water rights acquisition, purchase of water supply, and transfer fees are also authorized improvements.

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

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

Solid Waste Improvements. Authorized facilities include any and all backbone solid waste improvements designed to meet the needs of development in the Phases 2 & 3 portion of the Fiddyment Ranch development. Eligible improvements also include the Solid Waste Recycling Center. Facility improvements include, but are not limited to: 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 Phases 2 & 3 of the Fiddyment Ranch development.

***Open Space Improvements*.** Authorized facilities include any and all open space improvements designed to meet the needs of development in the Phases 2 & 3 portion of the Fiddyment Ranch development, 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 Phases 2 & 3 portion of the Fiddyment Ranch development. All utility improvements, easement payments, and land acquisition not located under or alongside transportation improvements are considered authorized facilities.

Prepayment of CFD No. 1 Special Tax/Indebtedness. Authorized facilities and incidental expenses also include the payment of all amounts necessary to pay, prepay or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the District for facilities and incidental expenses authorized to be financed by CFD No. 1, as are set forth in the Resolution No. 04-445 of the City Council adopted September 15, 2004. The financing plan for the District includes financing the prepayment of the special tax on land within the area of the District that is also in CFD No. 1, which is secured by an existing lien on such property for the special tax of CFD No. 1 and which

lien will be removed upon authorization of the lien of the special tax of the District. For additional information on the planned Prepayment, see "FINANCING PLAN."

***Formation, Administrative, and Incidental Expenses*.** In addition to the foregoing, other incidental expenses as authorized by the Act, include, but are not limited to: the cost of planning, permitting, approving, 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 District facilities; project management; construction staking; engineering studies and preparation of an engineer's report for the use of recycled water; utility relocation and demolition costs incidental to the construction of the public facilities and costs associated with the creation of the District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred to carry out the authorized purposes of the District; reimbursements to other areas for infrastructure facilities or planning purposes serving development in the District; and any other expenses incidental to the construction, completion, and inspection of the facilities.

Estimated Cost of the Improvements

The total estimated cost of the Improvements to be constructed in connection with development of land in the District that are eligible for reimbursement from Bonds or special taxes levied in the District, as shown in the following table, is approximately $33.0 million. Additionally, the Prepayment is estimated at approximately $18.7 million. The cost of the Improvements will initially be paid for by the Owner, with the Owner to be reimbursed for certain of such improvement expenditures from the proceeds of the Bonds. The Owner anticipates that $6.0 million of the total set forth below will be financed by the proceeds of the Bonds. See "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT – Owner Financing Plan" for a description of other sources of funding available to the Owner.

The costs set forth in the table below are estimates based on projections; actual costs are expected to vary.

Table 3
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Summary of Eligible Improvements and Estimated Total Cost

Eligible Improvement	Estimated Total Cost
Streetwork	$4,400,000
Rough Grading	800,000
Bridges	4,400,000
Sanitary Sewer	2,900,000
Storm Drain	3,300,000
Water System	3,200,000
Joint Trench	6,700,000
Concrete and Landscaping	1,000,000
Professional Fees	3,600,000
Miscellaneous	100,000
Contingency (15%)	2,600,000
Total	*$33,000,000*

Source: Owner.

Construction and Acquisition of the Improvements

The Owner expects construction of the Improvements to be completed on an ongoing basis as needed to allow development of land in the District, with final Improvements completed by the first quarter of 2021. The timing of construction of homes and commercial buildings by merchant builders and the commencement of sales of homes to homebuyers and commercial buildings to commercial owners and/or occupancy by tenants is dependent upon market conditions. Model home construction is anticipated to begin in the District in June 2017.

In connection with the issuance of special tax bonds for CFD No. 1, the City and the Owner entered into a Funding, Construction and Acquisition Agreement (the "**Acquisition Agreement**"), which provides that the Owner will construct (or cause to be constructed or funded) the portion of the Improvements consisting of roadways and related facilities. The City, upon completion of construction and acceptance by the City, will purchase the Improvements. Upon completion of the Improvements and acceptance by the City, proceeds of the Bonds will be used to pay a portion of the purchase price of the Improvements pursuant to the terms of the Acquisition Agreement. The Owner will be responsible for the portion of the cost of construction of the Improvements not paid with Bond proceeds.

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.

The Owner and Signature Homes have provided the information set forth in this section entitled "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT." No assurance can be given that all information is complete. In addition, any Internet addresses included below are for reference only, and the information on those Internet sites is not a part of this Official Statement or incorporated by reference into this Official Statement. Certain other information contained below has been obtained from the Appraisal. For more detailed information on the ownership of undeveloped lots in the District, see the Appraisal attached hereto as APPENDIX B.

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 current 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 "SPECIAL RISK FACTORS" herein.

The Owner

Most of the land within the District is owned by ATC Realty One, LLC, a Delaware limited liability company (sometimes referred to herein as the "**Owner**"). Foreclosure proceedings brought by Wells Fargo Bank, National Association ("**Wells Fargo Bank**") related to development financing it had provided to the original master developer of land in the Fiddyment area (Roseville/Fiddyment Land Venture, LLC, a Delaware limited liability company (the

"**Former Developer**")) were concluded in the second quarter of 2012, resulting in the transfer of title of property from the Former Developer to the Owner. The Owner is solely owned by Wells Fargo Bank.

The managing member of the Former Developer was Signature Properties. To acquire land in the District and in CFD No. 1, the Former Developer secured a land acquisition loan from Wells Fargo Bank. It then proceeded to develop property in CFD No. 1 and sell off portions to merchant builders. Because there was not enough bond authorization in CFD No. 1 for the Former Developer to be reimbursed from special tax bonds for the installation of all the needed infrastructure for the District, Wells Fargo Bank loaned money to the Former Developer to complete this infrastructure.

Separately, Wells Fargo Bank made an A&D (Acquisition and Development) loan to Signature Properties for property that Signature Properties bought from the Former Developer for home construction. Wells Fargo Bank also made various construction loans to Signature Properties for other projects it built on land purchased from the Former Developer. All loans made to Signature Properties were repaid to Wells Fargo Bank.

As a result of a downturn in the real estate market, Wells Fargo Bank foreclosed on the property in CFD No. 1 (which then included the District) that remained owned by the Former Developer in 2012. However, it retained an affiliate of Signature Homes to help manage the property. Rather than disposing of the property in bulk, Wells Fargo Bank elected to hold the property and continued to invest money as needed to develop lots (generally super pads) for sale to third party builders. Since acquiring the property in 2012 through ATC Realty One, LLC, Wells Fargo Bank has invested approximately $36.7 million of equity in development costs and has recouped most of that money through land sales to third parties. As a matter of policy, Wells Fargo Bank has maintained current the tax obligations associated with the property in the District owned by ATC Realty One, LLC and has not allowed any liens to be created against such property. As of the date of this Official Statement, all the property in the District owned by Wells Fargo Bank through ATC Realty One, LLC is debt free.

The development of Phase 2G, consisting of the next 249 super padded lots, will require an investment of approximately $9.0 million by Wells Fargo Bank through ATC Realty One, LLC. The current plan is to extend the sewer line from the main to the creek that is adjacent to the open space that borders the 249 lots anticipated to be built as super pads. That cost is estimated by Wells Fargo Bank to be about $0.75 million, which ATC Realty One, LLC would advance and then seek reimbursement from the proceeds of the Bonds. Signature Homes, on behalf of ATC Realty One, LLC or a successor owner, would then grade the site at a cost estimated to be approximately $3.0 million, which they would advance. No reimbursement would be sought from Bond proceeds for this work. In September 2017, provided the water in the creek has receded, Signature Homes, on behalf of ATC Realty One, LLC or a successor owner, expects to bring the sewer line across the creek and do the street and improvement work needed to create the 249 super pad lots. The approximate cost of that work is estimated to be $5.25 million. A combination of the $3.0 million equity investment by ATC Realty One, LLC or a successor owner and the $6.0 million in Bond proceeds is expected to provide the $9.0 million anticipated to be needed to create the next 249 lots that could be taken to market for sale by ATC Realty One, LLC to merchant builders.

The Manager. The Owner has retained Signature Homes, a homebuilding entity, to manage the development of the property owned by the Owner in the District, on behalf of the Owner. Originally, the management company was Signature Properties but approximately five

years ago, the management responsibilities were transferred to Signature Homes. Signature Properties was owned 100% by the Ghielmetti Family. In order to develop a succession plan, the Ghielmetti family created Signature Homes. Signature Homes is a privately held California corporation headquartered in Pleasanton, California. It is owned by the Ghielmetti family, and four individuals who are actively involved in the day-to-day operation of Signature Homes: Gary Galindo (President), Steve Miller (Vice-President in charge of forward planning), John Ford (CFO) and Dave Taylor (Vice-President in charge of construction). Collectively, the owners have over 100 years of experience in the homebuilding industry. Founded in 1983 by James Ghielmetti, the company's primary business is homebuilding and land development, initially in the San Francisco Bay Area. Locally, the company established an office in 1995 and has built communities in the cities of Sacramento, Davis, Lincoln, Rocklin and Roseville, California. Signature Properties is presently building in Sacramento, Rocklin, Lincoln, and Roseville. The company is also involved in redevelopment and revitalization projects in older cities and neighborhoods, office construction and retail center development. Although Signature Homes and Signature Properties are best known for building homes and master planned communities, the companies have developed such diverse properties as office buildings, retail centers, restaurants, recreational complexes and clubhouses with comprehensive country club amenities.

Signature Homes' website address is www.sighomes.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 City or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.

Fiddyment 116 Lots, LLC/Signature Homes

Fiddyment 116 Lots, LLC is an affiliate of Signature Homes established for the purpose of improving 116 LDR lots in the District. In late 2016, Signature Homes purchased from the Owner the land described as Villages F-13B1 and F-13B2. The final map for Village F-13B1 (consisting of 75 lots) was recorded on September 27, 2016, generating new assessor's parcel numbers for these 75 lots. At the same time, a remainder parcel, planned for 41 lots, was designated for Village F-13B2. These 75 final mapped lots in F-13B1 and 41 planned lots for F-13B2 correspond to the portion of APN 492-010-77 that was sold by the Owner to Fiddyment 116 Lots, LLC in late 2016. In addition to the purchase price, Fiddyment 116 Lots, LLC provided the grading of 34 off-site lots and the installation of a storm drain outfall structure through the open space. Due to Signature Homes' history with the property and familiarity with the seller, the purchase price was not considered a true arms-length sale by the Appraiser.

Fiddyment 116 Lots, LLC intends to market the 116 single-family residential homes planned for construction on the 116 LDR lots in Villages F-13B1 and F-13B2 under the "Woodbridge" project name. Improvement costs for these lots are estimated by Signature Homes at $41,349 per lot, which includes the construction of the storm drain outfall and the rough grading of 34 lots in Village F-13B3 that benefit the parcels owned by the Owner described above. Signature Homes anticipates building four single family detached floor plans on these 116 lots, ranging in size from 2,004 square feet, to 2,562 square feet, 2,812 square feet, and 3,055 square feet. Sales prices are currently projected at $420,000, $450,000, $480,000 and $520,000, respectively. Signature Homes anticipates that the in-tract improvements for Village F-13B1 will be completed in June 2017, with model home construction beginning in June 2017 and the models complete in late September 2017. Signature Homes anticipates that construction of the first phase of production homes will begin in July 2017, with the first closings to individual homeowners occurring in December 2017. A construction loan,

which is described below, has been secured for this portion of the project and additional loans are anticipated.

Currently, Fiddyment 116 Lots, LLC has an A&D (Acquisition and Development) loan outstanding from U.S. Bank National Association, through its Housing Capital Company unit, in the amount of $8.85 million. Fiddyment 116 Lots, LLC anticipates entering into two additional loans within the next 30 days to build the production units for their Woodbridge community, consisting of a model home loan for $1.6 million and a revolver for $7.7 million, and expects to repay the loans with the proceeds of sales of homes. Until repaid, the loans will result in an additional lien (subordinate to the lien of the Special Taxes) on the parcels securing repayment thereof.

Owner Financing Plan

The Owner expects that development of the backbone infrastructure improvements in the District and the payment of the Special Taxes will primarily be funded from bond proceeds, proceeds from the sale of lots to merchant builders, proceeds from home sales, and one or more equity contributions to the Owner by Wells Fargo Bank. Land in the District owned by the Owner is not currently encumbered by any mortgages or deeds of trust; however, Fiddyment 116 Lots, LLC has in place a deed of trust in favor of U.S. Bank National Association d/b/a Housing Capital Company, a lender that provided an A&D loan that can be drawn upon by Fiddyment 116 Lots, LLC in accordance with the terms and conditions thereof. This loan is described above under "–Fiddyment 116 Lots, LLC/Signature Homes."

As noted above and shown in the following tables (Table 4 and Table 5), the next phase of development of the Owner's land in the District (Phase 2G, a total of 249 LDR lots) is expected to be funded through a combination of a $3.0 million equity contribution by Wells Fargo Bank to the Owner and $6.0 million of Bond proceeds, which together are expected to provide the $9.0 million needed to create the next 249 lots that could be taken to market for sale by the Owner to merchant builders. The Owner anticipates that the remainder of the project would be built out utilizing the revenues from the lot sales in the previous phases, as shown in the following tables (Table 4 and Table 5).

A pro forma showing the Owner's anticipated sources and uses of funds is set forth on the following pages. *No assurance can be given that any of the projected revenues, costs, or other amounts upon which the Owner has based its development assumptions will be achieved. Due to the numerous known and unknown risks and uncertainties inherent in the development of real property, actual results are likely to be different from the pro forma results shown in Tables 4 and 5 and elsewhere in this Official Statement. Actual cash flow will depend on future events, including the rate of land sales, the actual costs of infrastructure development and whether Wells Fargo Bank, in its capacity as the sole member of the Owner, advances any funds for development. To the extent the Owner needs cash to fund its operations, it is expected that Wells Fargo Bank, as the sole member of the Owner, will advance amounts for that purpose. However, Wells Fargo Bank has no legal obligation to fund any internal loans, make any cash or other contributions, or arrange any third-party financing to or for, the Owner.*

Table 4
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Owner Pro Forma Financing Plan -- Projected Absorption of Residential Lots

		Quarterly						Annually		
	Total # of Lots/Units	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	2019	2020	2021
Type of Lot/Unit/Acres										
LDR Lots	1,356	1,356	1,107	1,107	906	906	634	496	317	0
MDR Lots	586	586	586	586	586	586	586	586	152	0
HDR Market Rate Units	277	277	277	277	277	277	277	277	277	0
HDR Affordable Units	195	195	195	195	195	195	195	195	195	0
Commercial (Acres)	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84	0

Source: Owner and Signature Homes.

Table 5
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Owner Pro Forma Financing Plan -- Revenues and Expenses

	# of Lots[1]	Value Per Lot [2]	Total	Quarterly						Annually		
				Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	2019	2020	2021
REVENUES												
Lot Sales												
Phase 2G LDR Lot Sale (F-9C, 9D, 8C, & 8D)	249	$111,114	$27,667,386	--	$27,667,386	--	--	--	--	--	--	--
Phase 2H LDR Lot Sale (F-7 & F-9B)	201	111,114	22,333,914	--	--	--	$22,333,914	--	--	--	--	--
Phase 2I LDR Lot Sale (F-11A & F-12)	272	111,114	30,223,008	--	--	--	--	--	30,223,008	--	--	--
Phase 2J LDR Lot Sale (F-13A1, F-13A2, & F-13B3)	138	111,114	15,333,732	--	--	--	--	--	--	15,333,732	--	--
Phase 3A LDR Lot Sale (F-6A)	179	111,114	19,889,406	--	--	--	--	--	--	--	19,889,406	--
Phase 3A MDR Lot Sale (F-6C & 8B)	434	62,923	27,308,582	--	--	--	--	--	--	--	27,308,582	--
Phase 3A HDR Market Rate Units (F-6B & 8A)	277	21,011	5,820,047	--	--	--	--	--	--	--	--	5,820,047
Phase 3A HDR Affordable Units (F6B & 8A)	195	--	--	--	--	--	--	--	--	--	--	--
Phase 3A Commercial Sale (F-6D)	4.84	260,331	1,260,002	--	--	--	--	--	--	--	--	1,260,002
Phase 3B LDR Lot Sale (F-10A, 10B, & 10C)	317	111,114	35,223,138	--	--	--	--	--	--	--	--	35,223,138
Phase 3B MDR Lot Sale (F-11B)	152	62,923	9,564,296	--	--	--	--	--	--	--	--	9,564,296
CFD Funding/Construction Financing												
CFD #5 Bond Proceeds	--	--	6,000,000	6,000,000	--	--	--	--	--	--	--	--
Phase 2G Infra Construction Funding From Owner	--	--	3,037,645	3,037,645	--	--	--	--	--	--	--	--
EXPENSES					--	--	--	--	--	--	--	--
Extension of Sewer Trunk main to Phase 2G			1,535,000	767,500	767,500	--	--	--	--	--	--	--
Completion of Phase 2G Infrastructure			7,042,000	3,521,000	3,521,000	--	--	--	--	--	--	--
Phase 2G Dry Utilities			460,645	460,645	--	--	--	--	--	--	--	--
Phase 2H Infrastructure			5,035,000	--	--	2,517,500	2,517,500	--	--	--	--	--
Phase 2H Dry Utilities			329,359	--	--	329,359	--	--	--	--	--	--
Phase 2I Infrastructure			6,965,000	--	--	--	--	3,482,500	3,482,500	--	--	--
Phase 2I Dry Utilities			455,608	--	--	--	--	455,608		--	--	--
Phase 2J Infrastructure			473,000	--	--	--	--	--	--	473,000	--	--
Phase 2J Dry Utilities			30,941	--	--	--	--	--	--	30,941	--	--
Phase 3A Infrastructure			23,932,000	--	--	--	--	--	--	11,966,000	11,966,000	--
Phase 3A Dry Utilities			1,565,485	--	--	--	--	--	--	1,565,485	--	--
Blue Oaks Blvd (Hayden Pkwy to West Boundary)			1,922,000	--	--	--	--	--	--	961,000	961,000	--
Blue Oaks Blvd Dry Utilities			125,725	--	--	--	--	--	--	125,725	--	--
Tree Mitigation and Open Space Fencing			3,561,000	--	--	--	--	--	--	--	3,561,000	--
Phase 3B Infrastructure			768,000	--	--	--	--	--	--	--	384,000	384,000
Phase 3B Dry Utilities			50,238	--	--	--	--	--	--	--	50,238	--
Property Taxes			892,817	--	151,053	--	148,038	--	128,726	242,613	202,183	20,205
CFD #5 Special Taxes			7,651,414	--	1,511,417	--	1,334,835	--	1,117,797	2,008,158	1,570,201	109,006
CFD #2 Special Taxes			2,070,275	--	423,716	--	373,410	--	305,336	541,595	388,177	38,042
Soft Costs (10% of Construction Cost)			5,425,100	474,915	428,850	284,686	251,750	393,811	348,250	1,512,215	1,692,224	38,400
Total Revenue (*Lot Sales)*			$194,623,511	$ --	$27,667,386	$ --	$22,333,914	$ --	$30,223,008	$15,333,732	$47,197,988	$51,867,483
Total Revenue (CFD Funding/Construction Financing)			9,037,645	9,037,645	--	--	--	--	--	--	--	--
Total Expenses			(70,290,606)	(5,224,060)	(6,803,535)	(3,131,545)	(4,625,534)	(4,331,919)	(5,382,609)	(19,426,732)	(20,775,022)	(589,653)
Net Cash Flow			--	3,813,585	20,863,851	(3,131,545)	17,708,380	(4,331,919)	24,840,399	(4,093,000)	26,422,966	51,277,830
Cumulative Net Cash Flow			--	3,813,585	24,677,436	21,545,891	39,254,271	34,922,353	59,762,752	55,669,752	82,092,718	133,370,548

(1) Number of Lots column shows lots, units or acres, as applicable.
(2) Value per Lots column shows estimated value per lot, unit or acre, as applicable.
* Represents the new money portion only, pro forma does not include portion of proceeds of Bonds that will be used to prepay CFD No. 1 special taxes.
Source: Owner and Signature Homes.

VALUE OF PROPERTY WITHIN THE DISTRICT AND SPECIAL TAX BURDEN

The Appraisal

General. At the request of the City, Seevers Jordan Ziegenmeyer, Rocklin, California (the "**Appraiser**") prepared an Appraisal Report dated April 19, 2017, with a date of value of February 1, 2017, and an Update Appraisal Report, dated April 24, 2017 (together, the "**Appraisal**"). The Appraisal is set forth in its entirety in APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions and qualifications which are set forth in the Appraisal.

Property Appraised. The Appraisal estimated the market value of all of the land in the District, which, as of the date of value, consisted of two assessor's parcels (APNs 492-010-057 and -077). These parcels together contain approximately 533 net acres, which is expected to be divided into 1,472 low density residential (LDR) lots, 586 medium density residential (MDR) lots, 472 high density residential (HDR) lots (of which 249 are expected to be designated as affordable), 1 commercial lot, 5 park sites, 1 open space area and 1 school site. Additionally, the District is expected to include various open space areas along the roads classified as "Paseo" areas. Most of the residential lots are currently considered "paper lots," as they have tentative map approval but lack in-tract and backbone infrastructure required to develop; however, site development is underway on a portion of the property. Upon final map recordation, new parcel numbers will be assigned.

Value Estimate. The value estimate for the appraised property as of the February 1, 2017 date of value, using the methodologies described in the Appraisal and subject to the hypothetical condition and assumptions and limiting conditions set forth in the Appraisal, and based on the ownership of the property as of that date is $82,134,000. 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.

***Development Costs, Permits and Fees*.** See "THE DISTRICT" for a summary of certain off-site improvements, in-tract improvements and other fees and costs of development estimated for land in the District.

Appraisal Methodology. The Appraiser began the valuation by employing the sales comparison approach and extraction technique to estimate the market value of a benchmark lot category of the low-density residential lots. 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 property's medium density lots, the Appraiser used the extraction technique as the sole basis of valuation. Next, adjustments were applied to determine values for each residential larger parcel, based upon lot sizes differences that exist from the benchmark larger parcels.

The sales comparison approach was also utilized by the Appraiser to determine the value of the District's commercial site. Additionally, the Appraiser utilized the sales comparison approach, as well as an extraction technique, to estimate the value of Parcel F-8A, which has a combination of market rate and income-restricted units. In the extraction method, the Appraiser first estimated the market value of an apartment complex at completion of construction and stabilized occupancy, via an income capitalization approach. Within this approach, the

Appraiser applied a typical market rent for the Roseville area for the market rate units, and the City-mandated income-restricted rents for the affordable units. Estimates of vacancy/collection loss, operating expense ratios and overall capitalization rates were also inputted utilizing typical market parameters. Next, the Appraiser subtracted from this stabilized value all estimated direct costs required to construct the project (via estimated from the Residential Cost Handbook published by Marshall and Swift), as well as indirect costs (including lease-up costs) to arrive at an underlying land value. The values derived via each approach were reconciled into a final opinion of value for this parcel.

With regard to the multifamily land component with income restrictions and no market-rate units (Parcel F-6B), the Appraiser solely utilized an extraction technique. According to the Appraiser, this income-restricted multifamily parcel has no value.

The final step in the Appraiser's analysis involved a subdivision development method (a type of discounted cash flow analysis) to determine the bulk market value of the fee simple interest in the property held by the primary owner of land in the District, which takes into consideration the revenue and expenses (including the completion of backbone infrastructure) associated with selling off the individual larger parcels over an estimated absorption period (also incorporating an appropriate discount rate to the cash flows).

For additional details, see APPENDIX B.

Hypothetical Condition. The market value estimated by the Appraiser is based on a hypothetical condition. A hypothetical condition is defined by USPAP as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the Bonds. See APPENDIX B and "FINANCING PLAN" for additional details.

Extraordinary Assumptions and Limiting Conditions. In addition to the hypothetical condition described above, the Appraisal is based upon a number of standard and special assumptions and conditions, all of which affect the estimate as to value, some of which include the following. See "APPENDIX B – The Appraisal and Update to the Appraisal" for a complete list of such assumptions and conditions.

- The Appraiser assumed all cost figures relating to remaining backbone infrastructure, which were prepared by Wood Rodgers (a civil engineering firm), and which were provided to the Appraiser by Mr. Stephen Hicks of Signature Homes, are correct. Any deviation of actual cost figures from those provided could materially affect the conclusion(s) of value contained in the Appraisal.

- The Appraiser was not provided a cost budget for in-tract site work. A generalized in-tract site cost estimate was provided by Mr. Stephen Hicks of Signature Homes, at $35,000 per lot for the entire Fiddyment Ranch master planned community. The Appraiser placed more emphasis on its observations of similar projects in the market

in the estimation of in-tract site costs, especially with regard to the delineation between larger versus smaller lots. Any deviation of actual in-tract cost information from that estimated in the Appraisal could materially affect the conclusion of value contained therein.

- The Appraiser assumed the school site (Parcel F-71) will be acquired by the school district based upon the appraised market value under its highest and best economic use, that is, residential land with a tentative map in place for development similar to other parcels in the Fiddyment Ranch project. Based upon the size of the site (10.44 acres) and typical density (5 units per acre) for LDR lots in the area, the Appraiser estimates the site could accommodate about 52 LDR lots. However, as the designated parcel will be exempt from the lien of the Special Tax securing the Bonds, the site was excluded from the valuation provided by the Appraiser. If these assumptions/inputs prove to be false, the conclusion of market value would likely be positively affected.

- The Appraiser presumed there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit development of the property. 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 in the Appraisal.

Market Value. The appraised value represents the most probable price, in a sale of the appraised property within the District, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value. The discounted value of the property represents the market value of the property in the District.

Limitations of Appraisal 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 estimate of market value set forth in the Appraisal 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 "SPECIAL RISK FACTORS" herein.

Value to Special Tax Burden Ratios

The Appraisal sets forth the estimated value, subject to the Special Tax lien, of all taxable property within the District to be $82,134,000, subject to the limiting conditions stated therein. See "– The Appraisal" above and APPENDIX B hereto. The principal amount of the Bonds is $23,845,000. Consequently, the estimated value, subject to the Special Tax lien, of the real property within the District is approximately 3.44 times the principal amount of the Bonds (not including overlapping debt), as shown in the table below. Value-to-lien ratios on individual parcels may vary considerably from this average. For example, given the affordable housing restrictions on Parcel F-6B, which is owned by the Owner, the Appraiser provided an estimate of market value of $0 for this parcel. Despite this estimate of value, this parcel is subject to the Special Tax securing the Bonds and is included within the Owner's ownership shown below.

Table 6
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Projected 2017-18 Special Tax Levy, Allocable Fiddyment Ranch CFD No. 5 Debt and Value-to-Lien Ratios by Owner

Property Owner[1]	Total Planned Units[2]	Com'l Acreage[2]	Projected 2017-18 Special Tax Levy[3]	Projected 2017-18 Maximum Special Tax[3]	Appraised Value	Series 2017 Bonds[3][4]	% of Allocable Debt[3][4]	Value to Lien Ratio	Overlapping Debt[5]	Total Direct & Overlapping Debt	Overlapping Value to Lien Ratio[4]
ATC Realty One, LLC[6]	2,414	4.84	$1,528,115	$3,614,385	$69,490,000	$21,536,994	90.32%	3.23	$231,188	$21,768,182	3.19
Fiddyment 116 Lots, LLC[7]	116		163,760	207,425	12,644,000	2,308,006	9.68	5.48	8,797	2,316,803	5.46
Totals	**2,530**	**4.84**	**$1,691,875**	**$3,821,809**	**$82,134,000**	**$23,845,000**	**100.00%**	**3.44**	**$239,985**	**$24,084,985**	**3.41**

(1) Ownership as of April 19, 2017.
(2) Planned units and commercial acreage per the Special Tax Formula.
(3) District's Projected Fiscal Year 2017-18 Special Tax Levy amount assumes that a total of 75 single family lots will be taxed as developed property and at 100% of Maximum Special Tax while the remainder of the District's taxable property will be taxed at approximately 42% of the Undeveloped Maximum Special Tax. (According to the Special Tax Formula, the recordation of a single-family subdivision map by May 1st triggers each single-family lot to be classified as Developed Property).
(4) The par amount of the Bonds has been allocated based upon the property's proportionate share of the District's projected 2017-18 Special Tax levy shown above. Under this method of allocation, the debt burden is shifted towards property that is either developed or closer to development (i.e. the recordation of a single-family subdivision map by May 1st triggers the lots to be taxed at the Developed Property rate for the upcoming Special Tax levy) while the corresponding debt burden is shifted away from the remaining parcels classified as Undeveloped Property. Should approximately 50% of the District's planned single family detached units be considered recorded lots, all of the projected 2017-18 Special Taxes would be levied unto these lots only as the remaining Undeveloped Property would receive a zero 2017-18 levy and therefore an allocated debt burden of zero.
(5) Other Direct and Overlapping Debt excludes Overlapping General Fund Appropriation Debt. The Direct and Overlapping Debt (which per Table 7 consists of general obligation bonds) has been allocated based upon each planning area's proportionate share of the District's taxable acreage.
(6) These amounts represent the current APNs owned by ATC Realty One, LLC.
(7) These amounts consist of 75 unimproved residential lots with a final map, together with a remainder parcel planned for 41 single family residential lots.
Source: Projected Fiscal Year 2017-18 Special Tax Levy and Maximum Special Taxes per Willdan Financial Services; Planned Units per Special Tax Formula; Development Status information per City of Roseville Planning Department as compiled by Willdan Financial Services; Ownership per Placer County Assessor; Appraised Values per Seevers, Jordan Ziegenmeyer; Total Direct and Overlapping Debt as of February 1, 2017 per California Municipal Statistics Inc.

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.

For example, additional CFD obligations on land in the District include City of Roseville Fiddyment Ranch Community Facilities District No. 2 (Public Services) and City of Roseville Community Facilities District No. 3 (Municipal Services). Each of these CFDs levies special taxes that pay for authorized public services, which special taxes are on a parity to the lien securing the Special Taxes securing the Bonds.

Set forth on the following page 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.

Table 7
Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)
Summary of Overlapping Bonded Debt
As of February 1, 2017

2016-17 Assessed Valuation: $31,827,884 (Land and Improvement)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt
Roseville Joint Union High School District General Obligation Bonds	0.121%	$ 82,326
Roseville Joint Union High School District SFID No. 1 General Obligation Bonds	1.957	118,839
Roseville City School District General Obligation Bonds	0.212	38,820
City of Roseville Fiddyment Ranch Community Facilities District No. 1	26.075	18,663,472[1]
City of Roseville Fiddyment Ranch Community Facilities District No. 5	**100.00**	--[2]
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$18,903,457
OVERLAPPING GENERAL FUND DEBT:		
Placer County Certificates of Participation	0.047%	$ 14,735
Placer County Office of Education Certificates of Participation	0.047	614
Sierra Joint Community College District Certificates of Participation	0.036	2,376
Roseville Joint Union High School District Certificates of Participation	0.121	677
Roseville City School District General Fund Obligations	0.212	16,516
Placer Mosquito and Vector Control District Certificates of Participation	0.047	1,648
City of Roseville Certificates of Participation	0.160	40,930
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$77,496
Less: City of Roseville Certificates of Participation supported by golf course enterprise		5,189
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$72,307
GROSS COMBINED TOTAL DEBT		$18,980,953[3]
NET COMBINED TOTAL DEBT		$18,975,764

Ratios to 2016-17 Assessed Valuation:

Direct Debt ($0)	**0.00%**
Total Direct and Overlapping Tax and Assessment Debt	59.39%
Gross Combined Total Debt	59.64%
Net Combined Total Debt	69.62%

(1) Prorated share of Fiddyment Ranch CFD No. 1 bonds to be redeemed upon issuance of District's bonds.
(2) Excludes bonds to be sold.
(3) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.
Source: *California Municipal Statistics, Inc.*

SPECIAL RISK FACTORS

The purchase of the Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which 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. ***THIS OFFICIAL STATEMENT IS FURNISHED SOLELY FOR THE PURPOSE OF CONSIDERATION OF AN INVESTMENT IN THE BONDS BY QUALIFIED INSTITUTIONAL BUYERS WITH THE EXPERIENCE AND FINANCIAL EXPERTISE TO UNDERSTAND AND EVALUATE THE HIGH DEGREE OF RISK INHERENT IN THE INVESTMENT. PURCHASE OF THE BONDS WILL CONSTITUTE AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST AND THE LOSS OF ALL OR PART OF THE INVESTMENT. THE DEBT SERVICE ON THE BONDS IS PAYABLE FROM SPECIAL TAX LEVIES ON PROPERTY IN THE DISTRICT AND THERE CAN BE NO ASSURANCE THAT THE PROPERTY OWNERS IN THE DISTRICT WILL PAY THE SPECIAL TAXES LEVIED ON SUCH PROPERTY WHEN DUE. SEE "SECURITY FOR THE BONDS" AND "SPECIAL RISK FACTORS" HEREIN, AND "APPENDIX H – FORM OF INVESTOR LETTER."***

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the Bonds in the event Special Tax collections are delinquent, 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 on which levies of the Special Tax are delinquent, nor is the City obligated to advance funds to pay such debt service on the Bonds. The Bonds are not general obligations of the City but are limited obligations of the City and the District payable solely from the proceeds of the Special Tax and certain funds held under the Fiscal Agent Agreement, including amounts deposited in the Reserve Fund and investment income thereon, and the proceeds, if any, from the sale of property subject to the Special Tax in the event of a foreclosure. See "SECURITY FOR THE BONDS." Any tax for the payment of the Bonds will be limited to the Special Tax to be collected within the jurisdiction of the District.

Concentration of Ownership

All of the land within the District is currently owned by the Owner or an affiliate of Signature Homes. An owner of property in the District is not personally obligated to pay the Special Tax attributable to the property in the District. Rather, the Special Tax is an obligation only against the parcel of property, secured by the amount which could be realized in a foreclosure proceeding against the property, and not by any promise of the owner of any property to pay. If the value of the property is not sufficient for the payment of debt service on the Bonds, taking into account other obligations also constituting a lien against the property, the City, Fiscal Agent and owners of the Bonds have no recourse against the owner, such as filing a lawsuit to collect money.

Failure of the current owners, or any future owners, of significant property subject to the Special Taxes in the District to pay installments of Special Taxes when due could cause the depletion of the Reserve Fund prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax and, consequently, result in the delinquency rate reaching a level that would cause an insufficiency in collection of the Special Tax to meet the

District's obligations on the Bonds. For a description of the Owner and certain of its affiliates, see "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT – The Owner." In that event, there could be a delay or failure in payments on the Bonds. See "– Bankruptcy and Foreclosure Delays" below and "SECURITY FOR THE BONDS – Delinquent Payments; Covenant for Superior Court Foreclosure."

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 landowner to pay the Special Taxes when due. Certain infrastructure improvements remain to be completed in order to complete construction of 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.

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. One parcel

of 10.44 acres is anticipated to be used as a school and be exempt from the levy of the Special Tax; accordingly, this parcel has not been included in the parcels that were appraised by the Appraiser and no portion of the Bonds have been allocated to it in the tables in this Official Statement.

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. For a summary of recent Special Tax collection and delinquency rates in the District, see "VALUE OF PROPERTY WITHIN THE DISTRICT AND SPECIAL TAX BURDEN" herein.

Value-to-lien ratios on individual parcels may vary considerably from the average presented in this Official Statement. Certain parcels in the District have low value-to-lien ratios. For example, the Appraiser determined that the multifamily land component with income restrictions and no market-rate units (Parcel F-6B) has no market value. This leads to a zero value-to-lien ratio for this parcel.

Appraised Values

The Appraisal estimates the market value of the taxable property within the District. This market value is merely the present opinion of the Appraiser, and is subject to the assumptions and limiting conditions stated in the Appraisal. The City has not sought the present opinion of any other appraiser of the value of the taxed parcels. A different present opinion of value might be rendered by a different appraiser.

The opinion of value relates to sale by a willing seller to a willing buyer as of the date of valuation, each having similar information and neither being forced by other circumstances to sell or to buy. Consequently, the opinion is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

In considering the estimates of value evidenced by the Appraisal, it should be noted that the Appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, as well as the hypothetical condition of the Improvements having been completed, as set forth in the Appraisal (see APPENDIX B hereto). The improvements to be financed by the Bonds were not in place as of the date of inspection; thus, the value estimate is subject to a hypothetical condition (of such improvements being in place).

In addition, the opinion of market value in the Appraisal is a present opinion. It is based upon present facts and circumstances. Differing facts and circumstances may lead to differing opinions of value. The appraised market value is not evidence of future value because future facts and circumstances may differ significantly from the present.

No assurance can be given that any of the appraised property in the District could be sold in a foreclosure for the estimated market value contained in the Appraisal. Such sale is the primary remedy available to Bondowners if that property should become delinquent in the payment of Special Taxes.

Property Values and Property Development

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, inability to obtain necessary permits or agreements with governmental entities, or unfavorable economic conditions.

The Appraisal (which is set forth in APPENDIX B to this Official Statement) is based on certain assumptions made by the Appraiser in estimating the market value of the property within the District as of the date indicated. No assurance can be given that the land values are accurate if these assumptions are incorrect or that the values will not decline in the future if one or more events, such as natural disasters or adverse economic conditions, occur. See "– Appraised Values" above.

Neither the District nor the City has evaluated development risks related to the development of land in the District. Since these are largely business risks of the type that property owners customarily evaluate individually, and inasmuch as changes in land ownership may well mean changes in the evaluation with respect to any particular parcel, the District is issuing the Bonds without regard to any such evaluation. Thus, the creation of the District and the issuance of the Bonds in no way implies that the District or the City has evaluated these risks or the reasonableness of these risks.

The following is a discussion of specific risk factors that could affect the timing or scope of property development in the District or the value of property in the District.

Land Development. Land values are influenced by the level of development in the area in many respects. As of the date of this Official Statement, construction of certain backbone infrastructure required for development in the District has not yet commenced.

First, undeveloped or partially developed land is generally less valuable than developed land and provides less security to the Owners of the Bonds should it be necessary for the District to foreclose on undeveloped or partially developed property due to the nonpayment of Special Taxes.

Second, failure to complete development on a timely basis could adversely affect the land values of those parcels that have been completed. Lower land values would result in less security for the payment of principal of and interest on the Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of the Special Tax. See "VALUE OF PROPERTY WITHIN THE DISTRICT AND SPECIAL TAX BURDEN – Value to Special Tax Burden Ratios." No assurance can be given that the proposed development within the District will be completed, and in assessing the investment quality of the Bonds, prospective purchasers should evaluate the risks of non-completion.

Neither the Owner nor any other person provides any assurances that the project currently envisioned for the land in the District will be completed, or that sources of financing that will actually be available to the Owner will be sufficient to complete such projected

development. The Owner has no obligation to the City or to owners of the Bonds to complete the project.

***Risks of Real Estate Investment Generally*.** Continuing development of land within the District may be adversely affected by changes in general or local economic conditions, fluctuations in the real estate market, increased construction costs, development, financing and marketing capabilities of individual property owners, water or electricity shortages, and other similar factors. Development in the District may also be affected by development in surrounding areas, which may compete with the District. In addition, land development operations are subject to comprehensive federal, state and local regulations, including environmental, land use, zoning and building requirements. There can be no assurance that proposed land development operations within the District will not be adversely affected by future government policies, including, but not limited to, governmental policies to restrict or control development, or future growth control initiatives. There can be no assurance that land development operations within the District will not be adversely affected by these risks.

***Natural Disasters*.** The value of the parcels in the District 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 parcels in the District and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding the District, like those in much of the State, may be subject to earthquakes or other unpredictable seismic activity. See "THE DISTRICT – Environmental Matters."

Other natural disasters could include, without limitation, landslides, floods, 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 parcels may well depreciate.

***Recent California Drought*.** The Sacramento region, like most of the State, 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. In 2014, the State faced one of the most severe droughts on record, resulting in Governor Brown's declaring a drought State of Emergency, which mandated, among other things, 20% reduction in water usage. The City subsequently implemented water efficiency programs that enabled it to achieve water consumption reduction. Following substantial rainfall and statewide water conservation in 2015-16 and 2016-17, Governor Brown lifted the State of Emergency, and Sacramento County has eased its own water restrictions. The volatility of weather patterns makes it difficult to predict if drought conditions will return, 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, and can sometimes inhibit development of undeveloped areas.

The City indicates it has adequate surface water and groundwater supplies to meet the allocation for all phases of development in the District, 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. Should the City need to restrict development, it must do so Citywide 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 Owner or other owners of undeveloped land for the 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 Owner or successor 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.

Legal Requirements. Other events that may affect the value of a parcel 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. Development in the District may also be adversely affected by the application of laws protecting endangered or threatened species.

Hazardous Substances. Any discovery of a hazardous substance detected on property within the District would affect the marketability and the value of some or all of the property in the District. In that event, the owners and operators of a parcel within the District 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. State law with regard to hazardous substances are also applicable to property within the District and are as stringent as the federal laws. 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 parcels be contaminated by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The values set forth in the Appraisal do not take into account the possible reduction in marketability and value of any of the parcels within the District by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition on a parcel. Although the City is not aware that the owner (or operator) of any of the property within the District has a current liability for a hazardous substance with respect to any of the parcels, it is possible that such liabilities do currently exist and that the City is not aware of them. The Owner is not aware of any hazardous substances located within the District.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within the District resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. 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 a parcel within the District that is realizable upon a foreclosure sale.

Endangered and Threatened Species. It is illegal to harm or disturb any plants or animals in their habitat that have been listed as endangered species by the United States Fish &

Wildlife Service under the Federal Endangered Species Act or by the California Fish & Game Commission under the California Endangered Species Act without a permit. The discovery of an endangered plant or animal could delay development of undeveloped property in the District or reduce the value of such property. Neither the City nor the Owner is aware of any threatened or endangered species located within the District.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the taxable property in the District, the security only extends to the value of such property that is not subject to priority and parity liens and similar claims. The table in the section entitled "VALUE OF PROPERTY WITHIN THE DISTRICT AND SPECIAL TAX BURDEN – 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.

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 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.

Bankruptcy and Foreclosure Delays

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; 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.

The payment of the Special Tax and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax may also 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.

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.

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.

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.

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.

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).

Voter Initiatives

From time to time, initiative measures qualify for the State ballot pursuant to the State's constitutional initiative process and those measures could be adopted by State voters. The adoption of any such initiative might place limitations on the ability of the State, the City, the County or other local districts to increase revenues or to increase appropriations or on the ability of the landowners to complete the development of the District. See "– Property Values and Property Development" above.

Under the State 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 Special Tax Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIIC and XIIID to the State 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, State 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 XIIIA and XIIIC of the State Constitution. The amendments to

Article XIIIA 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 XIIIC 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 District 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 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.

Recent Case Law Related to the Mello-Roos Act

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The case involved a Convention Center Facilities District (the "**CCFD**") established by the City of San Diego. The CCFD is a financing district established under San Diego's city charter (the "Charter") and was intended to function much like a community facilities district established under the Act. The CCFD was comprised of all of the real property in the entire city. However, the CCFD special tax was to be levied only on properties in the CCFD that were improved with a hotel.

At the election to authorize the CCFD special tax, the CCFD proceedings limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel was located. Registered voters in the City of San Diego were not permitted to vote. This definition of the qualified electors of the CCFD was based on Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed community facilities district whose property would be subject to the special tax. The *San Diego* Court held that the CCFD special tax election did not comply with its Charter and with applicable provisions of the State Constitution -- specifically Article XIIIA, section 4 ("Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district . . .") and Article XIIIC, section 2(d) ("No local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote.") -- because the electors in the CCFD election should have been the registered voters residing within the CCFD (the boundaries of which were coterminous with the boundaries of the City of San Diego).

As to the District, there were no registered voters within the District at the time of the election to authorize the Special Taxes. Significantly, the *San Diego* Court expressly stated that it was not addressing the validity of a landowner election to impose special taxes on property pursuant to the Act in situations where there are fewer than 12 registered voters. Therefore, by its terms, the *San Diego* Court's holding does not apply to the special tax election in the District. Moreover, Sections 53341 and 53359 of the Act establish a limited period of time in which special taxes levied under the Act may be challenged by a third party, which time period has now passed.

LEGAL MATTERS

Legal Opinion

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 D.

Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the City. The City Attorney will pass upon certain legal matters for the City. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California will pass upon certain legal matters for the Underwriter.

Tax Matters

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 District 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 District 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 2016-17 Fiscal Year (due January 15, 2018) and to provide notices of the occurrence of certain enumerated events.

The Owner has also agreed for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the property it or its affiliates owns in the District by not later than April 1st and October 1st of each year (reflecting reported information as of a date no more than 60 days prior) beginning with the report due April 1, 2018 (the "**Owner Periodic Reports**") and to provide notices of the occurrence of certain enumerated events. The obligation of the Owner to provide such information is in effect only so long as the Owner and its affiliates, or their successors, are collectively responsible for 20% of the Special Taxes, as described in the Owner Periodic Reports and the Owner's undertaking includes a provision that if a portion of the Owner's property which is responsible for 20% or more of the Special Taxes is sold, the reporting obligation may be assumed by the new owner and the Owner's obligations with respect to such property will be terminated, or if not so assumed, the Owner is to report such required information, as applicable to the transferee. The Owner's reporting obligation may end in certain other circumstances, as described in APPENDIX E. The Owner has not entered into any previous obligations to provide Owner Periodic Reports and this will be the Owner's first obligation to provide such reports.

The City Annual Reports, Owner Periodic Reports and notice of a listed event will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the annual reports or the notices of listed events by the City and the Owner is summarized in "APPENDIX E – Forms of Continuing Disclosure Certificates."

A review of the City's compliance with prior continuing disclosure undertakings in the last five years indicates that:

(1) The annual reports required for Fiscal Years 2012, 2013 and 2015 for certain of the City's then-outstanding obligations were not filed, or were not filed with all required information, until up to 552 days after the dates required for such filings.

(2) The Audited Financial Statements of the City for Fiscal Years 2012 and 2013 for certain of the City's then-outstanding obligations were filed up to 567 days after the dates required for such filings.

(3) The City did not in a timely manner file all significant event notices, including 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 ratings for such obligations, or notices of late annual financial information, where appropriate.

Supplemental annual reports, notices of rating changes and other filings to correct all of the known failures by the City to comply with its continuing disclosure undertakings have been made. The City has engaged contract support for the preparation and filing of its continuing disclosure reports in order to help comply with future continuing disclosure obligations.

The Owner has not previously entered into any continuing disclosure undertakings pursuant to the Rule.

NO 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 (the "**Underwriter**"), at a purchase price of $25,115,611.40, which represents the aggregate principal amount of the Bonds ($23,845,000.00) less an Underwriter's discount of $212,128.30 and plus an original issue premium of $1,482,739.70.

The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter 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 Underwriter.

MUNICIPAL ADVISOR

The City has retained FirstSouthwest, a Division of Hilltop Securities Inc., Encino, California, as Municipal Advisor (the "**Municipal Advisor**") in connection with the planning, structuring and 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. The fees of the Municipal Advisor are contingent upon the sale and delivery of the Bonds.

EXECUTION

The execution and delivery of this Official Statement by the City has been duly authorized by the City Council on behalf of the District.

CITY OF ROSEVILLE

By: /s/ *Jay Panzica*
Chief Financial Officer

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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Rate and Method of Apportionment of Special Tax

City of Roseville

Fiddyment Ranch Community Facilities District No. 5

(Public Facilities)

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

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Fees & Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City carrying out its duties with respect to CFD No. 5 and the Bonds, including, but not limited to, levying and collecting the Special Taxes, the fees and expenses of legal counsel, charges levied by the County, costs related to annexing property into the CFD, costs related to property owner inquiries regarding the Special Taxes, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Taxes, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

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

"Affordable Unit" means a Residential Unit built on a Parcel of Residential Property for which an Affordable Purchase Development Agreement has been recorded on title of the property designating the Unit as affordable and resulting in an on-going deed of trust obligation of the Parcel in favor of the City or which is otherwise classified as deed-restricted affordable

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"City" means the City of Roseville, California.

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

"County" means the County of Placer, California.

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

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

"Developed Property" means, in any Fiscal Year, the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Single Family Attached Property" means, in any Fiscal Year, all Assessor's Parcels in CFD No. 5 for which a building permit was issued or may be issued for construction of a residential structure consisting of two or more Residential Units that share common walls and are offered as for-sale Residential Units, including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

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

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

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

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

"State" means the State of California.

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

"Trustee" means the trustee or fiscal agent under the Indenture.

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

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2016-17, each Assessor's Parcel within CFD No. 5 shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and

all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor's Parcel of Developed Property shall be classified according to its applicable Land Use Class based on its Lot Square Footage and other attributes (definitions of each Land Use Class provided in Section 1 above).

3. SPECIAL TAX RATES

A. Assigned Special Tax for Developed Property

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

Table 1
FY 2015-16 Assigned Special Tax

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

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

B. Backup Special Tax

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

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

Table 2
FY 2015-16 Backup Special Tax

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

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

C. Maximum Special Tax for Developed Property

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

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

D. Maximum Special Tax for Undeveloped Property and Provisional Property

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

4. METHOD OF APPORTIONMENT

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

Step One: The Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Annual Special Tax rate as needed to satisfy the Special Tax Requirement.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Special Tax Requirement, then the Annual Special Tax on each Assessor's Parcel of Developed Property shall be increased Proportionately from the Assigned Special Tax up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Annual Special Tax shall be

levied Proportionately on each Assessor's Parcel of Provisional Property at up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Under no circumstances will the Annual Special Tax levied against any Assessor's Parcel used as a private residence be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel or Assessor's Parcels by more than ten percent (10%) of the Special Tax that would be levied in that Fiscal Year, if there were no delinquencies, pursuant to California Government Code Section 53321(d), as in effect on the date of formation of CFD No. 5.

5. COLLECTION OF SPECIAL TAXES

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

6. PREPAYMENT OF SPECIAL TAX OBLIGATION

A. Prepayment in Full

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

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

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

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

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

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

The Special Tax Obligation applicable to an Assessor's Parcel of Developed Property, or Undeveloped Property for which a Final Map has been recorded may be prepaid and the obligation to pay the Special Tax for such Assessor's Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor's Parcel only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel eligible to prepay the Special Tax Obligation shall provide the CFD Administrator with written notice of intent to prepay the identified parcel(s), and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator may charge a reasonable fee for providing this service, which shall be paid at the time of the request, and shall provide the owner with a statement of the Prepayment Amount for such Assessor's Parcel within thirty (30) days of the request., Prepayment by the owner must be made at least 60 days prior to any redemption date for the CFD No. 5 Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

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

Bond Redemption Amount

plus Redemption Premium

plus Future Facilities Prepayment Amount

plus Defeasance Amount

plus Prepayment Administrative Fees and Expenses

less Reserve Fund Credit

less Capitalized Interest Credit

Total: equals Prepayment Amount

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

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.

2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Final Map has been recorded, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the proposed land use for that Assessor's Parcel.

3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for CFD No. 5 assuming all Final Maps have been recorded within CFD No. 5 in accordance with the approved tentative subdivision maps on file with the City, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.

4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels (the "Bond Redemption Amount") This amount may be increased to satisfy the debt service coverage limitations of this section.

5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").

6. Compute the Future Facilities Costs.

7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date.

9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").

11. Calculate the administrative fees and expenses of CFD No. 5, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Debt of CFD No. 5, and the costs of recording any notices to evidence the prepayment and the redemption, less any prepaid fees (the "Prepayment Administrative Fees").

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement.

13. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed

pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the "Prepayment Amount").

15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Improvement Fund (as defined in the Indenture). The amount computed pursuant to paragraph 11 shall be retained by CFD No. 5.

The Prepayment Amount may be sufficient to redeem an amount other than a $5,000 increment of CFD No. 5 Bonds. In such cases, the increment above $5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 5 Bonds to be used with the next prepayment of CFD No. 5 Bonds.

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

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

B. Partial Prepayment

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

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

These terms have the following meaning:

PP = the partial prepayment

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

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

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

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

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

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

7. TERM OF SPECIAL TAX

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

8. EXEMPTIONS

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

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

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

Any such Assessor's Parcel of Public Property, Property Owner Association Property or other property that would otherwise be exempt from the Special Tax but upon which a Special Tax shall be levied in accordance with this Section 8 shall be classified as Provisional Property and taxed in accordance with its use.

Table 3
Expected Taxable Acreage

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

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

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

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

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

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

Attachment 1

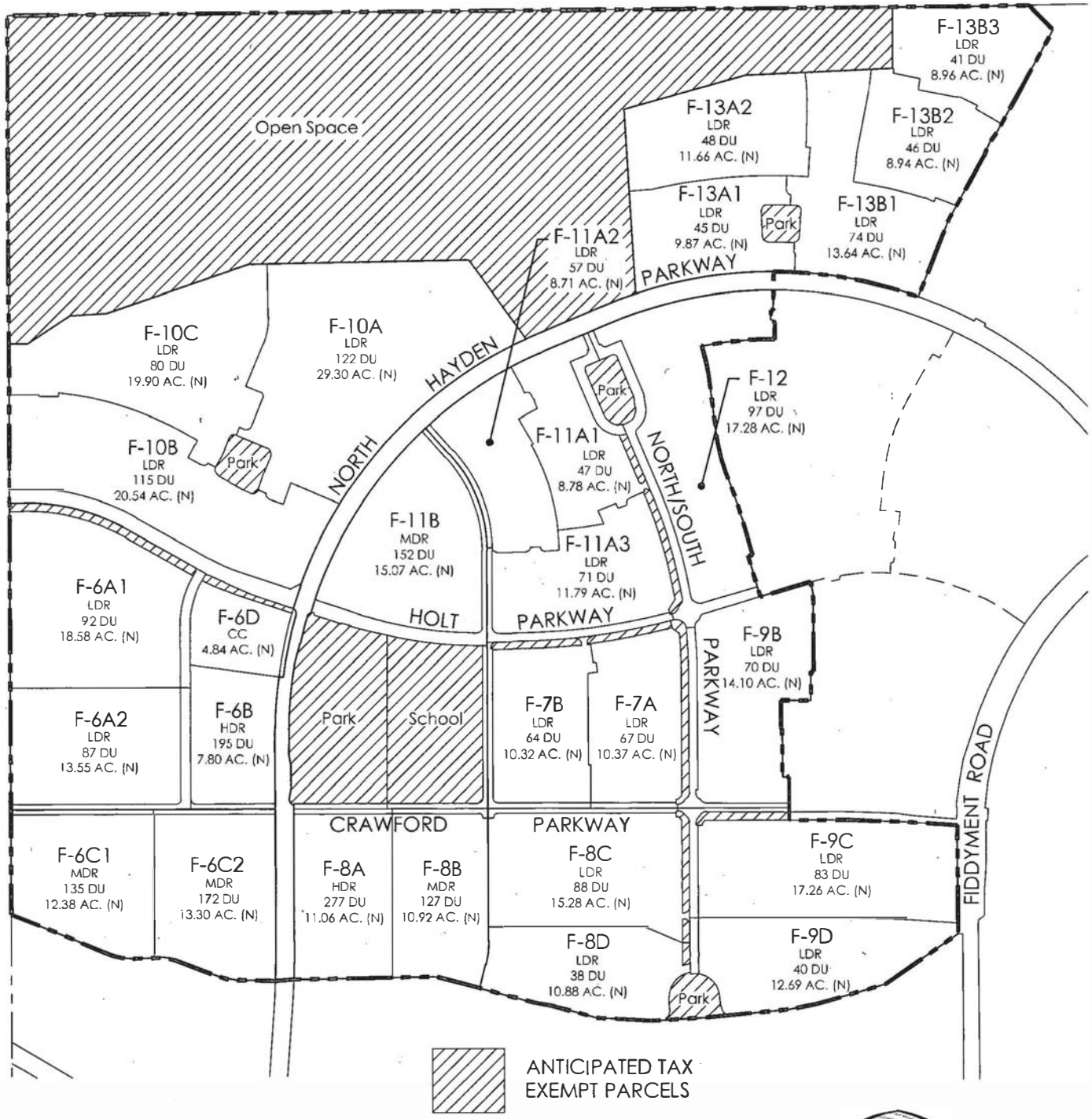
LAND USE DIAGRAM

COMMUNITY FACILITIES DISTRICT #5

FIDDYMENT RANCH

CITY OF ROSEVILLE, CALIFORNIA

DECEMBER 2015



WOOD RODGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS
3301 C St, Bldg. 100-B
Sacramento, CA 95816
Tel 916.341.7760
Fax 916.341.7767

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APPENDIX B

THE APPRAISAL AND UPDATE TO THE APPRAISAL

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Appraisal Report

City of Roseville Community Facilities District No. 5 (Public Facilities)
Roseville, California



Date of Report: April 19, 2017

Prepared For:

Mr. Jay Panzica, Chief Financial Officer
City of Roseville
311 Vernon Street
Roseville, CA 95678

Prepared By:

Kevin K. Ziegenmeyer, MAI
Eric A. Segal, MAI

SJZ Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation

Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation

April 19, 2017

Mr. Jay Panzica, Chief Financial Officer
City of Roseville
311 Vernon Street
Roseville, CA 95678

RE: City of Roseville Community Facilities District No. 5
(Public Facilities)
Roseville, California

Dear Mr. Panzica:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has prepared an appraisal report for the purpose of estimating the market value (*fee simple estate*) of the property within the City of Roseville Community Facilities District No. 5 (Public Facilities), under the assumptions and limiting conditions contained in this report.

The appraisal report has been conducted in accordance with appraisal standards and guidelines found in 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). This document is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the 2016-2017 edition of USPAP.

The subject property represents a portion of Phases 2 and 3 of the Fiddyment Ranch master planned community, which is located east and west (substantially west) of Fiddyment Road, north and south of Blue Oaks Boulevard (substantially north of Blue Oaks Boulevard), within the city of Roseville, Placer County, California. The subject consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC), as well as public use land areas designated for park areas, open space and a school site.

As a result of our analysis, our opinion of market value of the fee simple interest in the subject property, by ownership, subject to the hypothetical condition described herein, in accordance with the general and extraordinary assumptions and limiting conditions set forth herein, as of February 1, 2017, is:

Ownership	Description - Fiddyment Ranch	Value by Ownership
ATC Realty One, LLC	Phase 2 Village F-13A1, -13A2, F-7A, F-7B, F-8C, F-8D, F-9B, F-9C, F-9D, F-11A1, F-11A2, F-11A3 and F-12 Phase 3 Village F-6A1, F-6A2, F-10A, F-10B, F-10C, F-6C1, F-6C2, F-8B and F-11B F-6D (Commercial), F-6B (MF), F-8A (MF)	$ 69,490,000
Fiddyment 116 Lots, LLC (d/b/a Signature Homes)	Phase 2 Village F-13B1 and F-13B2 116 Unimproved Lots	$ 12,644,000
Cumulative, or Aggregate, Value of the District*		**$ 82,134,000**

* Aggregate value ***is not*** equivalent to the market value of the combined ownership interests

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

The estimates of market value provided assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimate is 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.

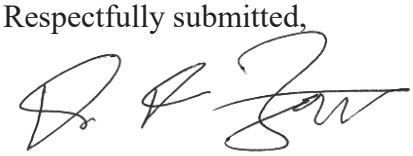
We hereby certify the property has been inspected and have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the property. This letter must remain attached to the report, which contains 150 pages, plus related exhibits and Appendix, in order for the value opinion set forth herein to be considered valid.

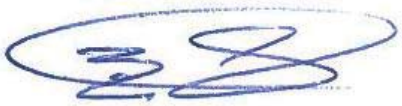
The subject property does not have any significant natural, cultural, recreational or scientific value. The appraisers certify this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

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 aforementioned 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 and assumptions 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
Expires: June 4, 2017

Eric A. Segal, MAI
State Certification No.: AG026558
Expiration Date: February 18, 2019

/dtn

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property:	Property within the boundaries of the City of Roseville Community Facilities District No. 5 (Public Facilities)
Location:	West of Fiddyment Road, north of Blue Oaks Boulevard, within the city of Roseville, Placer County, California
Assessor Parcel Numbers:	The subject property is currently confined within the boundaries of Assessor's parcel numbers 492-010-057 and -077; however, Assessor's parcel 492-010-077 has been recently subdivided to form Fiddyment Ranch – Phase 2 Village F-13B1 and F-13B2. A final map was recorded for F-13B1 forming 75 single-family residential lots, with the remainder (F-13B2) designated for 41 lots (Lot D); though, new Assessor's parcel numbers have yet to be assigned. Upon final map recordation of the various larger parcels, new parcel numbers will be assigned.
Owner of Record:	
APN: 492-010-057	ATC Realty One, LLC, a Delaware limited liability company
APN: 492-010-077 (portion)	ATC Realty One, LLC, a Delaware limited liability company
APN: 492-010-077 (portion)	Fiddyment 116 Lots, LLC, a California limited liability company (d/b/a Signature Homes)
Land Uses/Land Area:	The subject property consists of 1,472 low density residential lots, 586 medium density residential lots, 472 high density residential units, one commercial lot, five park sites, one open space area and one school site. Most of the residential lots are unimproved, or "paper lots," as they have tentative map approval and lack in-tract and backbone infrastructure required to develop; however, site development is underway on Phase 2F, which comprises 114 lots, with 75 lots approximately 50% complete. Additionally, there are various open space areas along the roads classified as "Paseo" areas. The total (net) land area, per a review of the provided diagrams/maps, is approximately 533.07 acres.
Zoning:	RS/DS – small lot residential with development standard overlay R3 – attached housing CC – community commercial P/QP – public/quasi-public (also includes school site) P/R – park and recreation OS – open space
Flood Zone:	The subject property is located within three different flood zones. The majority of the property is located within Zone X – areas determined to be outside of the 500-year flood plain.

	Portions of the subject (most notably, the open space areas) are located within Flood Zone A (area inundated by 100-year flood, no base flood elevations determined) or Zone AE – (area inundated by 100-year flood, flood elevations determined). There are no developable areas of the property within designated floodplains.
Earthquake Zone:	Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)
Entitlements:	The single-family residential parcels have tentative map approvals. The multifamily and commercial parcels have zoning in place for development, but no additional entitlements/maps. Please consult the *Property Ownership and History* section later in this report for a complete summary of larger parcels/land uses/entitlements in place.
Lot Sizing:	
Low Density Residential (LDR)	Parcels (lots) range from about 4,500 to 7,475 square feet
Medium Density Residential (MDR)	Parcels (lots) range from about 2,044 to 2,451 square feet
Highest and Best Use:	
Low Density Residential (LDR)	Near term single-family residential
Medium Density Residential (MDR)	Near term single-family residential
Multifamily Residential R3 (Market)	Near term multifamily residential
Multifamily Residential (Affordable)	Hold for future multifamily residential
Commercial (CC)	Hold for future commercial development
Property Rights Appraised:	Fee simple interest
Date of Inspection:	February 1, 2017
Effective Date of Value:	February 1, 2017
Date of Report:	April 19, 2017
Exposure Time/Marketing Time:	12 months
Conclusion of Value:	See table on the following page:

Ownership	Description - Fiddyment Ranch	Value by Ownership
ATC Realty One, LLC	Phase 2 Village F-13A1, -13A2, F-7A, F-7B, F-8C, F-8D, F-9B, F-9C, F-9D, F-11A1, F-11A2, F-11A3 and F-12 Phase 3 Village F-6A1, F-6A2, F-10A, F-10B, F-10C, F-6C1, F-6C2, F-8B and F-11B F-6D (Commercial), F-6B (MF), F-8A (MF)	$ 69,490,000
Fiddyment 116 Lots, LLC (d/b/a Signature Homes)	Phase 2 Village F-13B1 and F-13B2 116 Unimproved Lots	$ 12,644,000
Cumulative, or Aggregate, Value of the District*		**$ 82,134,000**

* Aggregate value ***is not*** equivalent to the market value of the combined ownership interests

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

CLIENT, INTENDED USER AND INTENDED USE

The client and intended user of this appraisal report is the City of Roseville and the associated Finance Team. The appraisal report is intended for use in bond underwriting, and will be included in the Preliminary Official Statement and the Official Statement used to market 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 2016-17 edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

TYPE AND DEFINITION OF VALUE

The purpose of this appraisal is to estimate the market value (*fee simple estate*), by ownership, of the property comprising the City of Roseville Community Facilities District (CFD) No. 5 (Public Facilities), subject to the hypothetical condition noted herein. Market value is 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]

USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the

[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).

hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value.

PROPERTY RIGHTS APPRAISED

The market value estimated herein is 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.[2]

DATES OF INSPECTION, VALUE AND REPORT

An inspection of the subject property was completed on February 1, 2017, which represents the effective date of market value. This Appraisal Report was completed and assembled on April 19, 2017.

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 appraised properties 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. Stephen Hicks of Bayless and Hicks, a regionally recognized land development firm, who provided information regarding the current status of the project. 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.

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.

[2] The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 6.

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), as well as near-term multifamily residential development on the parcel approved for a combination of market rate and moderate income units (Parcel F-8A), with an interim hold for development of the subject's 100% income-restricted multifamily residential parcel (Parcel F-6B) and commercial parcel.

The valuation began by employing the sales comparison approach and extraction technique to estimate the market value of a benchmark lot category of the low density residential (LDR) lots. 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, an extraction analysis was utilized, which was reconciled with the sales comparison approach conclusion. For the subject's medium density lots, the extraction technique was used as the sole basis of valuation. Next, adjustments were applied to determine values for each residential larger parcel, based upon lot sizes differences that exist from the benchmark larger parcels.

The sales comparison approach was also utilized to determine the value of the subject's commercial site. Additionally, the sales comparison approach, as well as an extraction technique, was utilized to estimate the value of Parcel F-8A, which has a combination of market rate and income-restricted units. In the extraction method, the market value of an apartment complex at completion of construction and stabilized occupancy was first estimated via an income capitalization approach. Within this approach, a typical market rent was applied for the Roseville area for the market rate units and the City-mandated income-restricted rents for the affordable units. Estimates of vacancy/collection loss, operating expense ratios and overall capitalization rates were also inputted utilizing typical market parameters. Next, all estimated direct costs required to construct the project (via estimated from the Residential Cost Handbook published by Marshall and Swift), as well as indirect costs (including lease-up costs), were subtracted from this stabilized value to arrive at an underlying land value. The values derived via each approach were reconciled into a final opinion of value for this parcel.

With regard to the multifamily land component with income restrictions and no market-rate units, (Parcel F-6B), an extraction technique was solely utilized. As will be demonstrated herein, this income-restricted multifamily parcel has no residual value.

The majority of the subject property is held under a single ownership; thus, the final step in the analysis involved a subdivision development method (a type of discounted cash flow analysis) to determine the market value in bulk of the fee simple interest in the subject property, by ownership,

which takes into consideration the revenue and expenses (including the completion of backbone infrastructure) associated with selling off the individual larger parcels over an estimated absorption period (also incorporating an appropriate discount rate to the cash flows). As will be discussed further herein, Phase 2, F-13B-1 and F-13B2 have transferred to Signature Homes and was not included as part of the market value in bulk of the properties held by ATC Realty One, LLC, the majority property owner.

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

The individuals involved in the preparation of this appraisal include Kevin K. Ziegenmeyer, MAI, and Eric A. Segal, MAI. Messrs. Segal and Ziegenmeyer 1) inspected the subject property, 2) reviewed the subject property information provided, 3) collected and confirmed market data, 4) analyzed market data and 5) prepared the Appraisal Report.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

It is noted the use of an extraordinary assumption or hypothetical condition may have affected the results of the appraisal.

Extraordinary Assumptions

1. It is assumed all cost figures relating to remaining backbone infrastructure, which were prepared by Wood Rodgers (a civil engineering firm), and which were provided to us by Mr. Steve Hicks of Bayless and Hicks, are correct. Any deviation of actual cost figures from those provided could materially affect the conclusion(s) of value contained herein.

2. We were not provided a cost budget for in-tract site work. A generalized in-tract site cost estimate was provided by Mr. Stephen Hicks of Bayless and Hicks, at $35,000 per lot for the entire Fiddyment Ranch master planned community. Nonetheless, given the lack of a specific budget, we have placed more emphasis on our observations of similar projects in the market in the estimation of in-tract site costs, especially with regard to the delineation between larger versus smaller lots. Any deviation of actual in-tract cost information from that estimated in this appraisal could materially affect the conclusion of value contained herein.

3. It is represented the school site (Parcel F-71) will be acquired by the School District based upon the appraised market value under its highest and best economic use; that is, residential land with a tentative map in place for development similar to other parcels in the Fiddyment Ranch project. Based upon the size of the site (10.44 acres) and typical density (5 units per acre) for LDR lots in the area, it is estimated the site could accommodate approximately 52 LDR lots. However, as the designated parcel will be exempt from the Lien of the Special Tax securing the Bonds, this site will be excluded from the valuation herein. If this assumption proves to be false, the conclusion of market value herein would likely be positively affected.

4. It is presumed there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit development of the subject property. 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.

Hypothetical Conditions

1. The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

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 subjects' 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 property 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 performed appraisal services regarding the subject property 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.
- Eric A. Segal, MAI, 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 continuing education program for Designated Members of the Appraisal Institute.



Kevin K. Ziegenmeyer, MAI
State Certification No.: AG013567 (Expires June 4, 2017)

April 19, 2017
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.
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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.
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- I certify that my State of California real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
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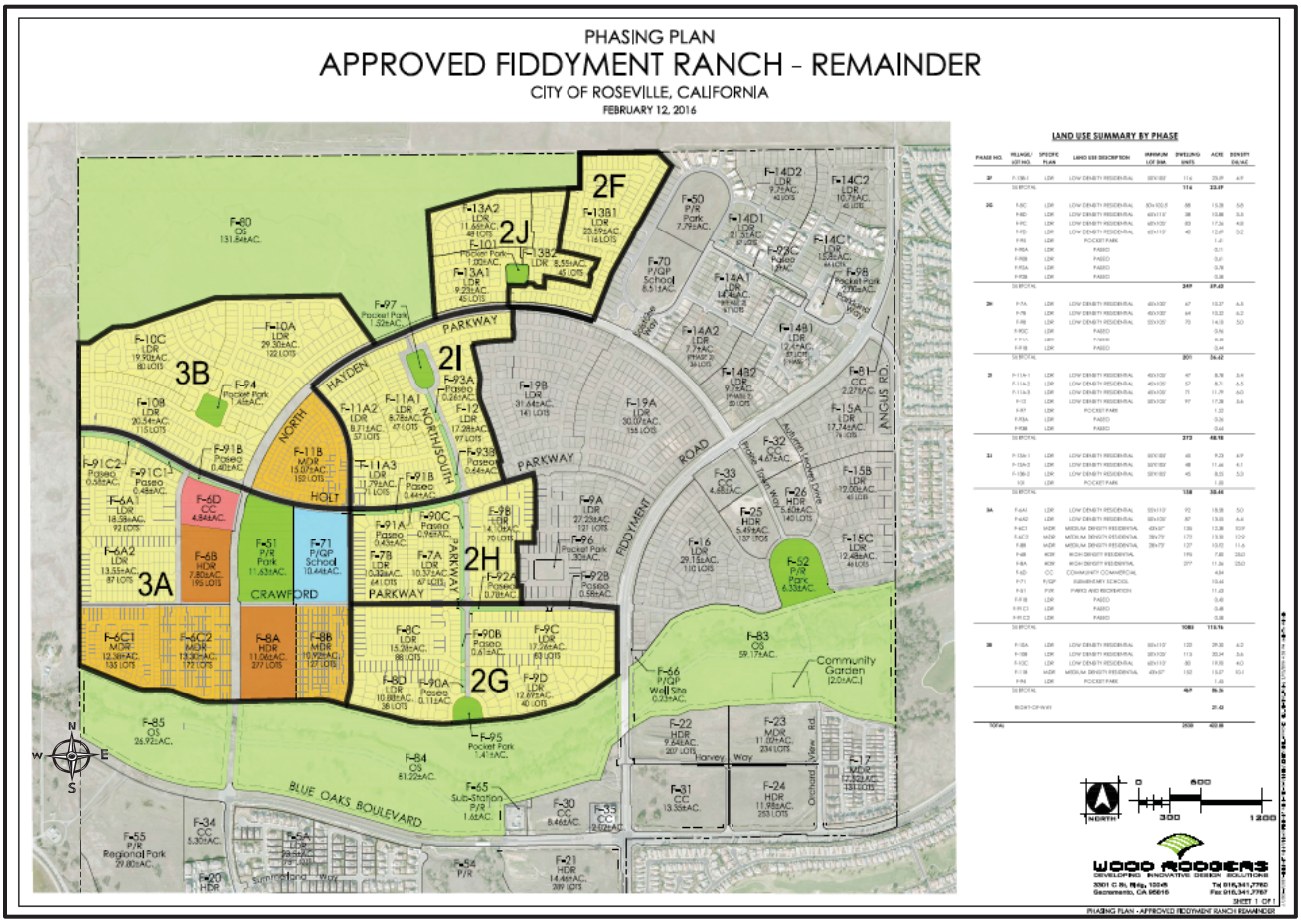


Eric A. Segal, MAI
State Certification No.: AG026558 (February 18, 2019)

April 19, 2017
DATE

PROPERTY DESCRIPTION AND HISTORY

Fiddyment Ranch Map (*Phasing Plan map*)



Overview

The appraised property represents a portion of Phases 2 and 3 of the Fiddyment Ranch master planned community, which is located east and west (substantially west) of Fiddyment Road, north and south of Blue Oaks Boulevard (substantially north of Blue Oaks Boulevard), within the city of Roseville, Placer County, California. The subject property consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC), as well as public use land areas designated for park areas, open space and a school site.

A summary of larger parcels within CFD No. 5 is shown in the table on the following page:

Larger Parcel Designation	Land Use	# Lots/Units	Lot Sizes (SF)	Net Land Area (Acres)
Phase 2				
F-7A, F-7B, F-8C, F-8D, F-9B, F-9C, F-9D, F-11A-1, F-11A-2, F-11A-3, F-12, F-13A-1, F-13A-2, F-13B-1, F-13B-2, F-13B-3	LDR	976	4,500 - 7,475	190.53
F-95, F-97, F-101	Park	3	N/Ap	3.89
F-90, F-91, F-92, F-93	Paseo	4	N/Ap	6.40
Phase 3				
F-6A-1, F-6A-2, F-10A, F-10B, F-10C	LDR	496	5,250 - 6,600	102.05
F-6C-1, F-6C-2, F-8B, F-11B	MDR	586	2,044 - 2,451	51.67
F-6B*	HDR	195	N/Ap	7.80
F-8A**	HDR	277	N/Ap	11.06
F-6D	CC	1	N/Ap	4.84
F-51, F-94	Park	2	N/Ap	12.89
F-80	Open Space	1	N/Ap	131.50
F-71	School	1	N/Ap	10.44

* All a combination of very low income, low income and moderate income units
**Includes 54 moderate income units

According to the "Owner's Annual Report for the Fiscal Year Ending December 31, 2015" that was provided for use in this appraisal (and is still considered generally accurate as it pertains to the current status of Fiddyment Ranch), a total of 1,835 single-family detached lots have sold/closed within Fiddyment Ranch to merchant builders, as well as 156 multifamily affordable rental units to a non-profit affordable housing builder, and 1.9 acres of commercial land to a commercial developer. Current merchant builders active in Fiddyment Ranch include Lennar Homes, JMC Homes and Taylor Morrison Homes. In Fiscal Year 2014, a Specific Plan Amendment (SPA #3) was approved to add 1,661 units to the development. As noted throughout this report, the subject property represents a *portion* of the entire Fiddyment Ranch master planned community.

According to the same report, construction of backbone infrastructure improvements that were financed by the original 2005 series CFD bonds have been completed and accepted by the City of Roseville. The majority of the Phase 2 backbone infrastructure improvements being financed by the

series 2006 bonds have also been completed and accepted. A significant level of remaining backbone infrastructure is required to complete the remainder of the Fiddyment Ranch Development.

Sales History

According to representatives of the owner, the aforementioned Fiddyment Ranch – Phase 2 Village F-13B1 and F-13B2, which will contain 75 lots and 41 lots, respectively, transferred on September 29, 2016 from ATC Realty One, LLC, a Delaware limited liability company (grantor) to Fiddyment 116 Lots, LLC, a California limited liability company (d/b/a Signature Homes) (grantee). In addition to the purchase price, the grantee (buyer) provided the grading of 34 off-site lots and the installation of a storm drain outfall structure through the open space. Due to Signature Homes' history with the property and familiarity with the seller, the purchase price was not considered a true arms-length sale; thus, the previous sale price provided, which was requested to be kept confidential, is not considered indicative of current market value. There have been no arms-length transactions of the subject property within the previous three years. According to a document entitled "Owner's Annual Report – City of Roseville, Fiddyment Ranch Community Facilities District No. 1," dated March 31, 2015, "…the Developer entered into contract for the sale of Fiddyment Ranch Portions of Phases 2 and 3 - 710± acres and more particularly described in the attached Exhibit A. The transaction is expected to close escrow in May 2016." We were informed that the buyer had cancelled the contract. While we attempted to obtain further information regarding this sale, we were unable to do so with parties involved in the transaction. To the best of our knowledge, the subject is not currently being marketed for sale.

Subject Property – Strengths, Weaknesses, Opportunities, Threats

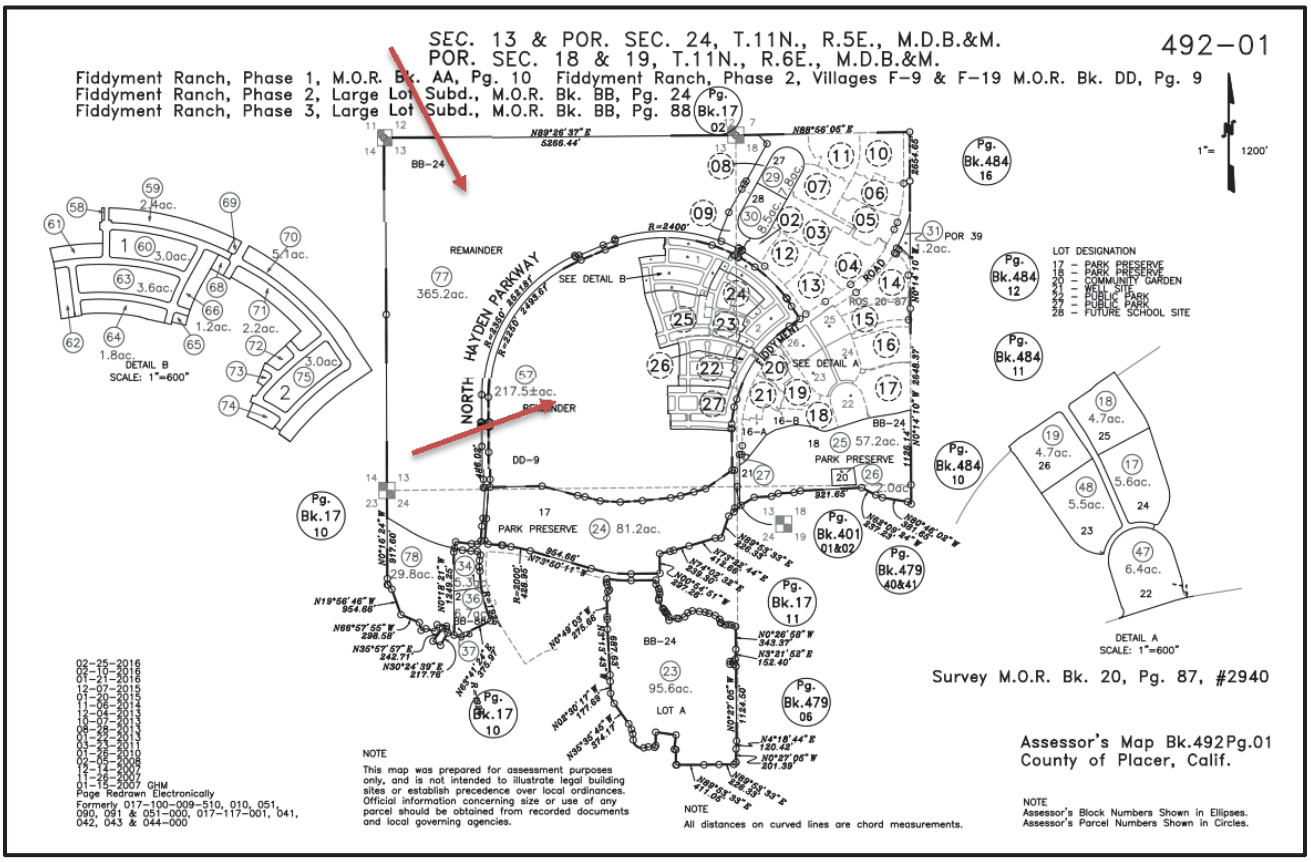
***Strengths*:**
- Desirable regional location (south Placer County, Roseville)
- The housing market is in a state of expansion
- Appeal to both first time and move-up buyers
- Good condition of surrounding homes and immediate path of growth
- Good transportation linkages with proximity to State Highway 65 and Interstate 80

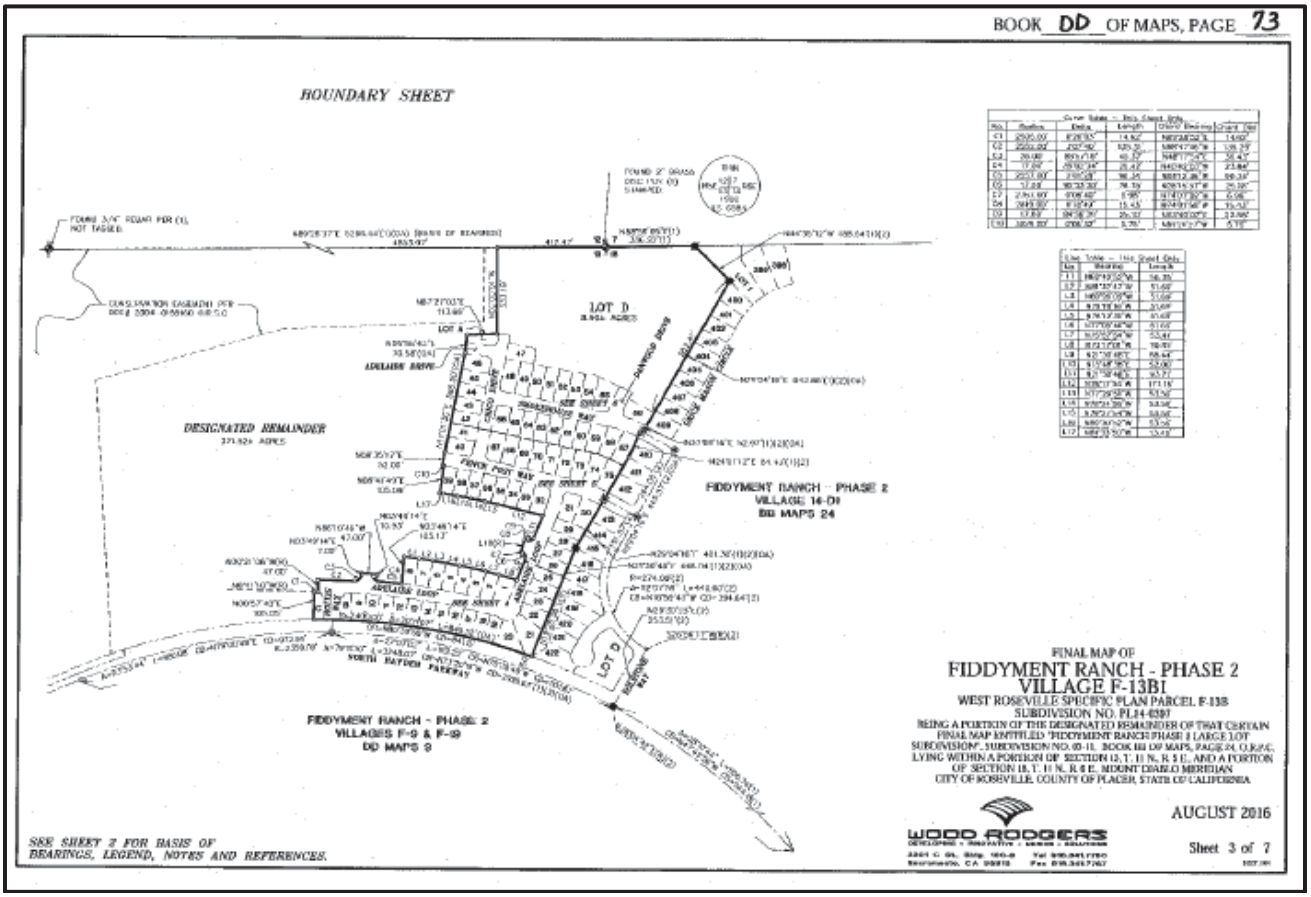
Weaknesses:
- With a large number of lots, sell-off is anticipated to take several years
- Significant backbone and in-tract work remains to be completed
- The increase in the number of competing, active subdivisions in West Roseville could impact overall absorption and pricing in the market in the near term

***Opportunities*:**
- Housing shortage in the region may lead buyers to consider purchasing in the development

***Threats*:**
- Macroeconomic factors, and the possibility the economy becomes stagnant and the residential sector loses steam
- Unforeseen delays

PROPERTY LEGAL DATA





Assessor's Parcel Number(s)

The subject property is currently identified as Assessor's parcel numbers 492-010-057 and -077. Upon final map recordation of the various larger parcels, new parcel numbers will be assigned.

Location

The subject is generally located west of Fiddyment Road, north of Blue Oaks Boulevard, within the city of Roseville, Placer County, California.

Owner of Record

APN: 492-010-057:	ATC Realty One, LLC, a Delaware limited liability company
APN: 492-010-077 (portion):	ATC Realty One, LLC, a Delaware limited liability company
APN: 492-010-077 (portion):	Fiddyment 116 Lots, LLC, a California limited liability company (d/b/a Signature Homes)

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

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.

According to the Placer County Treasurer-Tax Collector's Office, the subject property has a cumulative annual tax rate of 1.105482% based on assessed value. Cumulative ad valorem and special taxes, which includes City of Roseville Fiddyment Ranch CFD No. 1 Special Taxes, for both parcels total $1,848,780.82 for the 2016/2017 tax year.

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.

According to the Rate and Method of Apportionment (RMA) for CFD No. 5 (Public Facilities) provided for use in this appraisal, a special tax may be levied on all taxable property within the boundaries of CFD No. 5 (appraised property), and collected each fiscal year commencing in Fiscal Year 2016-2017. Fiscal Year 2016/2017 maximum special tax rates are as follows:

FISCAL YEAR 2016/2017

Fiddyment Ranch CFD No. 5	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre***
LDR	$1,723 per lot
MDR	$1,325 per lot
HDR (market rate)	$663 per unit
HDR (affordable)	$331 per unit
Commercial	$6,625 per acre

* maximum

On July 1 of each Fiscal Year commencing with Fiscal Year 2016-2017, the assigned special tax will increase by an amount equal to 2% of the assigned special tax in effect for the prior fiscal year.

Additionally, the appraised property is encumbered by the Fiddyment Ranch Community Facilities District (CFD) No. 1 series 2005 and 2006 Special Tax Bonds. It is anticipated that these bonds will be prepaid with the issuance of series 2017 CFD No. 5 Bonds. With respect to special taxes, we have relied upon the Annual Levy Report, prepared by Willdan Financial Services, to determine the annual special tax levy on the subject property. The special taxes are subject to a 2% annual escalation factor.

The current range for special taxes per land use is shown on the following page, and is essentially identical to that of CFD No. 5:

FISCAL YEAR 2016/2017

Fiddyment Ranch CFD No. 1	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$1,679 to $1,723 per lot
MDR	$1,268 to $1,325 per lot
HDR (market rate)	$663 per unit
HDR (affordable)	$374 per unit
Commercial	$6,341 to $6,625 per acre

The Fiddyment Ranch CFD No. 1 bonds were issued to finance roadway, sewer, water, drainage, parks, open space, as well as other public facilities necessary for development of property within the district.

Additional CFD obligations in Fiddyment Ranch include Fiddyment Ranch CFD No. 2 and City of Roseville Municipal Services CFD No. 3. Fiddyment Ranch CFD No. 2 is a direct levy that pays for public services in the West Roseville Specific Plan. Maximum annual assessments increase at a rate of 4% per year. City of Roseville Municipal Services CFD No. 3 funds municipal services in the West Roseville Specific Plan. Annual assessments increase at a rate of the lower of: 1) 4% per year or 2) the increase in the cost of these services. This direct levy is not put into place until a building permit is pulled; as such, the subject property, which has no vertical improvements, is not encumbered by this levy. Both Fiddyment Ranch CFD No. 2 and City of Roseville Municipal Services CFD No. 3 are annual charges that cannot be paid off. Fiddyment Ranch CFD No. 2 information is shown in the table below, by land use type for developed parcels:

FISCAL YEAR 2016/2017

Fiddyment Ranch CFD No. 2	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre***
LDR	$583 to $633 per lot
MDR	$583 to $633 per lot
HDR (market rate)	$95 per unit
HDR (affordable)	None levied (undeveloped)
Commercial	$1,234 per acre

* maximum

Fiddyment Ranch CFD No. 3 information is shown in the table on the following page, by land use type for developed parcels; however, none of the CFD 5 parcels are currently paying the CFD 3 tax since there are no building permits yet:

FISCAL YEAR 2016/2017

City of Roseville Mun. Serv. CFD No. 3	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre**
LDR	$407 per lot
MDR	$407 per lot
HDR (market rate)	$272 per unit
HDR (affordable)	$136 per unit
Commercial	$2,227 per acre

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

A description for the land use designations covering the subject property are presented in the following table, according to information from the City of Roseville.

Land Use	Applied Zoning Districts
Residential Uses	
LDR – Low Density Residential	RS/DS
MDR – Medium Density Residential	RS/DS
HDR – High Density Residential	R3
Service and Employment Uses	
CC – Community Commercial	CC
Public Uses	
P/QP - Public/Quasi-Public	P/QP
P/R - Parks and Recreation	P/R
OS - Open Space	OS

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 allows

modification of the specified development standards in general zone districts. The City Council, in approving a zoning classification, may combine the Development Standard (DS) Overlay with any zone district to establish, modify, any or all of the following development standards: 1) minimum lot size, 2) minimum lot depth, 3) maximum lot depth, 4) minimum yard setbacks, 5) maximum coverage, 6) minimum usable open space, 7) maximum building height, 8) principal building types, 9) minimum landscaping setbacks and 10) minimum parking ratios.

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.

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.

P/QP – Public/Quasi-Public: The Public/Quasi-Public district is applied to land intended for education, religious assembly, governmental offices, municipal corporation yards, water treatment plants, power generating facilities (including privately owned facilities), and other publicly-owned facilities. It is noted the school site is also zoned P/QP.

P/R – Parks and Recreation: The Park and Recreation district may be applied to both public and private recreation facilities. It is intended to be applied to larger parks especially community wide facilities, but may also be applied to smaller neighborhood facilities when it is important, due to the planned facilities or natural features, to designate the site for park and recreation uses.

OS – Open Space: The Open Space district is applied to public and private lands that are environmentally sensitive or otherwise significant due to wildlife habitat, flood hazard, or other natural features.

Entitlements

There are four small lot tentative maps that have been approved for the 1,472 low density residential (LDR) and 586 medium residential (MDR) lots within CFD No. 5. The expiration of these maps has recently been extended to be concurrent with the expiration of the Development Agreement (February 23, 2024).

The final map for parcel F-13 was approved by the City of Roseville on September 27, 2016 for F-13B1 forming 75 single-family residential lots, with the remainder (F-13B2) designated for 41 lots (Lot D) – see page 15. The remaining final maps will be prepared and recorded as the planning areas are developed. Approximately six months is required from start to finish for each final map.

Flood Zone

Source: Federal Emergency Management Agency (FEMA)

Flood Zone:	The subject property is located within three different flood zones. The majority of the property is located within Zone X – areas determined to be outside of the 500-year flood plain. Portions of the subject (most notably, the open space areas) are located within Flood Zone A (area inundated by 100-year flood, no base flood elevations determined) or Zone AE – (area inundated by 100-year flood, flood elevations determined). It should be noted the developable areas of the property are located in Flood Zone X.
Map Panel / Date:	06061C-0394F and -0457F / June 8, 1998
Flood Insurance:	Not required within developable areas (Zone X areas)

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.

FACILITIES TO BE FINANCED BY THE DISTRICT

Principal and interest on the Bonds will be paid by a Special Tax levied against the developable properties within the CFD. According to the document entitled "City of Roseville, Fiddyment Ranch Community Facilities District No. 5" prepared by Willdan Financial Services, below we summarize the facilities to be financed by the District.

- Transportation Improvements
- Potable and non-potable water system improvements
- Drainage system improvements
- Wastewater system improvements
- Solid waste improvements
- Park paseo improvement
- Open space improvements
- Utilities
- Prepayment of prior CFD special tax/indebtedness
- Formation, administrative and incidental expenses

According to the document, the proceeds of CFD No. 5 will be used to fund the construction of facilities in the amount of approximately $30 million, in total (all current and future issuances). The remaining (approximate) $17 million in bonding capacity will be used to prepay Fiddyment Ranch CFD No. 1 bonds.

SITE DESCRIPTION

Land Uses/Land Area: The subject property consists of 1,472 low density residential lots, 586 medium density residential lots, 472 high density residential units, one commercial lot, five park sites, one open space area and one school site. The residential lots are unimproved, or "paper lots," as they have tentative map approval but lack in-tract and backbone infrastructure. Additionally, there are various open space areas along the roads classified as "Paseo" areas. The total (net) land area, per a review of the provided diagrams/maps, is approximately 533.07 acres.

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 property has adequate access/frontage to the major surface streets in the Fiddyment Ranch development, most notably, Fiddyment Road and Blue Oaks Boulevard. Various interior surface streets will provide access to the subject lots. As of the date of inspection, the following observations were made about the status of the various interior access streets:

1. Crawford Parkway: Currently built to reach Village 9A (not part of subject), but terminates at/near eastern boundary of subject
2. Holt Parkway: Currently built to reach Villages 9A, 19A and 19B (not part of subject), but terminates at/near eastern boundary of subject
3. North Hayden Parkway: Currently built to reach Villages F-19A, 19B, 14A-1, 14A-2, 14B-2 (all are not part of the subject); but terminates at/near eastern boundary of subject. Additionally, not yet built from intersection with Blue Oaks Boulevard.

Overall, the accessibility and visibility of the property are considered adequate for residential and commercial use.

Adjacent Uses:

North	Vacant land
East	Single-family residential development (Crocker Ranch)
South	Single-family residential development (Westpark)
West	Vacant 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.

Improvement Status: All lots are classified as unimproved (including all residential lots and the commercial lot), requiring in-tract and off-site improvements.

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.

Mitigation: All environmental mitigation requirements have reportedly been met for the Fiddyment Ranch project.

Section 404 Permit: According to Mr. Stephen Hicks of Bayless and Hicks, all developable properties within the boundaries of CFD No. 5 have a Section 404 permit in place from the U.S. Army Corps of Engineers. A copy of the Department of Army U.S. Army Corps of Engineers letter authorizing the extension of time to complete the necessary and authorized work to December 30, 2020 is included in the Appendix to this Report.

Offsite Improvements: As of the date of inspection, all off-site improvements (streets, curbs, gutters, sidewalks, streetlights) were in place along Fiddyment Road and Blue Oaks Boulevard. As the interior access roads are completed, these off-site improvements will be required as part of the site work.

Backbone Infrastructure

A significant level of remaining backbone infrastructure is required to complete the remainder of the Fiddyment Ranch Development. According to cost budget information prepared by Wood Rodgers (a civil engineering firm), total CFD funded infrastructure costs are about $31,277,000, and the total non-CFD funded infrastructure costs are about $23,464,000, for a grand total of $54,741,000.

The anticipated CFD No. 5 bond proceeds, net of the payoff of the debt obligation associated with CFD No. 1, are approximately $6,600,356, leaving a remaining developer cost obligation for backbone infrastructure of $48,140,644, which will be reflected in the analysis later in this report.

In-tract Development Costs:

Specific in-tract cost budgets were not provided. However, Mr. Stephen Hicks of Bayless and Hicks indicated that in-tract costs are expected to be around $35,000 per lot, which is generally consistent with our observations in the market. As will be shown in the analysis that follows, typical site costs in various projects in West Roseville and Rocklin have recently ranged between $36,000 and $45,000, with most of the data lying toward the lower end to middle of this range. In our analysis, we will estimate in-tract costs at about $38,000 per lot for LDR lots and $35,000 per lot for MDR lots. For the reader's reference, the multifamily and commercial components do not have in-tract costs like the single family sites.

According to the civil engineer with Wood Rodgers, a portion of the dry utility costs of $7.4 million are payable to Roseville Electric at recordation of final map. Roseville Electric designs, installs and supplies electric facilities, including streetlights. The timing of this expenditure is set to generally coincide with the sales of the LDR lots, which is the major component driving the build-out/sell-off of the subject property. It is also noted these costs are already included in the in-tract costs estimates of $38,000 and $35,000 per lot for the LDR and MDR lots, respectively. Additionally, while some of the dry utility costs may be reimbursable by PG&E (but not by Roseville Electric), this reimbursement is considered highly speculative and would not necessarily be recognized by potential buyers of the parcel(s) in question.

Permits and Fees:

According to information provided by Stephen Hicks, permits and fees due at building permit range from $57,511 for an 1,800 square foot home up to $65,887 for a 3,000 square foot home. These are reportedly net of fee credits. The average is about $62,000 per lot.

Additionally, fees due at final map include a plan check fee of

$2,500 per map, plus $10 per lot, as well as the City of Roseville school impact fee of $6,000 per lot.
Given the discussion above, the average total permits and fees, inclusive of those due at final map and those due at building permit, are about $68,000 per lot, a figure that will be utilized in the LDR lot analysis. A lower permits and fees estimate of $64,000 per lot will be utilized for the MDR lots.

Affordability Requirement:

The subject property has two multifamily sites subject to affordable housing restrictions – Parcels F-6B and F-8A. Parcel F-6B is approved for 195 rental units, and will include 66 "very low income" units, 66 "low income" units and 63 "moderate income" units (no market rate units). Parcel F-8A is approved for 277 units and will include 54 "moderate income" units, with the remaining 223 units to be market rate.

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.

SUBJECT PHOTOGRAPHS



Looking east from terminus of Crawford Parkway



Looking north from terminus of Crawford Parkway



Looking northwest from terminus of Crawford Parkway



Looking west from terminus of Crawford Parkway



Looking west from terminus of Crawford Parkway



Looking southwest from terminus of Crawford Parkway



Looking southeast towards Phase 2G from Crawford Parkway



Looking west along future extension of Holt Parkway



Looking southwest from future extension of Holt Parkway



Looking northwest from future extension of Holt Parkway



Looking west along future extension of Hayden Parkway



Phase 2F



Looking north across Phase 2F from Hayden Parkway



Looking north across Phase 2F from Hayden Parkway

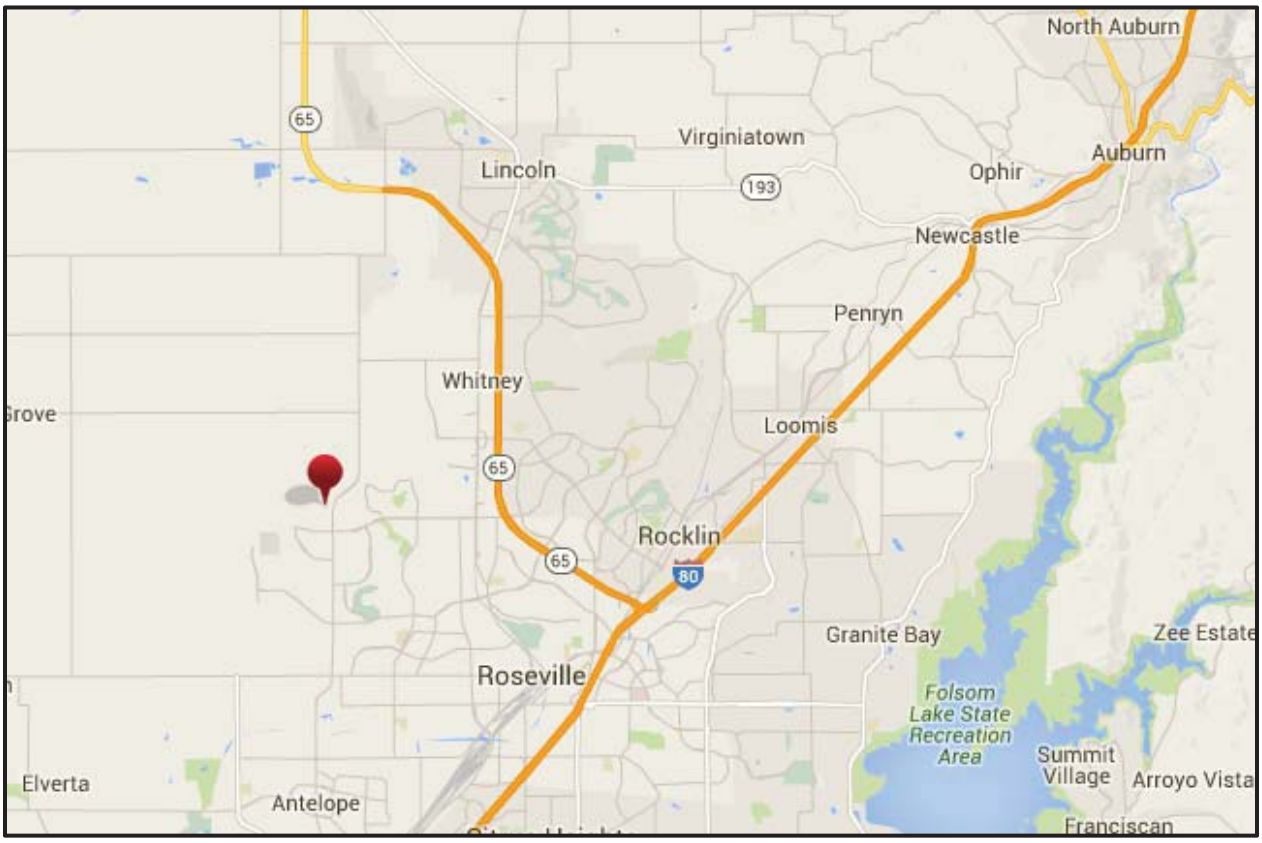


Looking east along Hayden Parkway



Looking north along future extension of Hayden Parkway from Blue Oaks Boulevard

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	2011	2012	2013	2014	2015	2016	%/Yr
Auburn	13,453	13,631	13,762	13,993	14,022	14,070	0.9%
Colfax	1,979	2,015	2,049	2,062	2,064	2,068	0.9%
Lincoln	43,399	44,167	45,005	45,990	46,688	47,339	1.8%
Loomis	6,493	6,554	6,589	6,633	6,646	6,692	0.6%
Rocklin	58,054	58,735	59,236	59,776	60,325	60,351	0.8%
Roseville	121,052	123,973	127,438	129,822	131,433	134,073	2.2%
Unincorporated	108,798	109,077	108,338	108,900	109,060	109,203	0.1%
Total	**353,228**	**358,152**	**362,417**	**367,176**	**370,238**	**373,796**	**1.2%**

Source: California Department of Finance

As indicated in the previous table, Placer County has experienced a strong average rate of annual growth of 1.3% over the past five years. The city of Roseville is the fastest growing part of the region. 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.

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.

Employment & Economy

The California Employment Development Department has reported the following employment data for Placer County over the past several years.

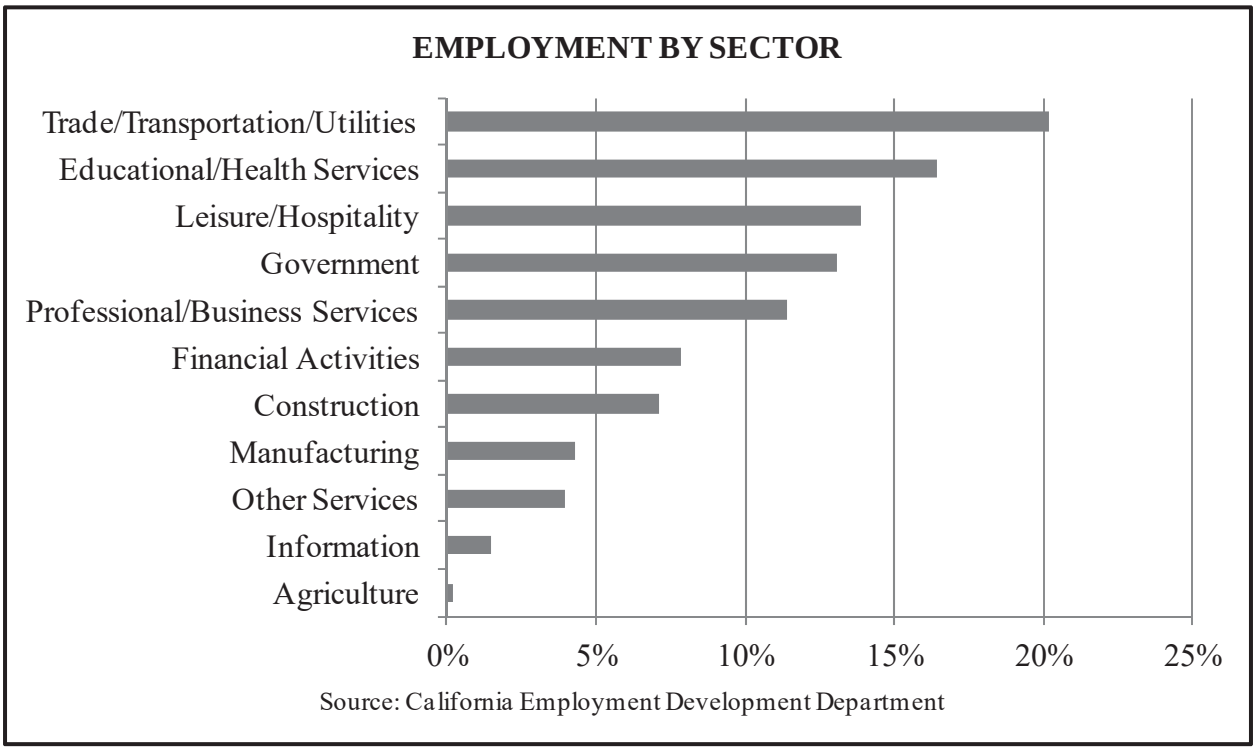
EMPLOYMENT TRENDS

	2010	2011	2012	2013	2014	2015
Labor Force	173,300	173,700	175,200	176,300	176,500	178,200
Employment	153,200	154,900	158,800	162,700	165,500	169,200
Job Growth	(8,200)	1,700	3,900	3,900	2,800	3,700
Unemployment Rate	11.6%	10.8%	9.4%	7.7%	6.2%	5.1%

Source: California Employment Development Department

The unemployment rate in Placer County was 4.5% in October 2016, which compares to rates of 5.5% for California and 4.9% 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 2011-2016.

Placer County has a diverse economy, with no one sector accounting for a majority of the employment in the region. The following chart indicates the percentage of total employment for each sector within the county.



As can be seen in the chart above, the area's largest employment sectors are Trade/Transportation/ Utilities, which includes retail and wholesale trade (20.2% of total employment); Educational and Health Services (16.4%); Leisure and Hospitality (13.9%); and Government (13.1%).

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 southern part of the county, according to the Sacramento Business Journal Book of Lists 2015, are Kaiser Permanente (3,839 employees in the county), Sutter Health (3,693), Placer County (2,378), Hewlett-Packard Co. (2,000), and Thunder Valley Casino Resort (1,875).

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 2014 (most recent data available from the U.S. Census Bureau), Placer County's median household income was $75,689, which was higher than the state of California's median income of $61,927.

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. An extension campus for Sierra College is located in Roseville 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.

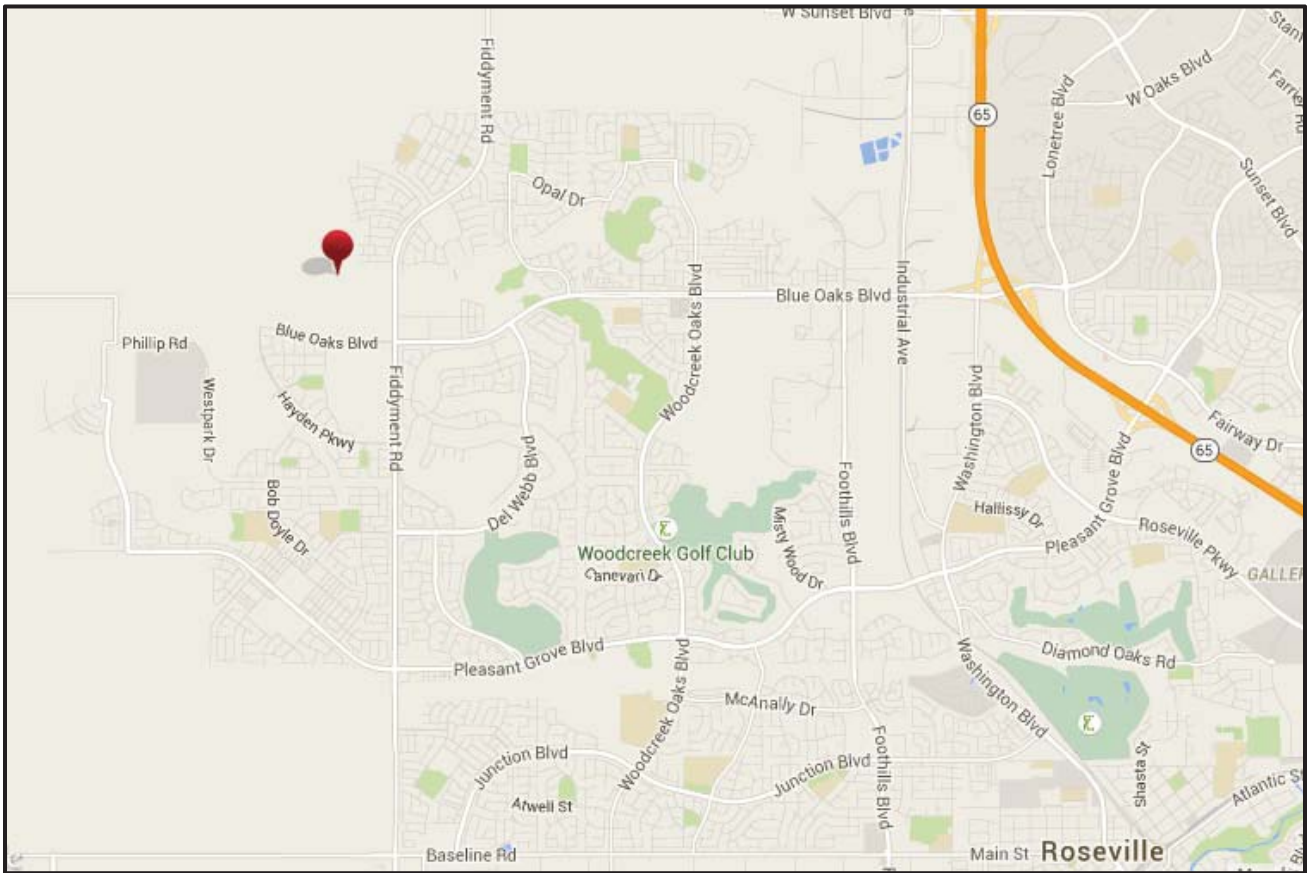
South Placer County has an excellent network of health services, including hospitals and medical office facilities. Two hospitals are located in Roseville – the Sutter Roseville Medical Center and Kaiser Permanente, both of which have recent or current expansion projects. The city of Auburn is home to 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 Dignity Health. 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."[3]

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.

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.

[3] The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 156.

Demographics

According to demographic information published by Esri, the population in the subject's neighborhood, as defined by the aforementioned boundaries, is 50,988 persons, which is substantially higher than the Year 2000 population of 22,752 persons and also higher than the 2010 population of 44,544 persons. The annual rate of population growth from 2000 to 2010 was 6.95%, while the annual rate of growth from 2010 to 2015 was 2.61%. The median age in the area is 37.9 years. There are 18,712 households in the neighborhood, indicating an average household size of 2.72 persons. The median annual household income is $93,831, while the average household income is $106.282; these are some of the highest figures in the Sacramento MSA. Of the 19,564 housing units in the neighborhood, approximately 73% are owner-occupied, 23% are renter-occupied and the remainder is vacant.

Transportation

The main surface streets in the neighborhood that provide access to Fiddyment Ranch are Fiddyment Road and Blue Oaks Boulevard. In a southerly direction, Fiddyment Road connects to Baseline Road (another thoroughfare that eventually connects with Highway 99 in a westerly direction) and continues south (when it becomes Walerga Road) to the communities of Antelope and North Highlands. In a northerly direction, Fiddyment Road connects to areas of unincorporated Placer County and the outskirts of the city of Lincoln (where it terminates at Moore Road). Blue Oaks Boulevard is an east-west major surface street that currently terminates at the western boundaries of Fiddyment Ranch, and in an easterly direction travels through West Roseville and the city of Rocklin. Blue Oaks Boulevard is also considered the primary means of access to State Highway 65, which is about 3.5 miles to the east of the subject property.

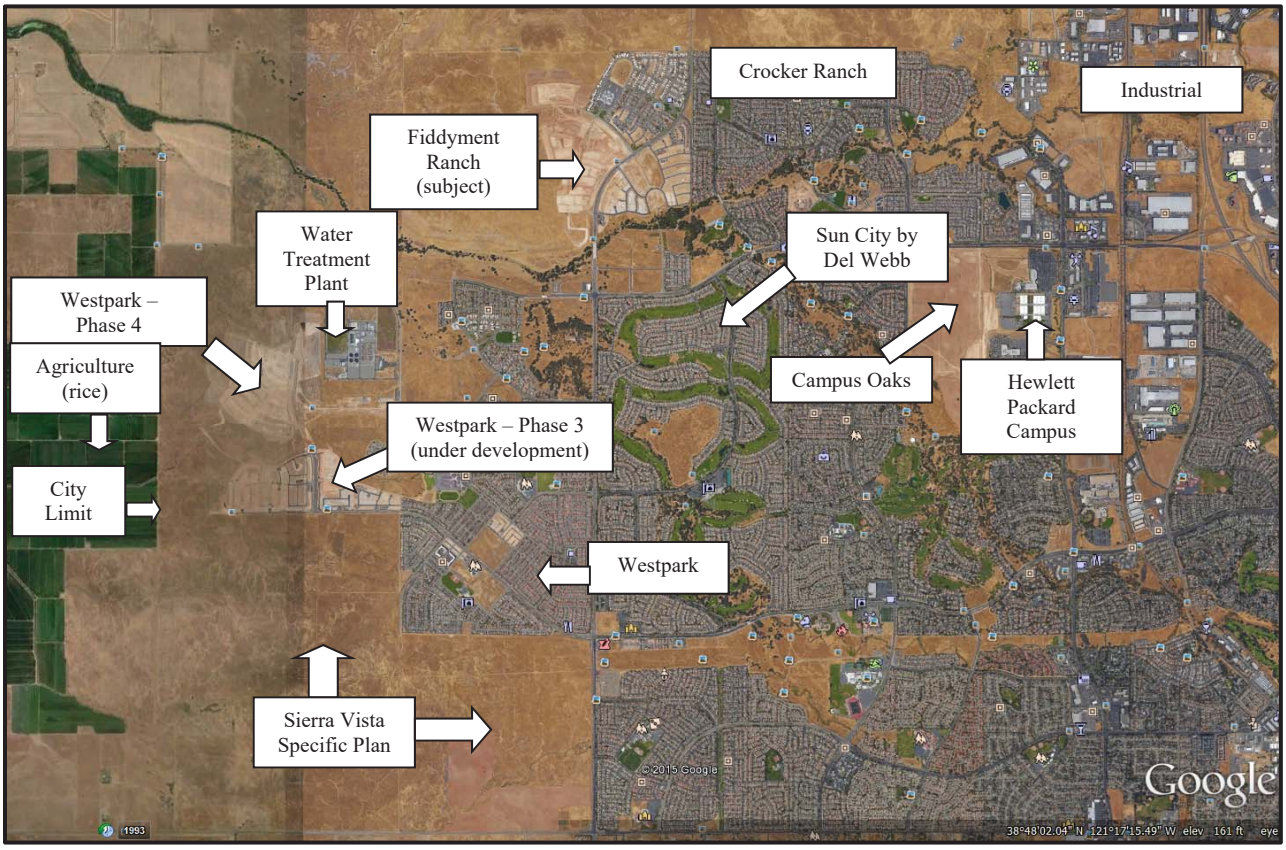
Other primary connectors in the neighborhood are Pleasant Grove Boulevard, Woodcreek Boulevard and Foothills Boulevard. State Highway 65 is a north-south route that provides access to Lincoln, Wheatland and Yuba City to the north and Interstate 80 to the south. Interstate 80 is a primary east-west corridor 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 Reno, Nevada. To the west, Interstate 80 connects the subject neighborhood to Sacramento's Central Business District (via Business 80/Capital City Freeway) before continuing on toward 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.

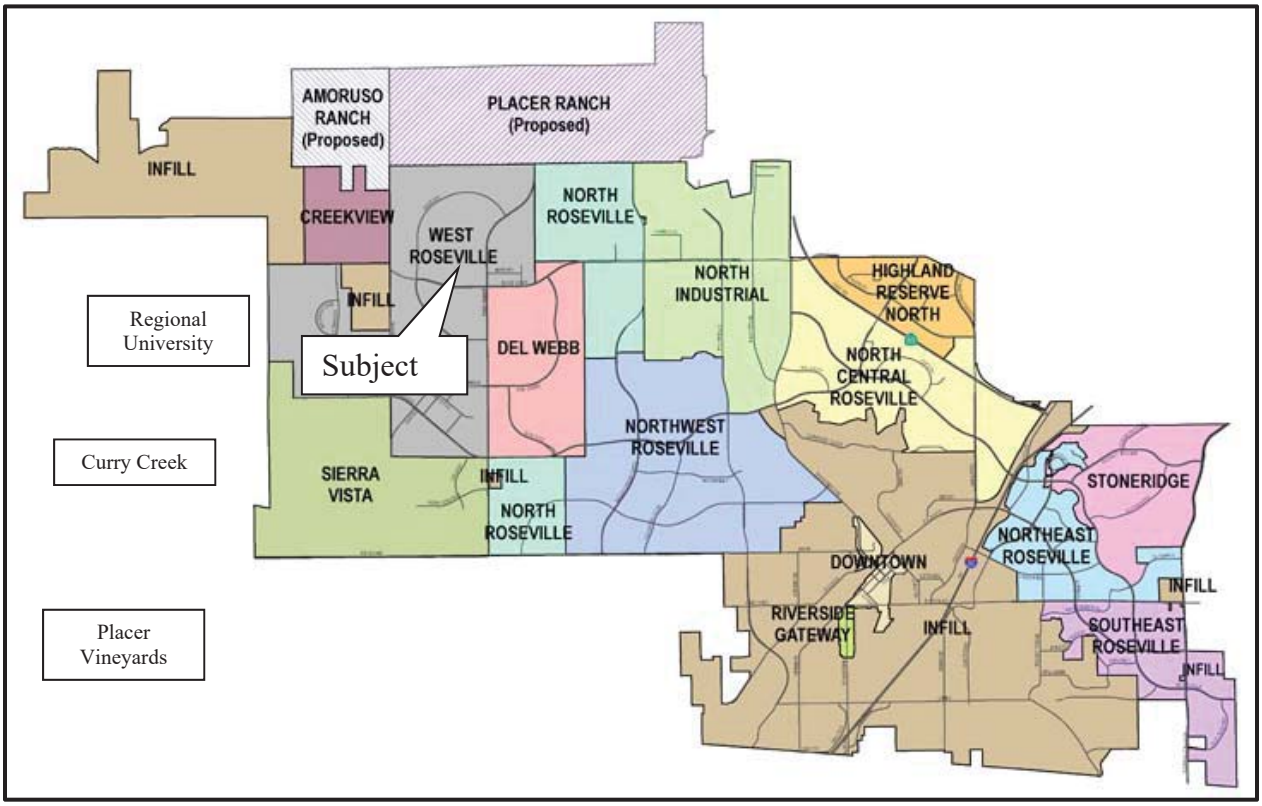
Surrounding Land Uses

A map of land uses in the vicinity of the subject is provided below:



Major Projects in the Area

A map and discussion of the projects proximate to the subject property is provided beginning on the following page. It is noted the discussion of the various projects and Specific Plans is based upon information provided on Planning Department websites for the City of Roseville or Placer County, where applicable.



Source: City of Roseville Planning Department

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 and Fiddyment Ranch (subject is a portion of). 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.

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 Solaire project represents the first component of the Sierra Vista Specific Plan to be developed.

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 five to 10 years.

Campus Oaks - The City of Roseville HP Campus Oaks Community Facilities District No. 1 is located within the Hewlett-Packard Campus Oaks Master Plan area. Specifically, the boundaries of the CFD include 189.04 acres of the Campus Oaks area, of which 129.16 acres are planned for taxable parcels. Two large lot Tech/Business Park parcels are included in the Master Plan but are exempt portions of the District. Professional office/tech, community commercial and residential uses, as well as public (park) uses, are planned for this area. Site development is currently underway.

Regional University Specific Plan – This plan area is located southwest 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.

Creekview Specific Plan – Just north of the West Roseville Specific Plan is an area identified as the Creekview Specific Plan. This area encompasses approximately 501 acres within an unincorporated area of Placer County, just outside of existing Roseville city limits. Proposed uses include 2,011 residential units, 19.3 acres of commercial land and business professional uses, 9.5 acres of public/quasi-public uses, 136.2 acres of open space and 15.7 acres of parks. This area is within the Sphere of Influence for the City of Roseville. Development is likely several years away.

Placer Ranch Specific Plan – Placer Ranch makes up approximately one third of the undeveloped Sunset Area, which is located in south Placer County, surrounded by the cities of Lincoln, Rocklin and Roseville. Placer Ranch would host a 300-acre satellite campus for California State University - Sacramento as the anchor of a future education and technology district. This Specific Plan is under the jurisdiction of Placer County, rather than the City of Roseville.

County staff provided an update on the planning effort at the April 5, 2016 board of supervisors meeting. While the board took no formal action on the project, members showed strong support for County staff pursuing a unique approach, and processing the Placer Ranch plan without a developer identified.

The project's former developer withdrew its application from the City of Roseville in 2015. Absent a developer to carry the project forward, Placer County will process the project on its own to continue the forward momentum for the Sunset Area overall. The County has received the technical studies prepared for the project by the former developer.

The Placer Ranch concept could serve as the anchor for development of the rest of the Sunset Area. Investment in infrastructure like utilities and the Placer Parkway are essential to Placer Ranch, but would also serve development throughout the rest of Sunset. Incorporating Placer Ranch into the Sunset Area Master Plan could also secure the parkway's right-of-way sooner, speeding its construction. Placer Parkway is a planned alternate to Interstate 80 for traffic to Sacramento, connecting Highways 65 and 99, eventually, with the first phase nearly ready for construction.

Combining planning for the Placer Ranch project and the broader Sunset Area offers several other benefits, including efficiency in ensuring better coordination of future land uses at the site.

The Placer Ranch action came as part of a presentation that included an update on the County's efforts to refresh the Sunset Area Master Plan. Planners are identifying appropriate land uses and infrastructure needs to achieve the County's long-term vision of transforming that area into a hub of economic growth and job creation for the hundreds of thousands of residents who live in South Placer. The next step in the master plan update will be to present a series of land-use alternatives to the board of supervisors by this summer, with a draft plan ready for public review by the end of the year.

Amoruso Ranch Specific Plan – On May 2, 2011, Brookfield Residential submitted an application to process the Amoruso Ranch Specific Plan (ARSP) Annexation Sphere of Influence Amendment, General Plan Amendment, Specific Plan, Rezone (Pre-Zone), and Development Agreements for the 694-acre Specific Plan project located northwest of the current city limits, south of West Sunset Boulevard, approximately 1.5 miles west of Fiddyment Road. The proposed ARSP project would result in the development of a mix of uses, including 337 acres of low, medium and high density residential land developed with 2,827 dwelling units. The land use plan also includes three commercial parcels totaling 51 acres, a 9.6-acre elementary school site, seven neighborhood parks, and a 3-acre fire station/public facilities site. Approximately 135 acres of the site would be set aside as open space preserve. On June 15, 2016, the City Council held a Public Hearing on the ARSP project and Final Environmental Impact Report, which was approved.

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.

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, overall the neighborhood 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 within the Fiddyment Ranch master planned community, in the city of Roseville, Placer County. The neighborhood is characterized as a growing suburban area. Based on existing surrounding homes and new projects under development, the subject characteristics best support projects designed for entry level to move-up buyers.

In this analysis of the housing market, we will analyze market trends within Placer County and, more specifically, the city of Roseville.

Building Permits

Single-family building permits for Placer County and the city of Roseville over the last 10 years are summarized in the table below.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Placer County	2,577	2,188	1,393	1,130	1,087	812	1,189	1,268	1,636	1,996	1,951
Percentage Change:	-	-15.1%	-36.3%	-18.9%	-3.8%	-25.3%	46.4%	6.6%	29.0%	22.0%	-2.3%
City of Roseville	776	1,050	676	602	635	411	663	535	645	967	781
Percentage Change:	-	35.3%	-35.6%	-10.9%	5.5%	-35.3%	61.3%	-19.3%	20.6%	49.9%	-19.2%

As shown by the table, building permit activity in Placer County was at its highest point during the studied time period in 2006, followed by a dramatic decline during the recessionary period through 2011, when it resumed an upward climb since. There was a slight decline (2.3%) in 2016 permit figures.

A generally similar pattern is observed for permit activity in the city of Roseville, although permit activity was at its highest point in 2007, rather than 2006. Activity fell from 2007 into 2011, then increased into 2012, was generally stable/flat for a few years, and resumed an upward climb from 2013 into 2015, with a decline in 2016.

New Home Pricing and Sales

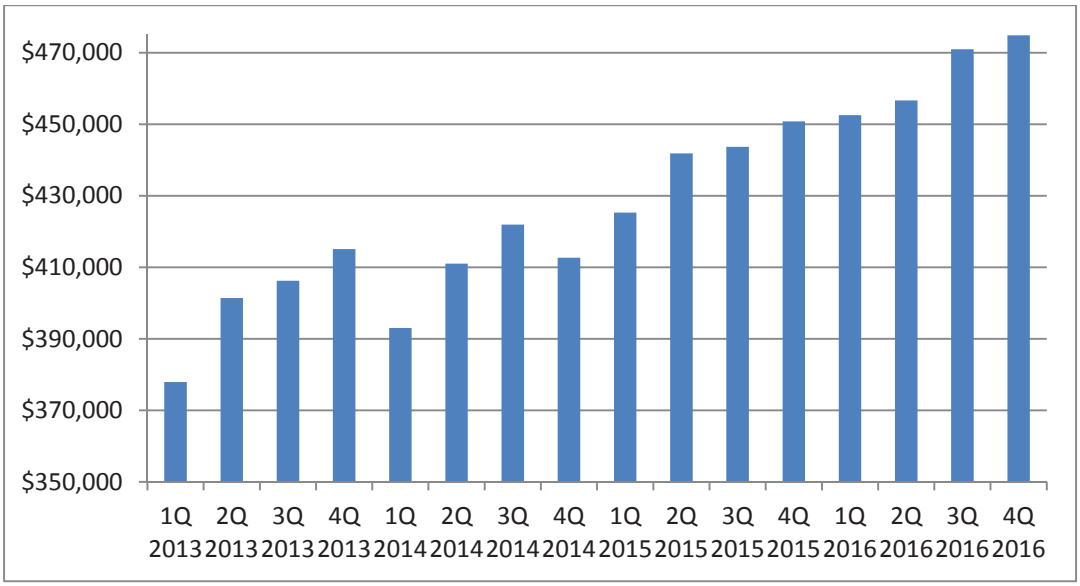
The Gregory Group surveys active new home projects in California and Nevada. The following tables depict average sale prices for active single-family residential projects in Roseville for the past three years. The data represents all detached projects.

Time Period	Average Price	% Change Average Price	Average Home Size (SF)	Average Price/Avg SF	% Change Price/SF	Quarter Sold	Number of Projects	Sold Per Project Per Month
1Q 2013	$377,917	-	2,358	$160.27	-	169	15	3.76
2Q 2013	$401,406	6.2%	2,211	$181.55	13.3%	145	16	3.02
3Q 2013	$406,243	1.2%	2,202	$184.49	1.6%	118	15	2.62
4Q 2013	$415,104	2.2%	2,284	$181.74	-1.5%	68	15	1.51
1Q 2014	$393,049	-5.3%	2,177	$180.55	-0.7%	96	13	2.46
2Q 2014	$411,037	4.6%	2,332	$176.26	-2.4%	122	19	2.14
3Q 2014	$421,935	2.7%	2,409	$175.15	-0.6%	137	22	2.08
4Q 2014	$412,683	-2.2%	2,351	$175.54	0.2%	166	25	2.21
1Q 2015	$425,281	3.1%	2,434	$174.73	-0.5%	221	26	2.83
2Q 2015	$441,829	3.9%	2,514	$175.75	0.6%	294	27	3.63
3Q 2015	$443,673	0.4%	2,509	$176.83	0.6%	214	27	2.64
4Q 2015	$450,810	1.6%	2,504	$180.04	1.8%	205	25	2.73
1Q 2016	$452,523	0.4%	2,522	$179.43	-0.3%	220	27	2.72
2Q 2016	$456,673	0.9%	2,558	$178.53	-0.5%	250	29	2.87
3Q 2016	$470,979	3.1%	2,609	$180.52	1.1%	242	27	2.99
4Q 2016	$474,849	0.8%	2,595	$182.99	1.4%	190	27	2.35

Source: The Gregory Group

The following graph plots new home pricing in Roseville over the same time period, with information from the previous table:

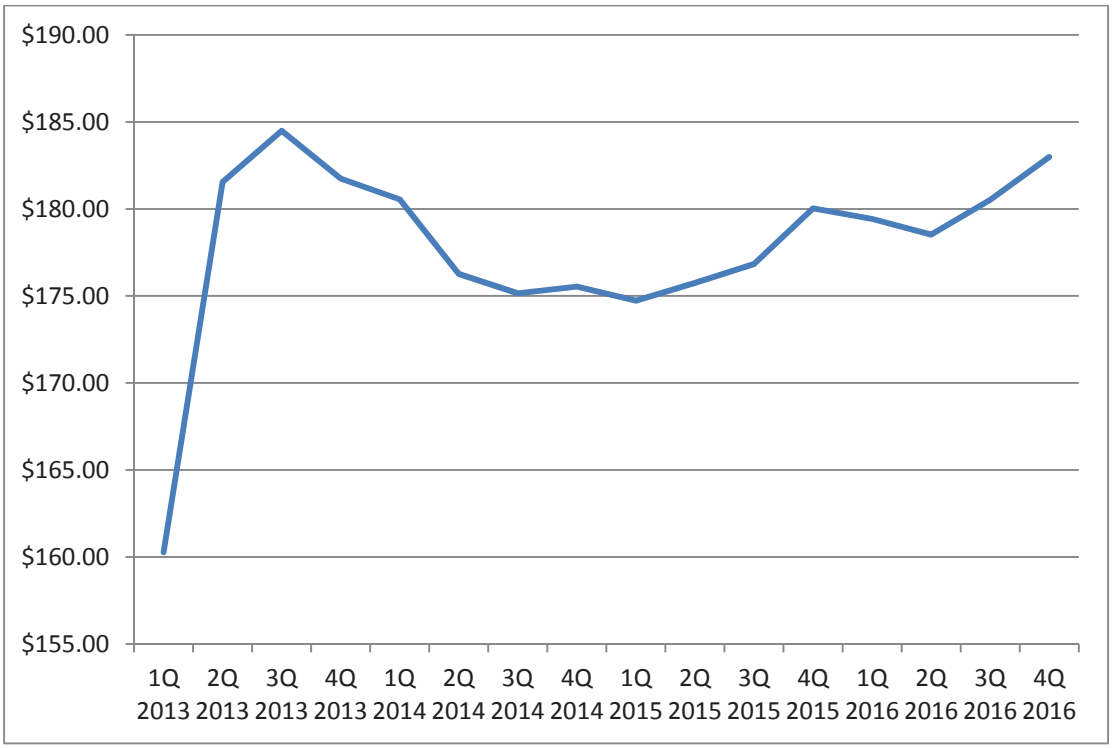
NEW HOME PRICING – ROSEVILLE



Source: The Gregory Group

The next graph plots new home pricing *per square foot of living area*, in Roseville, again with information furnished by the previous table:

NEW HOME PRICING PER SQUARE FOOT – ROSEVILLE



Source: The Gregory Group

As shown by the table and the graphics, new home pricing in Roseville has generally been in an upward trend over the past three years, albeit with some fluctuations in 2014 and 2015. The highest sale price (net of incentives) in the data set - $474,849- was observed in the most recent (Fourth Quarter 2016) time period. The average price per square foot over the last three years was at a low point in First Quarter 2013, then dramatically rose into Second Quarter 2013, but then declined over the next year; it has been on a gradual upward trend since then.

With regard to absorption of product, the range of the number of home sales per project per month over the last three years is 1.51 (Fourth Quarter 2013) to 3.76 (First Quarter 2013), with no particular noticeable pattern in the data set. Over the past year, absorption rates have ranged from 2.35 to 2.99 sales per month, with most of the data lying toward the upper end of this range, and the average absorption over the past year has been 2.73 sales per month, or approximately 8.19 sales per quarter.

Active Projects – Roseville

According to the Gregory Group, there are currently 27 active projects in Roseville, all of which are detached product. The projects are summarized in the next table.

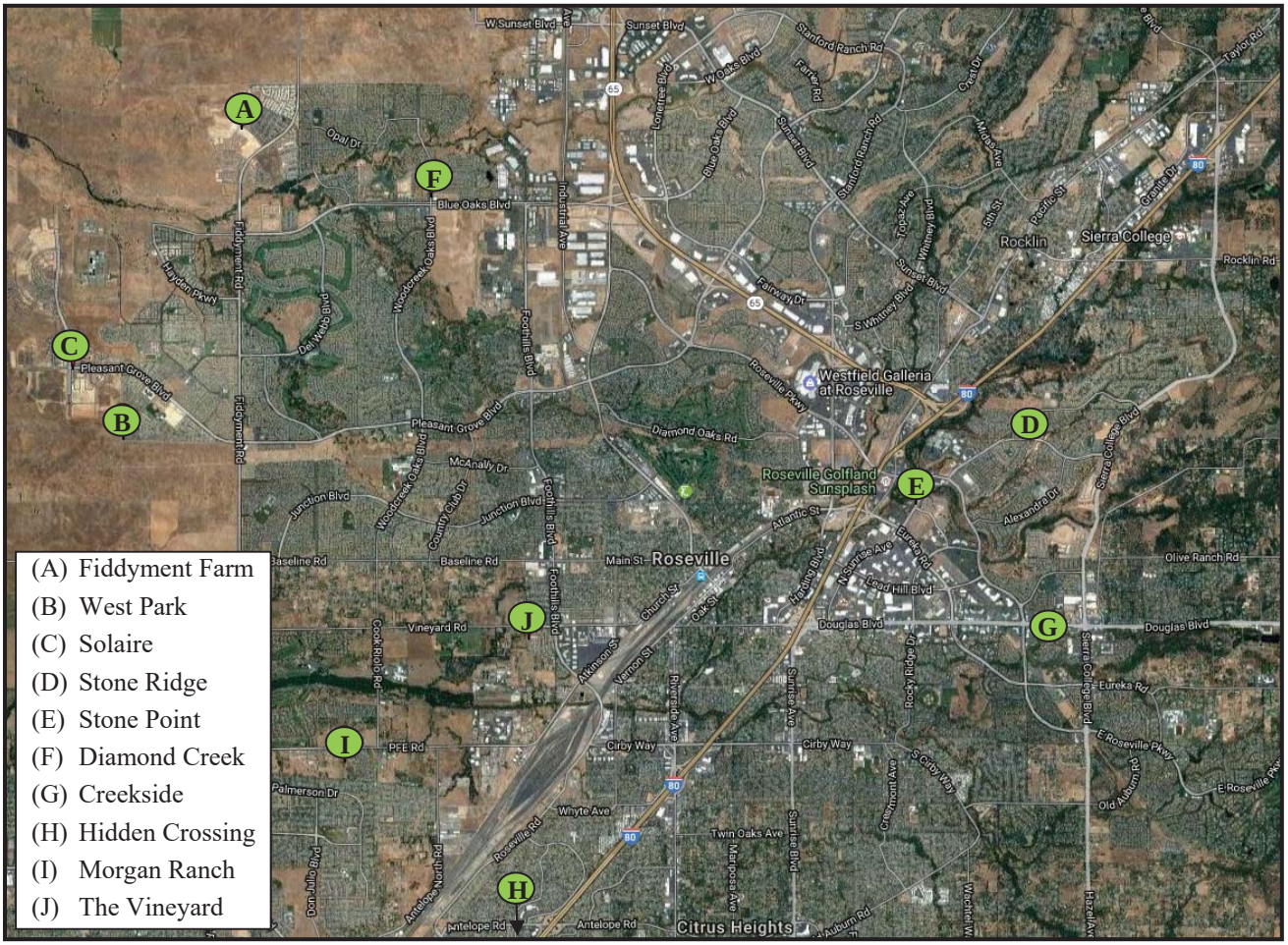
Active Projects Summary – Fourth Quarter 2016

Project	Master Plan	Builder	Avg. Price	Avg. Home Size (SF)	Average Price/SF	Units Planned	Units Offered	Units Sold	Units Unsold
Fiddyment Ranch									
Addison	Fiddyment Ranch	Taylor Morrison	$419,333	2,314	$181.22	71	20	12	8
Hadley	Fiddyment Ranch	Taylor Morrison	$440,333	2,468	$178.42	61	18	13	5
Marisol	Fiddyment Ranch	Lennar Homes	$515,847	2,932	$175.94	146	109	105	4
Oakbriar	Fiddyment Ranch	Signature Homes	$385,400	1,832	$210.37	96	30	20	10
Parker	Fiddyment Ranch	Taylor Morrison	$503,500	3,149	$159.89	57	28	23	5
Summerwood	Fiddyment Ranch	JMC Homes	$433,740	1,811	$239.50	57	32	26	6
The Reserve	Fiddyment Ranch	JMC Homes	$574,990	3,355	$171.38	75	65	62	3
The Retreat	Fiddyment Ranch	JMC Homes	$486,419	2,206	$220.50	70	69	66	3
Others									
Aria	WestPark	KB Home	$464,125	3,091	$150.15	78	74	70	4
Bromley at Solaire	Solaire	Woodside Homes	$494,468	2,764	$178.90	72	33	25	8
Carrington	WestPark	Lennar Homes	$489,490	2,673	$183.12	150	60	56	4
Chelsea	Stone Ridge	Elliott Homes	$458,950	1,827	$251.20	164	158	142	16
Creekside	None	Tim Lewis Communities	$490,150	2,182	$224.63	32	19	9	10
Hidden Crossing	None	Standard Pacific Homes	$573,400	3,359	$170.71	78	49	40	9
Hillingdon	Solaire	Woodside Homes	$458,823	2,551	$179.86	71	37	24	13
Legato	WestPark	KB Home	$514,250	3,580	$143.65	138	68	62	6
Merrion Square	WestPark	Lennar Homes	$382,323	2,074	$184.34	102	102	102	0
Molly's Walk	Diamond Creek	Black Pine Communities	$376,790	1,785	$211.09	84	84	75	9
Morgan Ranch	None	Homes by Towne	$505,500	2,876	$175.76	103	42	32	10
Prato	Stone Point	Taylor Morrison	$452,333	2,482	$182.25	67	67	67	0
Primrose	WestPark	Pulte Homes	$480,190	2,859	$167.96	448	322	280	42
Ridgefield	WestPark	Lennar Homes	$545,823	3,317	$164.55	112	70	65	5
Sierra Commons	WestPark	Meritage Homes	$468,783	2,695	$173.95	83	71	58	13
Sierra Crossings	WestPark	Meritage Homes	$469,950	2,366	$198.63	94	80	67	13
Terra Vista	Stone Ridge	Elliott Homes	$574,950	2,230	$257.83	84	55	45	10
The Vineyard	None	JMC Homes	$426,657	1,853	$230.25	139	114	105	9
Villagio	Stone Point	Taylor Morrison	$402,667	2,168	$185.73	65	65	60	5
		Minimum	$376,790	1,785	$144	32	18	9	0
		Maximum	$574,990	3,580	$258	448	322	280	42
		Average	$473,673	2,548	$191	104	72	63	9
		Median	$469,950	2,482	$181	83	65	60	8

Source: The Gregory Group

The locations of the master planned communities outside of the Fiddyment Ranch master planned community are shown on the following map. Note that Creekside, Hidden Crossing, Morgan Ranch and The Vineyard are not located within master planned communities.

ROSEVILLE NEW HOME COMMUNITIES



Active Projects – Fiddyment Ranch and West Roseville

As noted in the previous table, as of Fourth Quarter 2016, there were eight active residential projects in the Fiddyment Ranch master planned community, being developed by four major new home development companies. Additionally, directly competing areas to Fiddyment Ranch would include other areas within West Roseville; notably: WestPark and Solaire (also known as “Westbrook”).

Absorption information for projects specifically within West Roseville over the last few years is shown in the next table.

New Home Projects in West Roseville – Absorption

Project	Master Plan	Developer	Open Date	4Q 2016	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Addison	Fiddyment Ranch	Taylor Morrison	May-16	2	8	2	-	-	-	-	-	-	-	-	-
Hadley	Fiddyment Ranch	Taylor Morrison	May-16	5	3	5	-	-	-	-	-	-	-	-	-
Marisol	Fiddyment Ranch	Lennar Homes	Nov-13	6	16	11	6	4	4	17	7	9	9	10	4
Oakbriar	Fiddyment Ranch	Signature Homes	Jun-16	6	7	7	-	-	-	-	-	-	-	-	-
Parker	Fiddyment Ranch	Taylor Morrison	May-16	13	5	5	-	-	-	-	-	-	-	-	-
Summerwood	Fiddyment Ranch	JMC Homes	Feb-16	1	9	-	-	-	-	-	-	-	-	-	-
The Reserve	Fiddyment Ranch	JMC Homes	Jun-14	6	6	11	6	2	2	14	8	2	4	1	-
The Retreat	Fiddyment Ranch	JMC Homes	Oct-14	3	1	0	6	20	10	18	4	4	-	-	-
Bromley at Solaire	Solaire	Woodside Homes	Jan-16	8	9	3	5	-	-	-	-	-	-	-	-
Hillingdon	Solaire	Woodside Homes	Jan-16	4	5	6	9	-	-	-	-	-	-	-	-
Aria	WestPark	KB Home	Apr-14	5	14	7	3	0	7	8	14	6	6	0	-
Carrington	WestPark	Lennar Homes	May-15	4	11	9	16	6	6	4	-	-	-	-	-
Legato	WestPark	KB Home	Apr-14	6	1	6	11	6	3	6	8	5	4	6	-
Merrion Square	WestPark	Lennar Homes	Aug-14	5	5	22	13	14	23	12	2	6	0	-	-
Primrose	WestPark	Pulte Homes	Sep-14	19	40	41	30	30	47	14	35	22	2	-	-
Ridgefield	WestPark	Lennar Homes	May-15	13	14	5	6	6	6	15	-	-	-	-	-
Sierra Commons	WestPark	Meritage Homes	Apr-14	4	1	9	10	9	3	5	3	1	6	7	-
Sierra Crossings	WestPark	Meritage Homes	Sep-14	0	14	11	6	8	5	7	4	10	2	-	-
			Total	110	169	160	127	105	116	120	85	65	33	24	4
			No. Projects	18	18	17	13	11	11	11	9	9	8	5	1
			Sales per Project per Quarter	6.1	9.4	9.4	9.8	9.5	10.5	10.9	9.4	7.2	4.1	4.8	4.0
			Sales per Project per Month	**2.0**	**3.1**	**3.1**	**3.3**	**3.2**	**3.5**	**3.6**	**3.1**	**2.4**	**1.4**	**1.6**	**1.3**

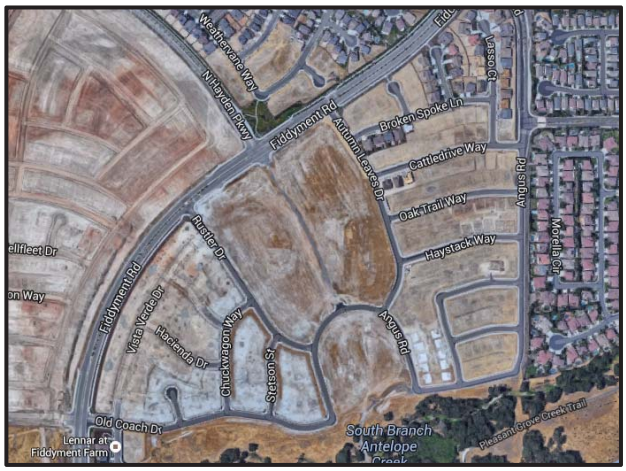
Source: The Gregory Group

As shown by the data, absorption rates for new homes in Roseville have ranged from 1.3 to 3.6 sales per month over the last three years, with an average of 2.6 sales per month. Over the past year (2016), absorption rates have ranged from 2.0 to 3.3 sales per month, with an average of 2.9 sales per month.

On the following pages, we provide more detailed information for the eight active projects located in the Fiddyment Ranch master planned community. The tabular data have been extracted directly from The Gregory Group's website.

Addison by Taylor Morrison Homes





PLAN DETAILS

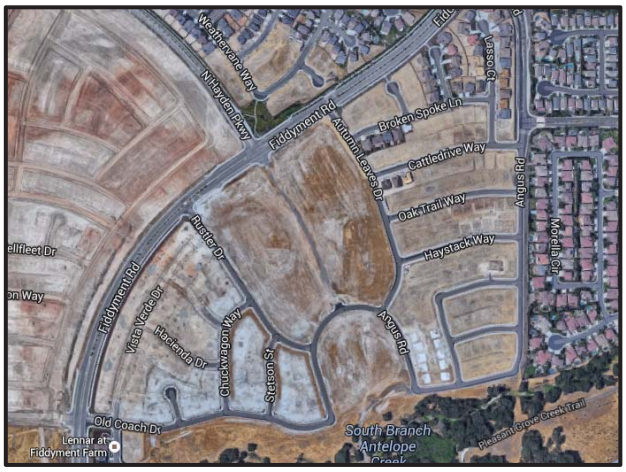
Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	2,018	$399,000	$197.72	$6,500	$392,500	$194.50	3	2	1	2	Den
2	2,391	$424,000	$177.33	$6,500	$417,500	$174.61	3	3	2	2	Loft
3	2,535	$435,000	$171.60	$6,500	$428,500	$169.03	4	3	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	71	20	12	2	59	51	8	10	0.38	0.15	$419,333	0.08
Qtr 3/16	71	15	10	8	61	56	5	20	0.53	0.62	$419,000	0.96
Qtr 2/16	71	8	2	2	69	63	6	25	0.40	0.15	$415,000	0.00

Hadley by Taylor Morrison Homes





PLAN DETAILS

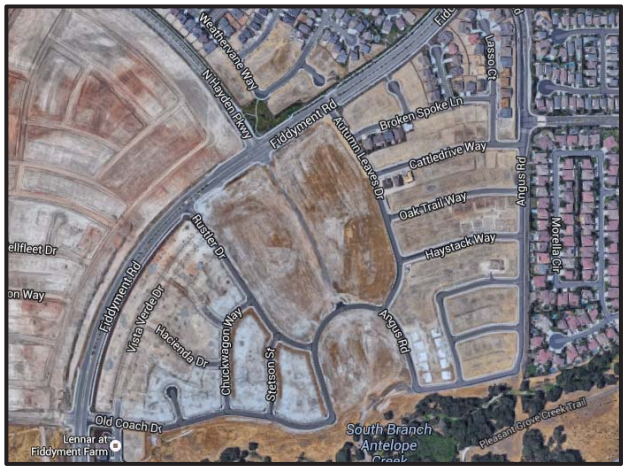
Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	2,119	$418,000	$197.26	$6,500	$411,500	$194.20	3	2	1	2	Office
2	2,520	$444,000	$176.19	$6,500	$437,500	$173.61	3	3	2	3	Loft
3	2,765	$459,000	$166.00	$6,500	$452,500	$163.65	4	3.5	2	3	Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	61	18	13	5	48	43	5	25	0.41	0.38	$440,333	0.00
Qtr 3/16	61	12	8	3	53	49	4	9	0.42	0.23	$440,333	0.46
Qtr 2/16	61	10	5	5	56	51	5	25	1.00	0.38	$438,333	0.00

Marisol by Lennar Homes





PLAN DETAILS

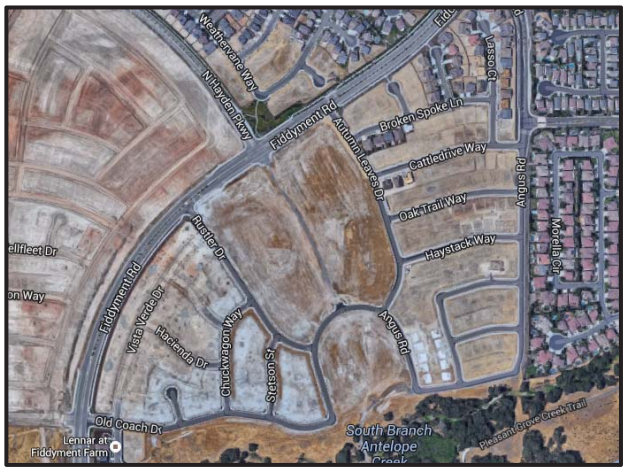
Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	2,361	$480,990	$203.72	$5,000	$475,990	$201.61	4	3	1	3	None
2	2,658	$488,990	$183.97	$5,000	$483,990	$182.09	4	3	1	3	Den
3	2,767	$492,990	$178.17	$5,000	$487,990	$176.36	4	3	2	3	Loft
4	2,985	$521,990	$174.87	$5,000	$516,990	$173.20	5	4	2	3	Bonus
5	3,105	$521,990	$168.11	$5,000	$516,990	$166.50	5	3	2	3	Loft
6	3,141	$535,990	$170.64	$5,000	$530,990	$169.05	5	3.5	2	3	Bonus
7	3,512	$567,990	$161.73	$5,000	$562,990	$160.30	5	4.5	2	3	NextGen, Loft

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	146	109	105	6	41	37	4	40	0.65	0.46	$515,847	0.14
Qtr 3/16	146	105	99	16	47	41	6	35	0.66	1.23	$515,133	- 0.69
Qtr 2/16	146	90	83	11	63	56	7	35	0.61	0.85	$518,704	0.00
Qtr 1/16	146	81	72	6	74	65	9	10	0.53	0.46	$518,704	3.17
Qtr 4/15	146	78	66	4	80	68	12	25	0.61	0.31	$502,790	- 0.34
Qtr 3/15	146	70	62	4	84	76	8	40	0.65	0.31	$504,490	0.30
Qtr 2/15	146	65	58	17	88	81	7	40	0.70	1.31	$502,990	0.80
Qtr 1/15	146	49	41	7	105	97	8	13	0.59	0.54	$498,990	0.00
Qtr 4/14	146	48	34	9	112	98	14	20	0.60	0.69	$498,990	3.15
Qtr 3/14	146	32	25	9	121	114	7	25	0.57	0.69	$483,740	0.00
Qtr 2/14	136	32	16	10	120	104	16	30	0.52	0.77	$483,740	0.42
Qtr 1/14	135	18	6	4	129	117	12	8	0.33	0.31	$481,740	0.36
Qtr 4/13	135	7	2	2	133	128	5	10	0.40	0.15	$479,990	0.00

Oakbriar by Signature Homes





PLAN DETAILS

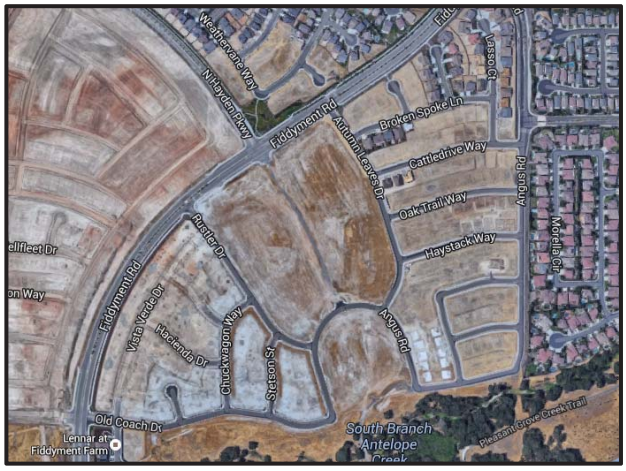
Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	1,633	$368,400	$225.60	$2,500	$365,900	$224.07	3	2.5	2	2	None
2	1,856	$390,900	$210.61	$2,500	$388,400	$209.27	4	2.5	2	2	None
3	2,009	$396,900	$197.56	$2,500	$394,400	$196.32	4	3	2	2	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	96	30	20	6	76	66	10	20	0.67	0.46	$385,400	0.13
Qtr 3/16	96	24	14	7	82	72	10	25	0.82	0.54	$384,900	1.74
Qtr 2/16	94	16	7	7	87	78	9	45	2.33	0.54	$378,323	0.00

Parker by Taylor Morrison Homes





PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	2,476	$466,000	$188.21	$6,500	$459,500	$185.58	4	3	1	3	None
2	3,036	$496,000	$163.37	$6,500	$489,500	$161.23	4	3	2	3	Loft
3	3,423	$521,000	$152.21	$6,500	$514,500	$150.31	4	3.5	2	3	Bonus
4	3,663	$531,000	$144.96	$6,500	$524,500	$143.19	4	3.5	2	3	Bonus

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	57	28	23	13	34	29	5	25	0.72	1.00	$503,500	0.40
Qtr 3/16	57	15	10	5	47	42	5	9	0.53	0.38	$501,500	0.40
Qtr 2/16	57	11	5	5	52	46	6	25	1.00	0.38	$499,500	0.00

Summerwood by JMC Homes





PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	1,486	$407,990	$274.56	$8,000	$399,990	$269.17	3	2	1	2	None
2	1,686	$421,990	$250.29	$8,000	$413,990	$245.55	3	2	1	2	None
3	1,886	$449,990	$238.59	$8,000	$441,990	$234.35	4	3	1	3	None
4	2,186	$454,990	$208.14	$8,000	$446,990	$204.48	4	3	2	3	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	57	32	26	1	31	25	6	15	0.55	0.08	$433,740	1.34
Qtr 3/16	57	35	25	9	32	22	10	30	0.74	0.69	$427,990	0.00

The Reserve by JMC Homes





PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	2,265	$509,990	$225.16	$10,000	$499,990	$220.75	4	3	1	3	None
2	3,224	$549,990	$170.59	$10,000	$539,990	$167.49	4	3	2	3	Den, Bonus
3	3,341	$569,990	$170.60	$10,000	$559,990	$167.61	4	4	2	3	Bonus
4	3,550	$569,990	$160.56	$10,000	$559,990	$157.74	5	4	2	3	Bonus
5	3,750	$629,990	$168.00	$10,000	$619,990	$165.33	6	4.5	2	3	Bonus
6	4,000	$619,990	$155.00	$10,000	$609,990	$152.50	5	4.5	2	3	Bonus

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	75	65	62	6	13	10	3	15	0.46	0.46	$574,990	0.88
Qtr 3/16	75	63	56	6	19	12	7	25	0.46	0.46	$569,990	0.59
Qtr 2/16	75	60	50	11	25	15	10	30	0.47	0.85	$566,657	0.45
Qtr 1/16	75	49	39	6	36	26	10	35	0.41	0.46	$564,142	- 0.30
Qtr 4/15	75	49	33	2	42	26	16	25	0.41	0.15	$565,823	0.74
Qtr 3/15	75	36	31	2	44	39	5	35	0.46	0.15	$561,657	- 0.06
Qtr 2/15	75	32	29	14	46	43	3	28	0.53	1.08	$561,990	0.36
Qtr 1/15	75	24	15	8	60	51	9	66	0.36	0.62	$559,990	0.00
Qtr 4/14	75	19	7	2	68	56	12	25	0.24	0.15	$559,990	0.72
Qtr 3/14	75	12	5	4	70	63	7	40	0.31	0.31	$555,990	6.24
Qtr 2/14	75	10	1	1	74	65	9	100	0.33	0.08	$523,323	0.00

The Retreat by JMC Homes





PLAN DETAILS

Plan	Home Size	Base Price	Price Sq Ft	Incentives	Net Price	Net Price/Sq Ft	Bed	Bath	Levels	Garage	Other Room
1	1,754	$459,990	$262.25	$5,000	$454,990	$259.40	3	2	1	3	None
2	1,853	$459,990	$248.24	$5,000	$454,990	$245.54	3	2	1	3	None
3	2,039	$474,990	$232.95	$5,000	$469,990	$230.50	3	3	1	3	None
4	2,164	$459,990	$212.56	$5,000	$454,990	$210.25	3	2.5	1	3	None
5	2,338	$469,990	$201.02	$5,000	$464,990	$198.88	4	3	2	2	None
6	2,427	$499,990	$206.01	$5,000	$494,990	$203.95	4	4	2	2	None
7	2,872	$579,990	$201.95	$7,000	$572,990	$199.51	5	4	2	5	None

SURVEY INFORMATION

Survey Per	Units Planned	Units Offered	Units Sold	Qtr Sold	Tot Inv	Unoffrd Inv	Unsold Inv	Wkly Traffic	Tot WSR	Qtr WSR	Avg Price	% Change
Qtr 4/16	70	69	66	3	4	1	3	20	0.57	0.23	$486,419	3.56
Qtr 3/16	70	66	63	1	7	4	3	25	0.61	0.08	$469,704	0.00
Qtr 2/16	70	67	62	0	8	3	5	26	0.70	0.00	$469,704	0.30
Qtr 1/16	70	66	62	6	8	4	4	30	0.82	0.46	$468,276	1.02
Qtr 4/15	70	62	56	20	14	8	6	25	0.89	1.54	$463,561	0.30
Qtr 3/15	70	44	36	10	34	26	8	37	0.72	0.77	$462,157	0.00
Qtr 2/15	70	37	26	18	44	33	11	33	0.70	1.38	$462,157	0.84
Qtr 1/15	70	16	8	4	62	54	8	30	0.33	0.31	$458,323	0.36
Qtr 4/14	70	16	4	4	66	54	12	40	0.36	0.31	$456,657	0.00

Resale Market

In addition to the preceding analysis, we have analyzed recent trends in the resale market for newer home product in Fiddyment Ranch. Based on data from the local multiple listing service, the following table shows resale activity since January 2016 for detached homes located within the Fiddyment Ranch master planned community.

Re-Sales, Fiddyment Ranch – January 2016 to Present

Address	Sell Date	Living Area (SF)	Sell Price	Price/SF	List Price	Sale/List	Built	DOM	Lot Size (SF)
2597 Kinsella Way	3/8/2016	1,272	$319,000	$250.79	$319,900	99.72%	2009	7	5,049
1848 Glenmark Way	5/13/2016	1,266	$320,000	$252.76	$320,000	100.00%	2011	32	4,182
2249 Ellesmere Loop	8/12/2016	1,626	$355,000	$218.33	$355,000	100.00%	2012	13	3,981
1825 Glenmark Way	9/21/2016	1,626	$360,000	$221.40	$360,000	100.00%	2012	26	3,232
1968 Ellesmere Loop	12/13/2016	1,800	$365,000	$202.78	$365,000	100.00%	2011	9	3,119
2273 Ellesmere Loop	4/15/2016	1,840	$370,000	$201.09	$355,000	104.23%	2012	26	3,263
2589 Kinsella Way	3/31/2016	1,986	$370,000	$186.30	$370,000	100.00%	2010	12	5,049
316 Bramble Ct	9/29/2016	1,678	$375,000	$223.48	$379,900	98.71%	2013	57	5,854
1945 Ellesmere Loop	11/15/2016	1,800	$375,000	$208.33	$365,000	102.74%	2011	5	3,289
101 Wellspring Ct	7/8/2016	1,870	$382,000	$204.28	$370,000	103.24%	2009	8	6,486
1896 Glenmark Way	10/18/2016	2,115	$383,000	$181.09	$390,000	98.21%	2010	28	3,154
1969 Ellesmere Loop	5/20/2016	2,115	$385,000	$182.03	$390,000	98.72%	2011	42	3,441
1873 Ellesmere Loop	10/24/2016	2,115	$386,000	$182.51	$387,500	99.61%	2011	37	3,459
2677 Woodfield Way	11/29/2016	1,986	$399,900	$201.36	$399,999	99.98%	2009	12	6,360
2596 Woodfield Way	6/10/2016	1,870	$400,000	$213.90	$390,000	102.56%	2009	30	5,310
4124 Shorthorn Way	9/19/2016	1,604	$410,000	$255.61	$415,000	98.80%	2010	35	6,403
2404 Lansdowne Way	8/24/2016	2,696	$415,000	$153.93	$420,000	98.81%	2008	121	5,972
4121 Settlers Ridge	5/27/2016	2,096	$416,000	$198.47	$419,900	99.07%	2013	18	6,225
8032 Randolph Dr	8/31/2016	2,018	$422,009	$209.12	$422,904	99.79%		13	5,775
2581 Ranchland Way	6/30/2016	2,279	$425,000	$186.49	$430,000	98.84%	2010	16	7,889
2657 Heirloom Way	11/30/2016	1,673	$425,000	$254.03	$417,500	101.80%	2008	3	4,726
2140 Pistachio Way	3/4/2016	2,669	$428,000	$160.36	$425,000	100.71%	2006	106	6,599
3016 Southington Way	12/20/2016	2,119	$430,000	$202.93	$464,428	92.59%		39	6,063
4016 Weathervane Way	1/14/2016	2,570	$437,500	$170.23	$440,000	99.43%	2013	22	4,957
8040 Randolph Dr	11/10/2016	2,391	$438,760	$183.50	$440,000	99.72%		57	5,775
8024 Randolph Dr	8/18/2016	2,391	$440,000	$184.02	$447,450	98.34%		22	5,775
8016 Randolph Dr	8/31/2016	2,535	$444,565	$175.37	$464,925	95.62%		11	5,775
3017 Southington Way	11/30/2016	2,520	$445,000	$176.59	$483,200	92.09%		101	6,561
3008 Southington Way	11/30/2016	2,520	$445,000	$176.59	$493,444	90.18%		42	6,928
8056 Randolph Dr	9/30/2016	2,535	$449,531	$177.33	$449,531	100.00%		6	5,775
4180 Shorthorn Way	5/24/2016	2,968	$450,000	$151.62	$459,000	98.04%	2013	122	6,046
4377 Weathervane Way	12/9/2016	2,693	$465,000	$172.67	$470,000	98.94%	2013	28	6,050
3025 Southington Way	9/28/2016	2,765	$470,000	$169.98	$496,121	94.73%		28	6,100
2473 Corin Dr	4/22/2016	2,712	$476,000	$175.52	$464,000	102.59%	2010	5	9,046
7081 Edgartown St	12/14/2016	2,476	$479,000	$193.46	$499,990	95.80%		71	6,758
4032 Ice House Way	1/3/2017	2,498	$479,000	$191.75	$479,000	100.00%	2011	36	7,427
4401 Weathervane Way	7/6/2016	3,077	$482,000	$156.65	$490,000	98.37%	2012	59	6,050
2248 Spring Grove Dr	5/19/2016	3,230	$484,000	$149.85	$479,900	100.85%	2013	13	7,693
2474 Warm Hearth Loop	6/17/2016	2,311	$485,000	$209.87	$469,900	103.21%	2010	2	14,109
2397 Kinsella Way	7/11/2016	3,311	$489,000	$147.69	$499,000	98.00%	2007	28	5,785
7056 Edgartown St	12/19/2016	2,678	$490,000	$182.97	$523,704	93.56%	2016	46	7,444
2664 Pipestone Loop	4/15/2016	3,267	$498,500	$152.59	$499,950	99.71%	2007	49	10,293
7065 Edgartown St	11/23/2016	2,476	$499,900	$201.90	$499,990	99.98%		78	6,545
2680 Hearthside Way	9/20/2016	3,533	$508,750	$144.00	$517,500	98.31%	2007	6	8,181
4409 Weathervane Way	4/26/2016	3,366	$510,000	$151.52	$515,000	99.03%	2012	20	6,050
2696 Pipestone Loop	5/17/2016	3,310	$530,000	$160.12	$545,900	97.09%	2007	29	8,986
7073 Edgartown St	9/27/2016	3,443	$535,000	$155.39	$569,499	93.94%		51	6,758
4417 Weathervane Way	1/13/2017	3,366	$575,000	$170.83	$575,000	100.00%	2012	9	7,087
341 White Feather Ct	5/10/2016	3,435	$670,000	$195.05	$689,000	97.24%	2011	35	11,374
	Min	1,266	$319,000	$144.00	$319,900	90.18%	2006	2	3,119
	Max	3,533	$670,000	$255.61	$689,000	104.23%	2016	122	14,109
	Mean	2,418	$440,662	$188.34	$446,797	98.83%	2011	34	6,208
	Median	2,476	$438,760	$183.50	$447,450	99.43%	2011	28	6,050

Source: MetroList MLS

As shown by the data, MLS reports that there have been 49 re-sales within Fiddyment Ranch since January 2016. Most homes have closed at or near the asking price (some above asking), and the time on the market has averaged about one month. These statistics point to a generally healthy re-sale market.

Ability to Pay

According to the Gregory Group, of the 19 active projects in West Roseville, new home price points are generally between $376,790 (1,785 square foot plan within Molly's Walk by Black Pine Communities) to $574,990 (3,355 square foot plan within The Reserve by JMC Homes). In this section, we will examine the ability to pay among prospective buyers for representative price points of $380,000 and $590,000. First, we will estimate the required annual household income based on typical mortgage parameters in the subject's market area. Specifically, we will employ a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rates of 4.50% and 4.75% (respectively), 360 monthly payments, and a 40% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and insurance). As alluded to above, property tax payments are accounted for in the analysis. Ad valorem taxes are 1.105482% of assessed value.

The most significant direct levy payments are related to the CFD bonds in the area: City of Roseville CFD Nos. 2, 3 and 5. Annual tax direct levy payments for CFDs No. 5 are $1,688 per home/year (or $141 per home/month). Annual payments for CFD No. 2 and No. 3 are $608 per home/year ($51 per home/month) and $391per home/year ($33 per home/month), respectively.

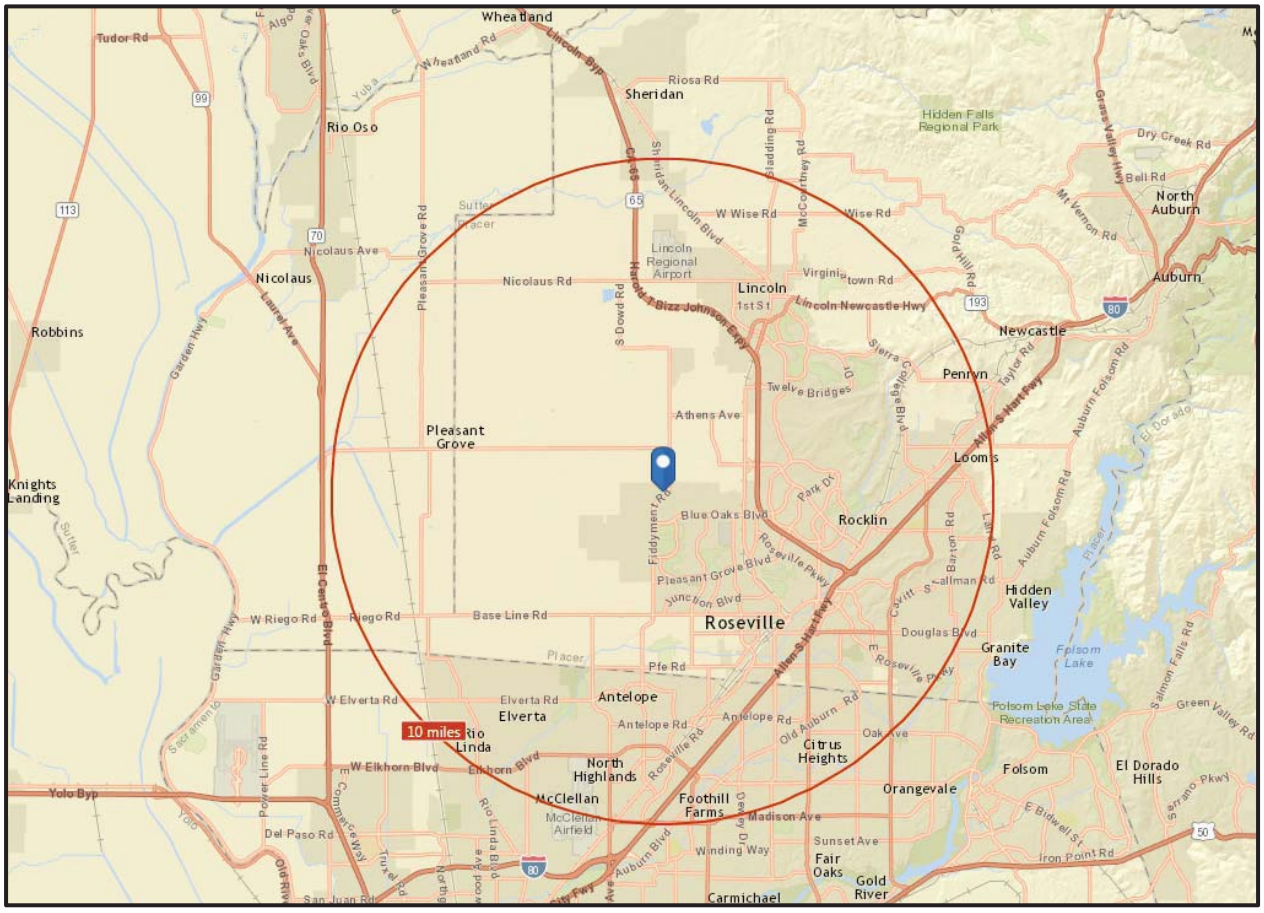
Given the discussion above, the following tables show the estimate of the annual household income that would be required to afford homes priced between $380,000 and $590,000:

Home Price		$380,000
Loan % of Price (LTV)		80%
Loan Amount		$304,000
Interest Rate		4.500%
Mortgage Payment		$1,540
Ad Valorem Taxes		$350
Bond Payments		
CFD No. 2		$51
CFD No. 3		$33
CFD No. 5		$141
	Subtotal	$224
Property Insurance		$60
Total PITI		$2,174
PITI as % of Income		40%
Monthly Income		$5,436
Annual Income		**$65,229**

Home Price		$590,000
Loan % of Price (LTV)		80%
Loan Amount		$472,000
Interest Rate		4.750%
Mortgage Payment		$2,462
Ad Valorem Taxes		$544
Bond Payments		
CFD No. 2		$51
CFD No. 3		$33
CFD No. 5		$141
	Subtotal	$224
Property Insurance		$80
Total PITI		$3,310
Mortgage Payment % of Income		40%
Monthly Income		$8,274
Annual Income		**$99,289**

We have obtained income data from Esri Business Analyst Online (Esri), formerly STDB Online, for a 10-mile radius surrounding the subject property, which is considered representative of typical buyers for the subject property. It is noted this geographic area is wider than the immediate neighborhood profiled previously in the *Neighborhood* section of this report, which focuses on the subject's immediate location.

The following map shows the boundaries of the 10-mile radius around Fiddyment Ranch. It is expected that home projects within Fiddyment Ranch could draw buyers from a larger geographic region beyond the more immediate areas.



In following tables we show the income brackets within a 10-mile radius, along with estimates of the percentage of households able to afford homes priced between $380,000 and $590,000 within each income bracket.

Ability to Pay - $380,000 Home

Household Income	Percent of Households	Percent Able to Pay	Households Able to Pay
<$15,000	7.8%	0.0%	0.0%
$15,000 - $24,999	7.7%	0.0%	0.0%
$25,000 - $34,999	9.3%	0.0%	0.0%
$35,000 - $49,999	13.6%	0.0%	0.0%
$50,000 - $74,999	17.8%	39.1%	7.0%
$75,000 - $99,999	14.6%	100.0%	14.6%
$100,000 - $149,999	17.1%	100.0%	17.1%
$150,000 - $199,999	7.0%	100.0%	7.0%
$200,000 +	5.1%	100.0%	5.1%
	100.0%		50.8%

Ability to Pay - $590,000 Home

Household Income	Percent of Households	Percent Able to Pay	Households Able to Pay
<$15,000	7.8%	0.0%	0.0%
$15,000 - $24,999	7.7%	0.0%	0.0%
$25,000 - $34,999	9.3%	0.0%	0.0%
$35,000 - $49,999	13.6%	0.0%	0.0%
$50,000 - $74,999	17.8%	0.0%	0.0%
$75,000 - $99,999	14.6%	2.8%	0.4%
$100,000 - $149,999	17.1%	100.0%	17.1%
$150,000 - $199,999	7.0%	100.0%	7.0%
$200,000 +	5.1%	100.0%	5.1%
	100.0%		29.6%

The preceding analysis indicates that approximately 50.8% of households within a 10-mile radius of the subject property would be able to pay for a home priced at $380,000, while approximately 29.6% of households within a 10-mile radius could afford a $590,000 home. As there are 177,462 households in the 10-mile radius area, the data implies that about 90,073 households could afford a $380,000 home, and 52,555 households could afford a $590,000 home.

Conclusion

We have summarized some of the key points from this section as follows:

- Building permit activity for single-family residences in Roseville reached a peak about nine years ago, then fell precipitously during the recessionary period, but has been increasing in more recent years.

- New home pricing in Roseville has been in a general increasing pattern over the last four years, albeit with a few quarterly dips. The most recent period indicates the highest new home pricing observed over the last four years.

- New home pricing per square foot of living area in Roseville has been generally flat over the last three to four years.

- There are currently 27 active new home projects in Roseville. This is among the highest levels of active projects observed since the past expansionary period.

- Absorption rates within new home projects in West Roseville have ranged from 2.0 to 3.3 sales per month over the past year, with an average of 2.9 sales per month.

- Re-sale homes in Fiddyment Ranch are transferring at or near the asking price, and the exposure period has averaged about one month, both indicators of a healthy market.

- Approximately 50% of the likely buyer pool for Fiddyment Ranch home product can afford the lowest priced (average) home, while about 30% of the likely buyer pool can afford the highest price (average) home.

- Overall, demand for new homes in the subject's market area is improving. The housing market is considered to be in a stage of expansion.

HIGHEST AND BEST USE

The term "highest and best use," as used in this report, is defined as follows:

> The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.[4]

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 (2,058 units) and multifamily (472 units) residential development, commercial uses (1 parcel) and public uses and open space. 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 re-zone 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 commercial use); at this point the physical characteristics are examined to see if they are suited for the legally permissible uses.

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[4] The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 109.

The physical characteristics of the subject property support development. The subject property has paved access, and public utilities are available to the perimeter of the 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 location 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 site 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. 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. Nonetheless, the multifamily parcels (F-6B and F-8A) have affordable housing restrictions. Specifically, Parcel F-6B is approved for 195 total units, but all must be a combination of "very low income," "low income," and "moderate income." Additionally, Parcel F-8A is approved for 277 units, with a combination of 54 "moderate income" units and 223 market rate units. As will be shown in a later section of this report, given apartment construction costs, combined with the restrictions on the rent that can be charged, it is our opinion development of Parcel F-6B with its 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 Parcel F-6B is to hold for future affordable multifamily 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. As will be shown in the analysis, although Parcel F-8A is required to have 54 "moderate income" units, this does not detrimentally affect the value of the land, as the per-unit "affordable" rent level of these units is deemed to be similar to (or even greater than) market rate.

Regarding development of the commercial site, it is our opinion that construction on the commercial land is not financially feasible at this time. 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 Fiddyment Ranch 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, as well as multifamily residential development on the high density residential parcel with some level of income restrictions (F-8A). The highest and best use as vacant for the 100% income-restricted multifamily parcel (F-6B), as well as the commercial land component, is for an interim hold until demand warrants construction. The probable buyer of the subject property is a land developer.

APPROACHES TO VALUE

The valuation process is a systematic set of procedures an appraiser follows to provide answers to a client's questions about real property value.[5] 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. It is noted a discounted cash flow analysis, a form of the income capitalization approach (yield capitalization), will also be presented. 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 estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.[6]

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

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[5] The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 243.

[6] The Dictionary of Real Estate Appraisal, 54.

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:

> The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.[7]

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 one year's income is used. Yield and value changes are implied, but not explicitly identified.[8]

> *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.[9]

The definition of the income capitalization approach is offered as follows:

> Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.[10]

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[7] The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 207.
[8] The Dictionary of Real Estate Appraisal, 65.
[9] The Dictionary of Real Estate Appraisal, 251.
[10] The Dictionary of Real Estate Appraisal, 115.

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.

BENCHMARK LOT VALUATION

Introduction

In the benchmark lot analysis, we will assign two benchmark larger parcels, one for the low-density residential (LDR) lots and one for the medium density residential (MDR) lots.

The typical lot sizes of the LDR lots range from 4,500 to 7,475 square feet within the various larger parcels. Of these typical lot sizes, the average size is about 5,499 square feet, the median is 5,250 square feet and the mode is also 5,250 square feet. As such, it appears that a larger parcel with 5,250 square feet is an appropriate benchmark parcel. With regard to lot count, the larger parcels have lot counts that range from 38 to 122 lots, with an average of 70 lots and a median of 70 lots (there is no mode). As such, it is reasonable to select a benchmark parcel with a lot count near 70 lots. Given this discussion, our benchmark LDR lot selection is **Parcel F-13B-1**, which contains 74 lots with a typical lot size of 5,250 square feet.

The typical lot sizes of the MDR lots range from 2,044 to 2,451 square feet within the various larger parcels. Of these typical lot sizes, the average and median size is about 2,248 square feet, and there is no mode. With regard to lot count, the larger parcels have lot counts that range from 127 to 172 lots, with an average of 147 lots and a median of 144 lots (there is no mode). Given this discussion, our benchmark MDR lot selection is **Parcel F-11B**, which contains 152 lots with a typical lot size of 2,451 square feet.

LDR Lot Analysis

In this section of the report, we will utilize the sales comparison approach and the extraction technique to estimate the market value of the LDR 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.

It is noted, this analysis is conducted on an unimproved lot basis. Later in this report, we apply a lot size adjustment factor to account for differing lot sizes.

Sales Comparison Approach (LDR)

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.

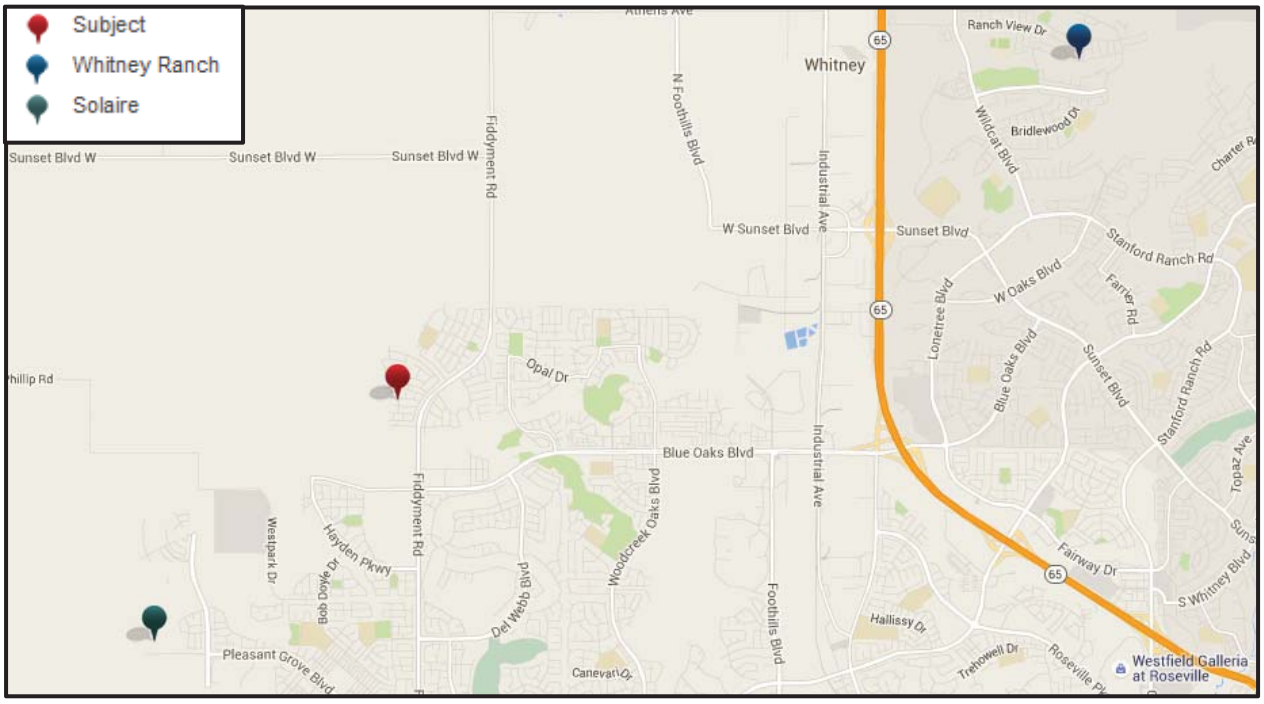
The proper application of this approach requires obtaining recent sales data for comparison with the subject property. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (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 Dev. Status
1	**Whitney Ranch, Parcels 41B, C** N/O Whitney Ranch Parkway, E/O Wildcat Boulevard Rocklin	2016	$10,080,000	$90,811	111	5,000	Unimproved
2	**Whitney Ranch, Parcel 41A** N/O Whitney Ranch Pkwy. E/O Wildcat Blvd. Rocklin	2016	$14,250,000	$190,000	75	7,500	Finished lots guaranteed
3	**Fiddyment Ranch, Village F-19A-1 (portion)** N/O Blue Oaks Blvd., W/O Fiddyment Rd. Roseville	May-16	$5,100,000	$127,500	40	5,250	Finished lots guaranteed
4	**Fiddyment Ranch, Village F-19B-1** Roseville Placer County	May-16	$11,825,000	$137,500	86	6,300	Finished lots guaranteed
5	**Fiddyment Ranch, Village F-19 A-1 (portion)** Roseville Placer County	May-16 (contract)	$5,610,000	$127,500	44	5,250	Finished lots guaranteed
6	**Solaire, Village 24** Roseville Placer County	May-16	$2,120,000	$40,000	53	4,600	Unimproved
7	**Solaire, Village 25** Roseville Placer County	May-16	$6,000,000	$60,000	100	4,700	Unimproved
8	**Fiddyment Ranch - Village 9A-1** Roseville Placer County	Jul-15	$7,950,000	$132,500	60	5,775	Finished lots guaranteed
9	**Fiddyment Ranch - Villages 9A-2, 19A-2, 19B-2** Roseville Placer County	May-15	$13,230,000	$70,000	189	5,775	Unimproved
10	**Fiddyment Ranch - Villages 9 and 19 (portion)** Roseville Placer County	May-15	$24,793,000	$59,172	419	5,775	Unimproved

COMPARABLE SALES MAP



COMPARABLE 1

Property Identification	
Project Name	Whitney Ranch, Parcels 41B and C
Location	North of Whitney Ranch Parkway, east of Wildcat Boulevard
APN	017-174-009 (portion)
City	Rocklin
County	Placer
Sale Data	
Grantor	Sunset Ranchos Investors LLC
Grantee	Cal Atlantic Homes
Sale Date	2016
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$10,080,000
Annual Special Assessments per Lot	$1,219
Land Data	
Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	111
Development Status at Sale	Unimproved lots
Typical Lot Size	5,000 SF
Indicators (per Lot)	
Sale Price	$90,811
Site Development Costs	$45,000
Permits and Fees	$45,000

Remarks

This is the sale of 111 lots located within Villages 41B and 41C, in Whitney Ranch, which is considered a superior location to Fiddyment Ranch. The typical lot measures 50’ x 100’, or 5,000 square feet. The sale was confirmed with a reliable source, but the sale is not yet reflected in public records.

COMPARABLE 2

Property Identification	
Project Name	Whitney Ranch, Parcel 41A
Location	North of Whitney Ranch Parkway, east of Wildcat Boulevard
APN	017-174-009 (portion)
City	Rocklin
County	Placer
Sale Data	
Grantor	Sunset Ranchos Investors LLC
Grantee	JMC Homes
Sale Date	2016
Deed Book Page	N/Av
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$14,250,000
Annual Special Assessments per Lot	$1,926
Land Data	
Zoning	Single-family
Topography	Generally level to slightly rolling
Utilities	All available
Number of Lots	75
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	7,500 SF
Indicators (per Lot)	
Sale Price	$190,000
Site Development Costs	$0 (to buyer); $60,000 (to seller)
Permits and Fees	$45,000

Remarks

A representative of JMC Homes indicated that the buyer was guaranteed a finished lot price of $190,000 per lot, which is the summation of $130,000 per paper lot plus $60,000 per lot for site development costs. Like Sale 1, this comparable is located in the Whitney Ranch master planned community in Rocklin. The sale was confirmed with a reliable source, but the sale is not yet reflected in public records.

COMPARABLE 3

Property Identification

Project Name	Fiddyment Ranch, Village 19A-1 (portion)
Location	North of Blue Oaks Boulevard, west of Fiddyment Road
APN	492-010-052 (por.), -070 through -075
City	Roseville
County	Placer

Sale Data

Grantor	GBD Fiddyment Lands LP (doing business as Granite Bay Ventures)
Grantee	JMC Homes
Sale Date	05/31/2016
Deed Book Page	42103
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$5,100,000
Annual Special Assessments per Lot	$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	40
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	5,250 SF

Indicators (per Lot)

Sale Price	$127,500 (inclusive of final map fees paid)
Site Development Costs	$0 (to buyer); $35,977 to seller
Permits and Fees	$68,000 (inclusive of $6,000 school fee); $62,000 due at building permit

Remarks

This comparable represents a recent sale of lots within Village 19A-1 of Fiddyment Ranch, to JMC Homes. According to a representative with JMC, the buyer was guaranteed finished lots, inclusive of the $6,000 school fee due at final map, for a price of $127,500 per lot. The reported price paid per paper lot was $85,523, with site development costs of $35,977 per lot to be incurred by the seller.

COMPARABLE 4

Property Identification

Project Name	Fiddyment Ranch, Village F19B-1
Location	North of Blue Oaks Boulevard, west of Fiddyment Road
APN	492-010-051, -058 through -066
City	Roseville
County	Placer

Sale Data

Grantor	GBD Fiddyment Lands LP (doing business as Granite Bay Ventures)
Grantee	JMC Homes
Sale Date	05/31/2016
Deed Book Page	42098
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$11,825,000
Annual Special Assessments per Lot	$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	86
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	6,300 SF

Indicators (per Lot)

Sale Price	$137,500 (inclusive of final map fees paid)
Site Development Costs	$0 (to buyer); $40,058 to seller
Permits and Fees	$68,000 (inclusive of $6,000 school fee); $62,000 due at building permit

Remarks

This comparable represents a recent sale of lots within Village 19B-1 of Fiddyment Ranch, to JMC Homes. According to a representative with JMC, the buyer was guaranteed finished lots, inclusive of the $6,000 school fee due at final map, for a price of $137,500 per lot. The reported price paid per paper lot was $91,442, with site development costs of $40,058 per lot to be incurred by the seller.

COMPARABLE 5

Property Identification	
Project Name	Fiddyment Ranch, Village F19A-1 (portion)
Location	North of Blue Oaks Boulevard, west of Fiddyment Road
APN	492-010-052 (por.)
City	Roseville
County	Placer
Sale Data	
Grantor	GBD Fiddyment Lands LP (doing business as Granite Bay Ventures)
Grantee	PUC
Sale Date	May 2016 (pending)
Deed Book Page	Pending
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$5,610,000
Annual Special Assessments per Lot	$1,688
Land Data	
Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	44
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	5,250 SF
Indicators (per Lot)	
Sale Price	$127,500 (inclusive of final map fees paid)
Site Development Costs	$0 (to buyer); $35,977 to seller
Permits and Fees	$68,000 (inclusive of $6,000 school fee); $62,000 due at building permit

Remarks

This comparable represents a pending sale of lots within Village 19A-1 of Fiddyment Ranch, to PUC. The buyer was guaranteed finished lots, inclusive of the $6,000 school fee due at final map, for a price of $127,500 per lot. The reported price paid per paper lot was $85,523, with site development costs of $35,977 per lot to be incurred by the seller.

COMPARABLE 6

Property Identification	
Project Name	Solaire, Village 24
Location	Pleasant Grove Boulevard, west of Fiddyment Road
APN	496-100-002
City	Roseville
County	Placer
Sale Data	
Grantor	WP Dev. Co. LLC
Grantee	Woodside Homes
Sale Date	05/16/2016
Deed Book Page	37048
Property Rights Conveyed	Fee Simple
Conditions of Sale	Below Market
Financing Terms	Cash Equivalent
Sale Price	$2,120,000
Annual Special Assessments per Lot	$1,622
Land Data	
Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	53
Development Status at Sale	Unimproved lots
Typical Lot Size	4,600 SF
Indicators (per Lot)	
Sale Price	$40,000
Site Development Costs	$37,708
Permits and Fees	$66,000 (inclusive of $6,000 school fee); $60,000 due at building permit

Remarks

This property represents the sale of 53 unimproved lots in the Solaire community, which is west of WestPark, in Roseville. Market participants we spoke with believed that the purchase price for the lots was well below market.

COMPARABLE 7

Property Identification	
Project Name	Solaire, Village 25
Location	Pleasant Grove Boulevard, west of Fiddyment Road
APN	496-100-001
City	Roseville
County	Placer
Sale Data	
Grantor	WP Dev. Co. LLC
Grantee	D.R. Horton
Sale Date	05/17/2016
Deed Book Page	37326
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$6,000,000
Annual Special Assessments per Lot	$1,622
Land Data	
Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	100
Development Status at Sale	85 unimproved lots and 15 finished lots
Typical Lot Size	4,700 SF
Indicators (per Lot)	
Sale Price	$60,000
Site Development Costs	$29,054 (average)
Permits and Fees	$66,000 (inclusive of $6,000 school fee); $60,000 due at building permit

Remarks

This comparable represents a recent sale of 100 lots in Solaire, west of the WestPark master planned community. The property reportedly consisted of 85 paper lots and 15 finished lots, for a total of 100 lots.

COMPARABLE 8

Property Identification

Project Name	Fiddyment Ranch – Village 9A-1
Location	North of Blue Oaks Boulevard, west of Fiddyment Road
APN	Portions of the following: 492-010-003 through -005, -015, -020; 492-052-056
City	Roseville
County	Placer

Sale Data

Grantor	GBD Fiddyment Lands LP (doing business as Granite Bay Ventures)
Grantee	JMC Homes
Sale Date	07/29/2015
Deed Book Page	0065814
Property Rights Conveyed	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$7,950,000
Annual Special Assessments per Lot	$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	60
Development Status at Sale	Finished lots guaranteed
Typical Lot Size	5,775 SF

Indicators (per Lot)

Sale Price	$132,500 (inclusive of final map fees paid)
Site Development Costs	$0 (to buyer); $59,011 (to seller)
Permits and Fees	$68,000 (inclusive of $6,000 school fee); $62,000 due at building permit

Remarks

This comparable represents a sale of lots within Village 9A-1 of Fiddyment Ranch, to JMC Homes. According to a representative with JMC, the buyer was guaranteed finished lots, inclusive of the $6,000 school fee due at final map, for a price of $132,500 per lot. The reported price paid per paper lot was $67,489, with site development costs of $59,011 per lot to be incurred by the seller.

COMPARABLE 9

Property Identification

Project Name	Fiddyment Ranch – Village 9A-2, 19A-2, 19B-2
Location	North of Blue Oaks Boulevard, west of Fiddyment Road
APN	Portions of the following: 492-010-002 through -005, -015, -020, -053 through -055
City	Roseville
County	Placer

Sale Data

Grantor	GBD Fiddyment Lands LP (doing business as Granite Bay Ventures)
Grantee	JMC Homes
Sale Date	05/06/2015
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	$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	189
Development Status at Sale	Unimproved lots
Typical Lot Size	5,775

Indicators (per Lot)

Sale Price	$70,000
Site Development Costs	$36,500
Permits and Fees	$68,000 (inclusive of $6,000 school fee); $62,000 due at building permit

Remarks

This is the sale of 189 unimproved lots in Fiddyment Ranch, to JMC Homes. The seller had acquired 419 lots in a concurrent transaction (Sale 10), and sold 189 lots to this buyer. The seller may have been under some duress, as they were in danger of losing a $2.5 million deposit on the purchase of Sale 10. As such, an upward adjustment is applied for conditions of sale.

COMPARABLE 10

Property Identification

Project Name	Fiddyment Ranch – Village 9 and 19 (portion)
Location	North of Blue Oaks Boulevard, west of Fiddyment Road
APN	492-010-051 through -056
City	Roseville
County	Placer

Sale Data

Grantor	ATC Realty One, LLC
Grantee	GBD Fiddyment Lands LP (doing business as Granite Bay Ventures)
Sale Date	05/06/2015
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	$1,688

Land Data

Zoning	Single-family
Topography	Generally level
Utilities	All available
Number of Lots	419
Development Status at Sale	Unimproved lots
Typical Lot Size	5,775

Indicators (per Lot)

Sale Price	$59,172
Site Development Costs	$40,000
Permits and Fees	$68,000 (inclusive of $6,000 school fee); $62,000 due at building permit

Remarks

After the contraction in the housing market, ownership of the Developer's (Signature Properties) last remaining lots (2,473 lots) transferred to Wells Fargo Bank via foreclosure. Wells Fargo Bank completed two bulk lot sales from this total in 2013. The seller in the above 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 to close on the purchase, the buyer concurrently sold 189 lots to a national builder (Sale 9).

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
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions
- 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.), and at the end of the section, we will deduct the subject's remaining permits and fees and in-tract costs to determine the subject's unimproved lot value.

All of the comparable properties are encumbered by Community Facilities District bond debts. As such, the comparable properties are adjusted upward by the present value of the bond encumbrances on a per-lot basis, inputting an interest rate of 6% over the 30-year terms of the bonds.

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 6 is considered to be below market, as market participants we spoke with believe that the price paid was substantially less than market price, especially considering other bulk lot sales in West Roseville. Comparable 9 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. Both of these comparable sales are adjusted upward, with Comparable 6 receiving the larger adjustment. 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 May 2015 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 a good location relative to other submarkets in South Placer County. Overall community appeal is also considered good. As observed by the number of transactions within the past 24 months, the South Placer County is a highly desirable submarket for single-family residential lots. Comparables 1 and 2 are located in Rocklin, within an area of generally higher home prices and land values relative to West Roseville, and are adjusted downward. No other adjustments are warranted, as all of the other comparables are located in similar areas of West Roseville.

Number of Lots

The benchmark lot category analyzed in this section of the report contains 74 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 transfer represented by Comparable 10 warrants an upward adjustment. 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 5,250 square feet are adjusted downward, while those with smaller lot sizes are adjusted upward.

Lot Premiums/Discounts

The subject and the 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 entitlements in place for single-family residential development, and adjustments in this category 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 property is analyzed on an unimproved lot basis. Some of the comparable sales represent the transfer of improved lots and require slight downward adjustments.

Adjustment Grid

The grid on the following page reflects the adjustments discussed above. It is noted a qualitative, rather than quantitative, analysis is performed.

Site Characteristics:	Subject	Comp. 1	Comp. 2	Comp. 3	Comp. 4	Comp. 5	Comp. 6	Comp. 7	Comp. 8	Comp. 9	Comp. 10
Lot Price		**$90,811**	**$190,000**	**$127,500**	**$137,500**	**$127,500**	**$40,000**	**$60,000**	**$132,500**	**$70,000**	**$59,172**
Remaining Site Development Costs		$45,000	$0	$0	$0	$0	$37,708	$29,054	$0	$36,500	$40,000
Permits and Fees		$45,000	$45,000	$62,000	$62,000	$62,000	$66,000	$66,000	$62,000	$68,000	$68,000
Loaded Lot Price (Price + Site Costs + Fees)		**$180,811**	**$235,000**	**$189,500**	**$199,500**	**$189,500**	**$143,708**	**$155,054**	**$194,500**	**$174,500**	**$167,172**
Special Taxes		$1,219	$1,926	$1,688	$1,688	$1,688	$1,622	$1,622	$1,688	$1,688	$1,688
Bond Expiration (Years)		30	30	30	30	30	30	30	30	30	30
Bond Encumbrance (Present Value at 6%)		$16,779	$26,511	$23,235	$23,235	$23,235	$22,327	$22,327	$23,235	$23,235	$23,235
Adjustment		$16,779	$26,511	$23,235	$23,235	$23,235	$22,327	$22,327	$23,235	$23,235	$23,235
Adjusted Price		**$197,590**	**$261,511**	**$212,735**	**$222,735**	**$212,735**	**$166,035**	**$177,381**	**$217,735**	**$197,735**	**$190,407**
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	Fee Simple
Adjustment											
Adjusted Price		**$197,590**	**$261,511**	**$212,735**	**$222,735**	**$212,735**	**$166,035**	**$177,381**	**$217,735**	**$197,735**	**$190,407**
Financing Terms	Cash Equiv.	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment											
Adjusted Price		**$197,590**	**$261,511**	**$212,735**	**$222,735**	**$212,735**	**$166,035**	**$177,381**	**$217,735**	**$197,735**	**$190,407**
Sale Conditions	Market	Market	Market	Market	Market	Market	Below Market	Market	Market	Seller Motiv.	Market
Adjustment							↑			↑	
Adjusted Price		**$197,590**	**$261,511**	**$212,735**	**$222,735**	**$212,735**	**$166,035**	**$177,381**	**$217,735**	**$197,735**	**$190,407**
Market Conditions	Feb-17	2016	2016	May-16	May-16	May-16	May-16	May-16	Jul-15	May-15	May-15
Adjustment	(Appraisal)										
Adjusted Price		**$197,590**	**$261,511**	**$212,735**	**$222,735**	**$212,735**	**$166,035**	**$177,381**	**$217,735**	**$197,735**	**$190,407**
Physical Characteristics:											
Location/Community Appeal	W. Roseville	Rocklin	Rocklin	W. Roseville	W. Roseville	W. Roseville	W. Roseville	W. Roseville	W. Roseville	W. Roseville	W. Roseville
Adjustment	Good	↓	↓								
Number of Lots	74	111	75	40	86	44	53	100	60	189	419
Adjustment											↑
Lot Size (Typical)	5,250	5,000	7,500	5,250	6,300	5,250	4,600	4,700	5,775	5,775	5,775
Adjustment		↑	↓		↓		↑	↑	↓	↓	↓
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment											
Zoning/Entitlements	Approved	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment											
Other - Lot Condition	Unimproved	Unimproved	Finished	Finished	Finished	Finished	Unimproved	Unimproved	Finished	Unimproved	Unimproved
Adjustment			↓	↓	↓	↓			↓		
Net Adjustment:		**Similar**	**Downward**	**Similar**	**Downward**	**Similar**	**Upward**	**Upward**	**Downward**	**Upward**	**Upward**
Loaded Lot Values		**≈$197,590**	**<$261,511**	**≈$212,735**	**<$222,735**	**≈$212,735**	**>$166,035**	**>$177,381**	**<$217,735**	**>$197,735**	**>$190,407**

Conclusion of Value (per lot) – Sales Comparison Approach (LDR Lots)

The market data set consists of various sales that are considered reasonable indicators of market value for the fee simple interest in the LDR lot category of the subject property. After accounting for remaining site development costs, permits and fees and special taxes, the data set reflects an unadjusted (loaded lot price) range of $166,035 to $261,511 per lot.

Based upon the analysis presented, a ranking analysis of the subject and the comparable sales is in the table below:

Property	Loaded Lot Price	Overall Similarity
Sale 6	$166,035	Inferior
Sale 7	$177,381	Inferior
Sale 10	$190,407	Inferior
Sale 1	$197,590	Similar
Sale 9	$197,735	Inferior
Sale 3	$212,735	Similar
Sale 5	$212,735	Similar
SUBJECT	**$215,000**	**-**
Sale 8	$217,735	Superior
Sale 4	$222,735	Superior
Sale 2	$261,511	Superior

As shown, the loaded lot value indicator for the subject property is estimated to be above those of Sales 6, 7, 9 and 10, lower than those of Sales 2, 4 and 8, and generally similar to those of Sales 1, 3 and 5. In particular, the reader should note that Sales 3, 4, 5, 8, 9 and 10 are located in Fiddyment Ranch, like the subject, and Sales 3, 4 and 5 represent 2016 closed or pending transactions. As such, with most emphasis placed on the Fiddyment Ranch sales, especially those that occurred in 2016, a

loaded lot indicator of $215,000 per lot is concluded for the benchmark village (F-13B-1) of the subject property. As noted throughout this report, the estimated fees due at final map are $6,000 per lot, and the fees due at building permit are about $62,000 per lot, on average, for a total of $68,000 per lot. Site development costs are estimated at $38,000 per lot, per our discussion in the *Site Description* earlier in this report, as well as in the extraction method of valuation in the next section.

As such, our conclusion of unimproved lot value for the benchmark Village is as follows:

Loaded Lot Value	$215,000
Less: Permits and Fees	($68,000)
Less: In-Tract Costs	($38,000)
Unimproved Lot Value	**$109,000**

The next section of the report will be an extraction analysis.

Extraction Analysis

As support for the estimate of lot value concluded in the sales comparison approach for the LDR 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 lot value. Additionally, given the lack of comparable sales for the MDR lot category, we will exclusively utilize the extraction technique for the valuation of these lots.

The elements of the extraction technique are discussed below.

Revenue

The LDR benchmark lot category was determined to be Parcel F-13B-1, which has 74 lots with a typical lot size of 5,250 square feet. The MDR benchmark lot category was determined to be Parcel F-11B, with 152 lots and a typical lot size of 2,451 square feet.

In order to estimate revenue from a typical floor plan, the table on the following page arrays various new home communities within West Roseville, as provided by the Gregory Group.

Project	Master Plan	Builder	Avg. Price	Avg. Home Size (SF)	Average Price/SF	Average Lot Size
Fiddyment Ranch						
Addison	Fiddyment Ranch	Taylor Morrison	$419,333	2,314	$181.22	5,775
Hadley	Fiddyment Ranch	Taylor Morrison	$440,333	2,468	$178.42	6,300
Marisol	Fiddyment Ranch	Lennar Homes	$515,847	2,932	$175.94	6,300
Oakbriar	Fiddyment Ranch	Signature Homes	$385,400	1,832	$210.37	3,000
Parker	Fiddyment Ranch	Taylor Morrison	$503,500	3,149	$159.89	6,825
Summerwood	Fiddyment Ranch	JMC Homes	$433,740	1,811	$239.50	6,050
The Reserve	Fiddyment Ranch	JMC Homes	$574,990	3,355	$171.38	6,300
The Retreat	Fiddyment Ranch	JMC Homes	$486,419	2,206	$220.50	7,700
Others						
Aria	WestPark	KB Home	$464,125	3,091	$150.15	4,950
Bromley at Solaire	Solaire	Woodside Homes	$494,468	2,764	$178.90	6,000
Carrington	WestPark	Lennar Homes	$489,490	2,673	$183.12	5,775
Hillingdon	Solaire	Woodside Homes	$458,823	2,551	$179.86	5,250
Legato	WestPark	KB Home	$514,250	3,580	$143.65	7,150
Merrion Square	WestPark	Lennar Homes	$382,323	2,074	$184.34	2,508
Primrose	WestPark	Pulte Homes	$480,190	2,859	$167.96	4,500
Ridgefield	WestPark	Lennar Homes	$545,823	3,317	$164.55	7,350
Sierra Commons	WestPark	Meritage Homes	$468,783	2,695	$173.95	6,050
Sierra Crossings	WestPark	Meritage Homes	$469,950	2,366	$198.63	6,000
		Minimum	$382,323	1,811	$144	2,508
		Maximum	$574,990	3,580	$240	7,700
		Average	$473,766	2,669	$181	5,766
		Median	$475,070	2,684	$179	6,025

Source: The Gregory Group

As shown in the table, the average home size in the group is 2,669 square feet, with a median of 2,684 square feet. The average lot size in the group is about 5,766 square feet, with a median of 6,025 square feet. The average price is $473,766, while the median is $475,070, with an average price per square foot of living area is $181 and a median price per square foot of $179.

Based upon this information, our conclusion of a typical home on the benchmark LDR category (5,250 square foot lot) is a 2,500 square foot home with a price of $495,000, inclusive of bond debt.

With regard to the MDR lot category, our conclusion of a typical home on the benchmark lot (2,451 square foot lot) is a 1,900 square foot home with a price of $375,000, inclusive of bond debt.

Expense Projections

As part of an ongoing effort to assemble market information, the table below reflects surveys responses and developer budget information for numerous single-family residential subdivisions throughout the Northern California region.

Developer Classification	Municipality	Budget Date	No. of Units	Quality	Avg. Home Size (SF)	Avg. Lot Size (SF)	Site Costs per Lot	Permits & Fees/Unit	Direct Cost/SF	Indirect Cost/SF	Indirect % of Direct	Cost per Model	G & A % of Rev	Mkt & Sales % of Rev	Profit % of Rev	IRR	Projected Sales/Mo.
Regional	City of Lodi	2016	42	Good	2,152	5,554	$46,977	$29,290	$78.26	$22.53	29%	$67,500	N/Av	1.3%	11.1%	31.7%	3.0
Local	City of Elk Grove	2016	32	Good	2,614	5,937	$64,490	$46,000	$72.46	$8.79	12%	$27,372	2.0%	5.1%	8.8%	N/Av	4.5
Local	City of Sacramento	2016	35	Avg	1,946	3,825	$40,505	$43,284	$70.73	$12.63	18%	$36,773	3.0%	3.5%	9.7%	28.7%	2.5
Local	City of Sacramento	2015	29	Avg	2,273	5,325	N/Av	$52,550	$73.98	$21.45	29%	N/Av	2.5%	4.4%	15.6%	N/Av	N/Av
Local	City of Davis	2015	35	Avg	1,829	2,000	$101,608	$61,770	$92.28	N/Av	N/Av	$50,000	1.0%	3.0%	N/Av	N/Av	N/Av
Regional	City of Roseville	2015	32	Good	2,234	6,709	$55,945	$47,844	$75.95	$10.36	14%	$145,838	5.0%	4.0%	11.6%	N/Av	2.5
Regional	City of West Sacramento	2015	31	Avg/G	2,450	5,000	$40,793	$35,346	$64.97	$4.08	6%	N/Av	N/Av	4.2%	8.4%	N/Av	N/Av
Local	City of Lincoln	2015	10	Good	2,513	9,547	N/Av	$43,425	$77.90	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av
Local	City of Sacramento	2015	25	Entry	1,546	3,292	N/Av	$17,080	$77.28	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av	N/Av
Local	City of Sacramento	2015	91	Entry	1,868	4,604	N/Av	$23,000	$83.37	$6.62	8%	N/Av	2.0%	4.3%	9.1%	N/Av	N/Av
Local	Sacramento County	2015	8	Avg	2,250	8,358	$58,198	$33,786	$89.25	$6.01	7%	N/Av	N/Av	5.4%	18.8%	N/Av	N/Av
Local	City of Lincoln	2014	19	Good	2,891	8,772	N/Av	$54,180	$68.50	$8.88	13%	N/Av	N/Av	4.0%	18.0%	N/Av	N/Av

Information from the survey above will contribute to the estimate of development expenses classified below.

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.

Recent conversations with homebuilders confirm construction costs have increased over the last 12 months; consequently, based on the cost comparables, and considering the assumed average-to-good quality product line for the benchmark lots, a direct cost estimate of $70 per square foot is applied to the 2,500 square foot floor plan and $67 per square foot to the 1,900 square foot floor plan.

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 8% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 10% is considered reasonable for the subject.

Permits and Fees

Per information provided by Stephen Hicks, permits and fees due at building permit range from $57,511 for a 1,800 square foot home up to $65,887 for a 3,000 square foot home. These are reportedly net of fee credits. The average is about $62,000 per lot. Additionally, fees due at final map include a plan check fee of $2,500 per map, plus $10 per lot, as well as the City of Roseville school impact fee of $6,000 per lot.

In the analysis that follows, we estimate total permits and fees at $68,000 per lot, on average, for a typical 2,600 square foot home on a 5,250 square foot lot, and $64,000 per lot, on average, for a typical 1,900 square foot home on a 2,451 square foot lot.

In-Tract Costs

In-tract (on-site horizontal improvement) costs were not provided for use in our appraisal. As such, we estimate these costs based upon comparable projects in south Placer County, which are presented below. All data is from 2015 or 2016.

Project	City	Number of Lots	Typical Lot Size (SF)	Site Development Costs Per Lot
Fiddyment Ranch	Roseville	189	5,775	$36,500
Fiddyment Ranch	Roseville	419	5,775	$40,000
Fiddyment Ranch	Roseville	40	5,250	$35,977
Fiddyment Ranch	Roseville	44	5,250	$35,977
Fiddyment Ranch	Roseville	86	6,300	$40,058
Solaire	Roseville	157	6,250	$38,000
Solaire	Roseville	375	5,700	$36,000
Solaire	Roseville	53	4,600	$37,708
Whitney Ranch	Rocklin	111	5,000	$45,000
	Min	40	4,600	$35,977
	Max	419	6,300	$45,000
	Average	164	5,544	$38,358
	Median	111	5,700	$37,708

The range of in-tract development costs from the comparable projects is $35,977 to $45,000 per lot, with an average of $38,358 per lot. The subject property is deemed to be generally similar to the comparable properties. In our analysis, we will estimate in-tract costs at about $38,000 per lot for LDR lots and $35,000 per lot for MDR lots.

Accrued Depreciation

For new construction on the subject, an allocation for deprecation (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%. This is consistent with our survey presented earlier in this section, which ranged from 8.4% to 18.8%. 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
- Anticipated completion of off-site development (assumed for analysis only)
- Desirable location (South Placer County, West Roseville)
- Good transportation linkages
- Steady pricing and steady 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.). Based on the preceding discussion and developer surveys, we have concluded an estimate of 10% for developer's incentive.

Conclusion

The estimates of unimproved lot value via the extraction analysis are presented on the following page.

EXTRACTION ANALYSIS – 2,600 SF HOME ON A 5,250 SF (LDR) LOT

Revenue				
Average Floor Plan Size	2,500	SF		
Typical Home Price				$495,000
Expense Projections				
G & A Cost @	3.0%	of Retail Value	$14,850	
Marketing/Sales @	6.0%	of Retail Value	$29,700	
Average Direct Costs @	$70.00	/SF	$175,000	
Indirect Cost @	10.0%	of Direct Cost	$17,500	
Permits and Fees	$68,000	Per Lot	$68,000	
In-Tract Costs	$38,000	Per Lot	$38,000	
Developer's Incentive	10%	of home price	$49,500	
				$392,550
			Residual Lot Value:	$102,450
			Rd.	**$102,000**

Given the lack of comparable bulk lot sales with typical lot sizes under 3,000 square feet, a sales comparison approach is not performed in the valuation of the smaller benchmark lot category (MDR lots). We will solely rely upon the extraction technique. This analysis is presented below.

EXTRACTION ANALYSIS – 1,900 SF HOME ON A 2,451 SF (MDR) LOT

Revenue				
Average Floor Plan Size	1,900	SF		
Typical Home Price				$375,000
Expense Projections				
G & A Cost @	3.0%	of Retail Value	$11,250	
Marketing/Sales @	6.0%	of Retail Value	$22,500	
Average Direct Costs @	$67.00	/SF	$127,300	
Indirect Cost @	10.0%	of Direct Cost	$12,730	
Permits and Fees	$64,000	Per Lot	$64,000	
In-Tract Costs	$35,000	Per Lot	$35,000	
Developer's Incentive	10%	of home price	$37,500	
				$310,280
			Residual Lot Value:	$64,720
			Rd.	**$65,000**

Final Conclusion of Benchmark Lot Values

For the LDR lot category, the sales comparison approach indicated $109,000 per unimproved lot, while the extraction technique was $102,000 per unimproved lot. Given the good quality and quantity of the data set in the sales comparison approach, our conclusion of value is consistent with this method of valuation: **$109,000 per unimproved lot for the LDR category**.

With regard to the lot value for the MDR lot category, our sole method of valuation was the extraction method, which yielded a value conclusion of **$65,000 per lot.**

CONCLUSION OF RESIDENTIAL LOT COMPONENT

In this section of the report we will present the conclusion, by larger parcel designation, of the single-family residential lot component of the District. As a starting point we will use the benchmark lot valuations previously presented. To value the residential lot holdings, we will use the pertinent benchmark lot value and make adjustments for lot size and any other relevant characteristics, accordingly. The results will be summed to arrive at the total single-family residential lot revenue.

Benchmark Lot Values

We have set two benchmark lot values based on lot size/density. As discussed earlier in the report, the benchmark parcels selected were F-13B-1 for the LDR lots (F-13B-1 has a typical lot size of 5,250 square feet) and F-11B for the MDR lots (F-11B has a typical lot size of 2,451 square feet). The benchmark lot conclusions of value, as shown in the previous section, are $109,000 per lot for the LDR lots and $65,000 per lot for the MDR lots.

It is assumed that the school site (Parcel F-71) will be acquired by the District based upon the appraised market value under its highest and best economic use, that is, residential land with a tentative map in place for development similar to other parcels in the Fiddyment Ranch project. Based upon the size of the site (10.44 acres) and typical density (5 units per acre) for LDR lots in the area, we estimate the site could accommodate about 52 LDR lots, with a typical lot size of 5,250 square feet (consistent with the benchmark lot size for the LDR lots). If these assumptions/inputs prove to be false, our conclusion of market value would likely be affected.

The park and open space parcels are dedicated parcels and are not included in the valuation.

Lot Size Adjustment

We have estimated a lot size adjustment factor of $10.00 per square foot for lots greater than and smaller than the benchmark lots, consistent with our market observations.

Residential Lot Revenue

Based on the preceding analysis and discussions, the total single-family residential lot revenue is presented on the following page.

Larger Parcel Designation	Typical Lot Size (SF)	Land Use	Benchmark Value	Lot Size Adjustment	Adjusted Lot Value	No. of Lots	Value in Bulk
Phase 2							
F-13A-1	5,775	LDR	$109,000	$5,250	$114,250	45	$5,141,250
F-13A-2	5,775	LDR	$109,000	$5,250	$114,250	48	$5,484,000
F-13B-1	5,250	LDR	$109,000	$0	$109,000	75	$8,175,000
F-13B-2	5,250	LDR	$109,000	$0	$109,000	41	$4,469,000
F-13B-3	5,250	LDR	$109,000	$0	$109,000	45	$4,905,000
F-7A	4,500	LDR	$109,000	($7,500)	$101,500	67	$6,800,500
F-7B	4,500	LDR	$109,000	($7,500)	$101,500	64	$6,496,000
F-8C	5,125	LDR	$109,000	($1,250)	$107,750	88	$9,482,000
F-8D	7,475	LDR	$109,000	$22,250	$131,250	38	$4,987,500
F-9B	4,500	LDR	$109,000	($7,500)	$101,500	70	$7,105,000
F-9C	6,300	LDR	$109,000	$10,500	$119,500	83	$9,918,500
F-9D	7,150	LDR	$109,000	$19,000	$128,000	40	$5,120,000
F-11-A-1	4,725	LDR	$109,000	($5,250)	$103,750	47	$4,876,250
F-11-A-2	4,725	LDR	$109,000	($5,250)	$103,750	57	$5,913,750
F-11-A-3	4,725	LDR	$109,000	($5,250)	$103,750	71	$7,366,250
F-12	5,250	LDR	$109,000	$0	$109,000	97	$10,573,000
Phase 3							
F-6A-1	6,050	LDR	$109,000	$8,000	$117,000	92	$10,764,000
F-6A-2	5,250	LDR	$109,000	$0	$109,000	87	$9,483,000
F-10A	6,050	LDR	$109,000	$8,000	$117,000	122	$14,274,000
F-10B	5,250	LDR	$109,000	$0	$109,000	115	$12,535,000
F-10C	6,600	LDR	$109,000	$13,500	$122,500	80	$9,800,000
F-6C-1	2,451	MDR	$65,000	$0	$65,000	135	$8,775,000
F-6C-2	2,044	MDR	$65,000	($4,070)	$60,930	172	$10,479,960
F-8B	2,044	MDR	$65,000	($4,070)	$60,930	127	$7,738,110
F-11B	2,451	MDR	$65,000	$0	$65,000	152	$9,880,000

The conclusions of market value above are subject to the hypothetical condition certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements, for the lots held by Signature Homes. The market value estimates are based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value.

COMMERCIAL LAND VALUATION

Sales Comparison Approach

This section of the appraisal is concerned with the valuation of the commercial (zoning = CC) land component of the subject property, represented by Parcel F-6D.

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).

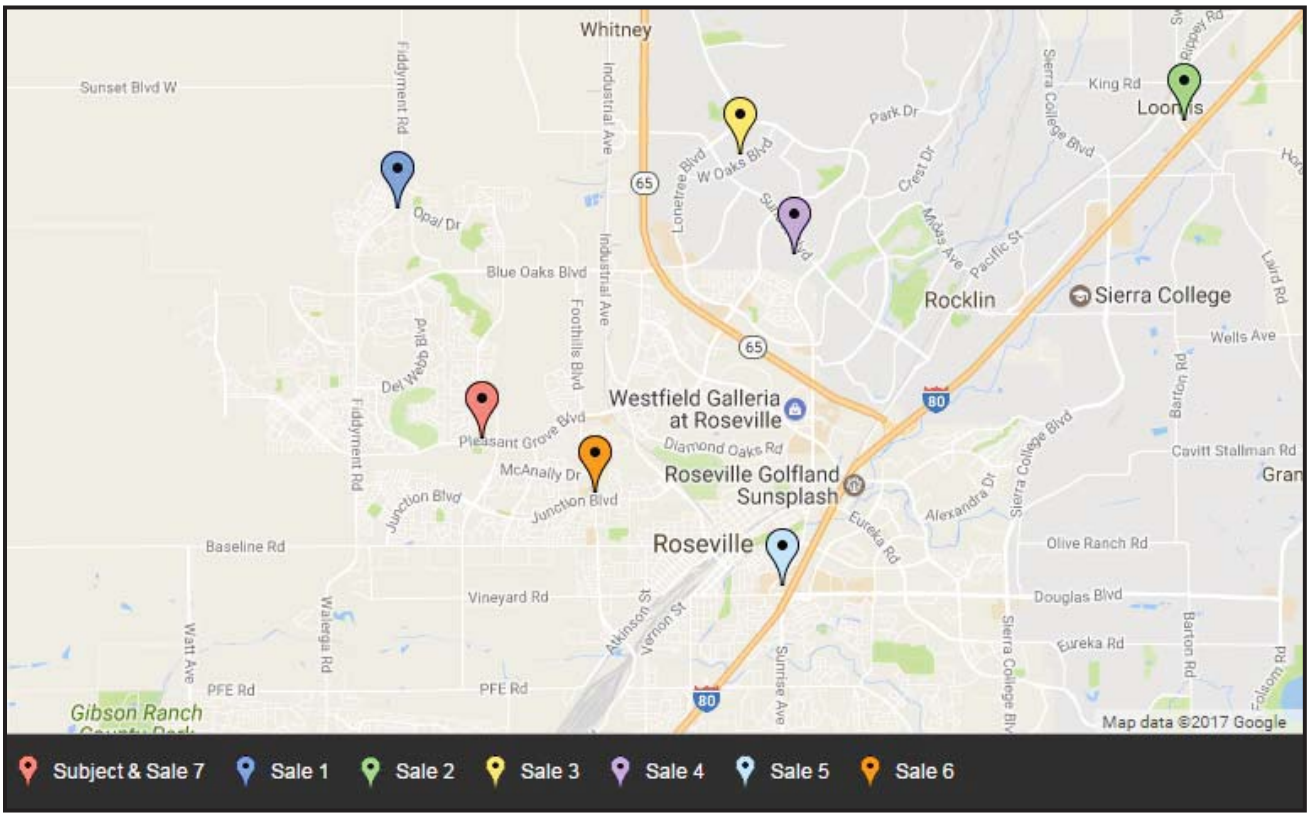
In the analysis of the subject property, we searched various sources for gathering of relevant data. In the sales comparison approach, we searched for data in our internal database, CoStar Property, Loopnet (for closed sales and active listings), and the Multiple Listing Service (MLS). We confirmed details 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	Parcel F-81, Fiddyment Ranch E. Corner of Fiddyment Rd. & Angus Rd. Roseville, Placer County APN: 492-010-031	Aug-16	$550,000	1.20 52,272	**$10.52**	$2.05	CC
2	6045 Horseshoe Bar Road Loomis, Placer County APN: 043-100-025	Jun-16	$1,000,000	3.00 130,680	**$7.65**	$0.00	CC
3	5800 West Oaks Boulevard Rocklin, Placer County APN: 017-081-062	Jun-16	$1,600,000	5.60 243,936	**$6.56**	$0.00	PD-BP/C/LI
4	W/L Coppervale Dr., N/O Stanford Ranch Rd. Rocklin, Placer County APN: 364-090-010 through -013	Oct-15	$2,450,000	5.91 257,440	**$9.52**	$0.07	PD-C
5	118 Harding Blvd. Roseville, Placer County APN: 013-212-039	Jun-15	$850,000	1.80 78,408	**$10.84**	$0.00	CC
6	5010 Foothills Blvd. Roseville, Placer County APN: 476-190-005	May-15	$750,000	1.20 52,272	**$14.35**	$0.18	CC
7	Parcel F-34, Fiddyment Ranch SEC Blue Oaks Blvd. & Hayden Pkwy. Roseville, Placer County APN: 492-010-034	Listing	$1,847,000	5.30 230,868	**$8.00**	$2.05	CC

COMMERCIAL LAND SALES MAP

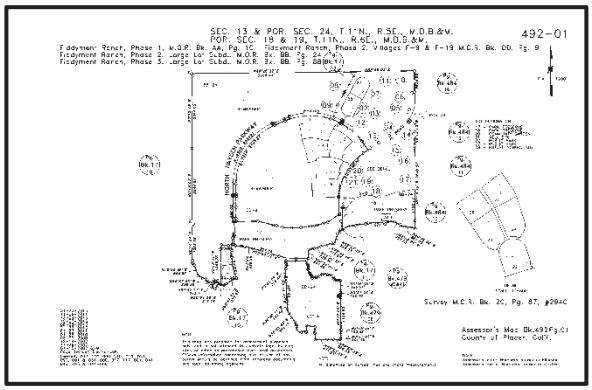


COMPARABLE 1

Property Identification

Parcel F-81, Fiddyment Ranch
Roseville, CA 95747
Placer County

APN: 492-010-031



Sale Data

Grantor	ATC Realty One LLC
Grantee	Dhillon & Sons Ents Inc
Sale Date	08/10/2016
Deed Book Page	2016-0066757
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$550,000
PV of Bonds	$107,158

Land Data

Land Area (SF)	52,272
Land Area (Acres)	1.20
Zoning	CC - Community Commercial
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Fiddyment Road and Angus Road
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	$10.52
PV Bonds per SF	$2.05

Remarks

This comparable represents a recent sale of Parcel F-81 in Fiddyment Ranch, at the corner of Fiddyment Road and Angus Road. The asking price was the time of sale was $643,000, and the sale price was $550,000. The buyer intends to construct a gas station on the site.

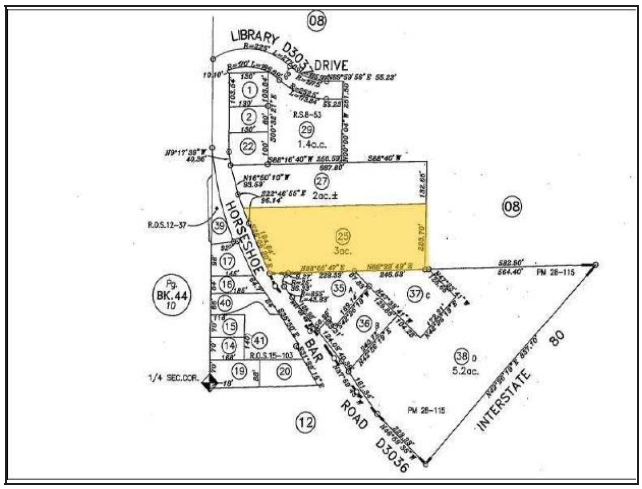
LAND SALE 2

Property Identification

Commercial Land

6045 Horseshoe Bar Road
Loomis, CA 95650
Placer County

APN: 043-100-025



Sale Data

Grantor	Nahiberuti Family Lp
Grantee	Loomis Village Retail LLC
Sale Date	06/17/2016
Deed Book Page	047961
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$1,000,000
PV of Bonds	$0

Land Data

Land Area (SF)	130,680
Land Area (Acres)	3.00
Zoning	CC, Central Commercial
Shape	Nearly rectangular
Corner Orientation	No
Street Frontage	Horseshoe Bar
Topography	Generally level
Off-Site Improvements	Streets, utilities
On-Site Improvements	None

Indicators

Sale Price per SF	$7.65
PV Bonds per SF	

Remarks

There is a large residential development right behind this lot and it is also located next to Raley's Super Market.

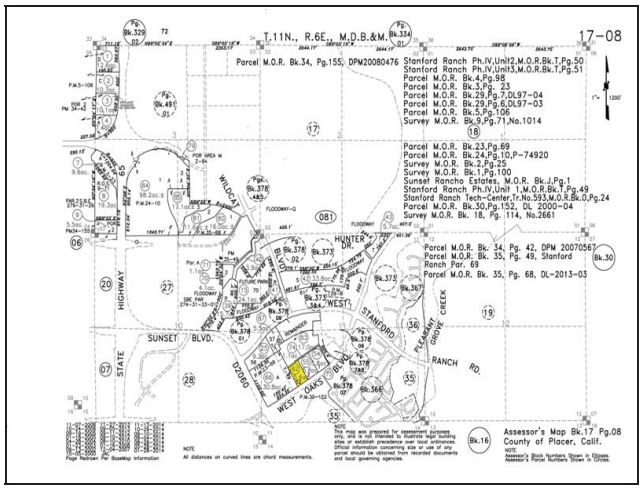
LAND SALE 3

Property Identification

Commercial Land

5800 West Oaks Boulevard
Rocklin, CA 95765
Placer County

APN: 017-081-062



Sale Data

Grantor	Stanford Ranch I LLC
Grantee	Stanford Ranch Self Storage LLC
Sale Date	06/10/2016
Deed Book Page	044966
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$1,600,000
PV of Bonds	$0

Land Data

Land Area (SF)	243,936
Land Area (Acres)	5.60
Zoning	PD-BP/C/LI, PLANNED DEVELOPMENT BUSINESS PROFESSIONAL/COMMERCIAL/LIGHT INDUSTRIAL
Shape	Rectangular
Corner Orientation	No
Street Frontage	West Oaks Boulevard
Topography	Level to rolling
Off-Site Improvements	Streets, utilities
On-Site Improvements	None

Indicators

Sale Price per SF	$6.56
PV Bonds per SF	

Remarks

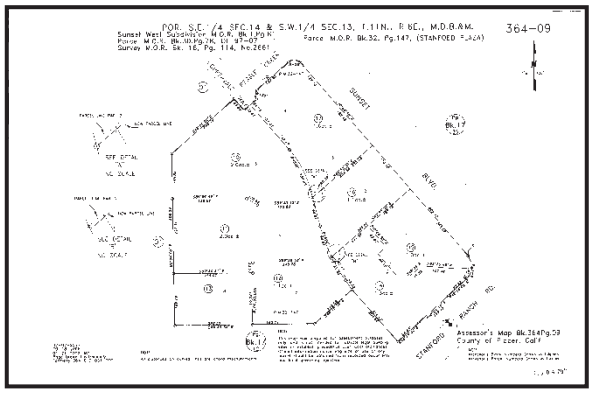
This property is located along West Oaks Boulevard in Rocklin, north of Sunset Avenue. The site is sandwiched between a UNFI distribution center and office/flex development, and backs up to newly constructed single-family residential development.

COMPARABLE 4

Property Identification

West line of Coppervale Drive,
north of Stanford Ranch Road
Rocklin, CA 95677
Placer County

APN: 364-090-010 through -013



Sale Data

Grantor	Eureka Development Company
Grantee	KB Homes of Sacramento
Sale Date	10/02/2015
Deed Book Page	086932
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$2,450,000
PV of Bonds	$18,021

Land Data

Land Area (SF)	257,440
Land Area (Acres)	5.91
Zoning	PD-C – Planned Development, Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	Coppervale Drive
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	$9.52
PV Bonds per SF	$0.07

Remarks

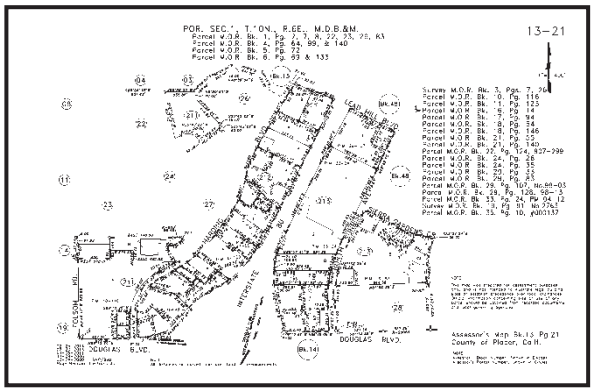
According to a representative of the seller, Eureka Development Company had, at one time, planned to construct retail development on the site, but then abandoned the idea after the decline of the commercial market. The company sold the property to KB Homes, but there was a third party intermediary involved (name not disclosed) who paid $2,450,000 to Eureka Development, obtained entitlements for residential development with the City, then flipped the property to KB Homes for $2,650,000. As such, the true price for the unentitled retail land was $2,450,000, which is shown above. The site is located behind existing retail development along Sunset Boulevard and Stanford Ranch Road, and is immediately east of a multifamily residential project.

COMPARABLE 5

Property Identification

118 Harding Boulevard
Roseville, CA 95678
Placer County

APN: 013-212-039



Sale Data

Grantor	D&S Development Inc.
Grantee	Skygroup Investments LLC
Sale Date	06/19/2015
Deed Book Page	52288
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$850,000
PV of Bonds	$0

Land Data

Land Area (SF)	78,408
Land Area (Acres)	1.80
Zoning	CC – Community Commercial
Shape	Irregular
Corner Orientation	No
Street Frontage	None
Topography	Generally level
Off-Site Improvements	All available
On-Site Improvements	None

Indicators

Sale Price per SF	$10.84
PV Bonds per SF	$0.00

Remarks

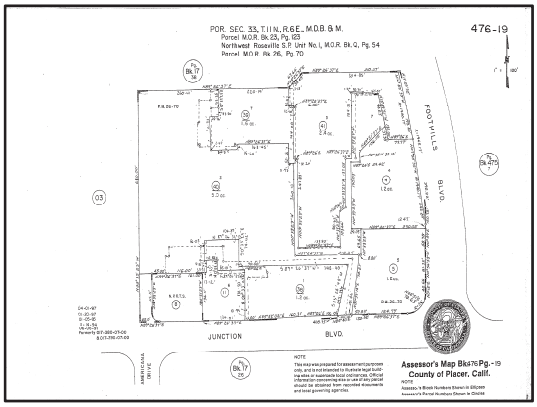
While this parcel has no direct street frontage, it is presumed the property has an access easement across an adjacent parcel to be able to connect to Harding Boulevard. The property has visibility along the off-ramp of westbound Interstate 80, and is located in an area with significant retail development.

COMPARABLE 6

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	$9,251

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	$0.18

Remarks

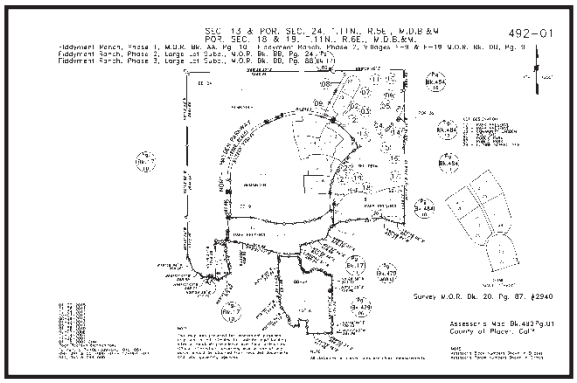
This property represents the sale of a 1.2 acre parcel located at the southwest corner of Foothills Boulevard and Junction Boulevard in Roseville. The property is located adjacent to a CVS and Save Mart-anchored shopping center.

COMPARABLE 7

Property Identification

Parcel F-34, Fiddyment Ranch
Roseville, CA 95747
Placer County

APN: 492-010-034



Sale Data

Grantor	ATC Realty One LLC
Grantee	Listing
Sale Date	Listing
Deed Book Page	Listing
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$1,847,000
PV of Bonds	$473,279

Land Data

Land Area (SF)	230,868
Land Area (Acres)	5.30
Zoning	CC – Community Commercial
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Blue Oaks Boulevard, Hayden Parkway
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per SF	$8.00
PV Bonds per SF	$2.05

Remarks

This comparable represents an active listing for a 5.30-acre parcel within Fiddyment Ranch, at the southwest corner of Blue Oaks Boulevard and Hayden Parkway.

Adjustment Discussion

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. If a comparable has an attribute that is 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.

Percentage or dollar adjustments are considered appropriate in order to isolate and quantify the adjustments on the comparable sales data. At a minimum, the appraiser considers adjustments for the following items:

- Special assessments (bonds)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Expenditures after sale
- Market conditions
- Physical features

A paired sales analysis is performed in a meaningful way when the quantity and quality of data are available. However, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. A detailed analysis involving each of these factors is presented as follows:

Present Value of Bonds

Most of the comparable properties are encumbered by bond debt, and are adjusted upward by the present value of the bond indebtedness, on a per square foot of land area basis. Adjustments are applied to the comparable sales where necessary to account for the differences in bond debt.

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 7 is an active listing and is adjusted downward to reflect typical buyer negotiations in the market. No other adjustments are warranted.

Expenditures after Sale

Neither the subject nor the comparable sales require expenditures after sale, and no 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 recent years. 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. All of the sales transferred between May 2015 and August 2016 and are generally indicative of recent market conditions; therefore, no adjustments are necessary for changes in market conditions.

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 4, 5 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. Four of the comparable sales exhibit superior levels of visibility/accessibility relative to the subject, as they are located along more well-traveled streets or proximate to freeway interchanges. Specifically, Sales 1, 2, 5 and 6 receive downward adjustments.

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 property contains 4.84 acres. 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

In this section of the appraisal, the subject is assumed to have all off-site improvements in place for vertical development. Deductions for remaining infrastructure costs will be made in a later section. All of the comparable sales have all off-sites in place and no adjustments are applied.

Site Utility

The subject property has average site utility, given the generally level topography and standard lot configuration, as is the case with all of the comparable sales. No adjustments are warranted.

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. 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 next page details the adjustment analysis. Note that a qualitative, rather than quantitative, analysis is presented.

LAND SALES ADJUSTMENT GRID

Elements of Comparison	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Price per SF (Unadjusted)		**$10.52**	**$7.65**	**$6.56**	**$9.52**	**$10.84**	**$14.35**	**$8.00**
PV of Bonds per SF		$2.05	$0.00	$0.00	$0.07	$0.00	$0.18	$2.05
Adjustment		$2.05	$0.00	$0.00	$0.07	$0.00	$0.18	$2.05
Adjusted Value		**$12.57**	**$7.65**	**$6.56**	**$9.59**	**$10.84**	**$14.53**	**$10.05**
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment								
Adjusted Value		**$12.57**	**$7.65**	**$6.56**	**$9.59**	**$10.84**	**$14.53**	**$10.05**
Financing Terms	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment								
Adjusted Value		**$12.57**	**$7.65**	**$6.56**	**$9.59**	**$10.84**	**$14.53**	**$10.05**
Conditions of Sale	Market	Market	Market	Market	Market	Market	Market	Listing
Adjustment								↓
Adjusted Value		**$12.57**	**$7.65**	**$6.56**	**$9.59**	**$10.84**	**$14.53**	**$10.05**
Expenditures After Sale	None	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment								
Adjusted Value		**$12.57**	**$7.65**	**$6.56**	**$9.59**	**$10.84**	**$14.53**	**$10.05**
Market Conditions	Feb-17	Aug-16	Jun-16	Jun-16	Oct-15	Jun-15	May-15	Jun-16
Adjustment								
Effective Price per SF		**$12.57**	**$7.65**	**$6.56**	**$9.59**	**$10.84**	**$14.53**	**$10.05**
Physical Characteristics								
Location	W. Roseville	Similar	Similar	Similar	Superior	Superior	Superior	Similar
Adjustment					↓	↓	↓	
Visibility / Accessibility	Average	Superior	Superior	Similar	Similar	Superior	Superior	Similar
Adjustment		↓	↓			↓	↓	
Land Area (Acres)	4.84	1.20	3.00	5.60	5.91	1.80	1.20	5.30
Adjustment		↓				↓	↓	
Off-Site Improvements	Available	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment	(assumed)							
Site Utility	Average	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment								
Zoning	CC	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment	(Commercial)							
Net Adjustment:		**Downward <$12.57**	**Downward <$7.65**	**Similar ≈$6.56**	**Downward <$9.59**	**Upward <$10.84**	**Downward <$14.53**	**Downward <$10.05**

Commercial Parcel Market Value Conclusion – Sales Comparison Approach

After accounting for bond debt, the unadjusted sale prices of the comparable sales ranged from $6.56 to $14.53 per square foot. Given the analysis on the preceding pages, a ranking analysis of the subject property and the comparable sales is presented below:

Property	Price per SF	Overall Similarity
Sale 3	$6.56	Similar
SUBJECT	**$6.75**	**-**
Sale 2	$7.65	Superior
Sale 4	$9.59	Superior
Sale 7	$10.05	Superior
Sale 5	$10.84	Superior
Sale 1	$12.57	Superior
Sale 6	$14.53	Superior

The market value of the subject property is estimated to be generally similar to the value indicators of Sale 2, but lower than the value indicators of the balance of the data. It should be noted 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 property is located within a predominantly residential area with few supporting commercial uses, and has generally average visibility/accessibility for a commercial site. A conclusion of value for the commercial site (Parcel F-6D) is as follows:

$6.75 per square foot x 4.84 acres x 43,560 square feet/acre = $1,423,105

Rd. $1,420,000

MULTIFAMILY LAND VALUATION

Introduction

As mentioned throughout this report, the subject property has two multifamily sites subject to affordable housing restrictions – Parcels F-6B and F-8A. Parcel F-6B is approved for 195 rental units, and will include 66 "very low income" units, 66 "low income" units and 63 "moderate income" units (no market rate units). Parcel F-8A is approved for 277 units and will include 54 "moderate income" units, with the remaining 223 units to be market rate.

According to an apartment market research report (3rd Quarter 2016) prepared by Colliers International, the average rent achieved in the Roseville/Rocklin submarket was $1,436 per unit per month. Additionally, according to the City of Roseville Housing Division, the income-restricted units have stipulated rents as shown below (2016 figures):

	50% Very Low	80% Low	100% Middle
1 person	Studio	Studio	Studio
Income	$24,300	$38,880	$48,600
Gross Rent	**$608**	**$972**	**$1,215**
1.5 persons	1 bedroom	1 bedroom	1 bedroom
Income	$27,775	$44,440	$55,550
Gross Rent	**$694**	**$1,111**	**$1,389**
3 persons	2 bedroom	2 bedroom	2 bedroom
Income	$31,250	$50,000	$62,500
Gross Rent	**$781**	**$1,250**	**$1,563**
4.5 persons	3 bedroom	3 bedroom	3 bedroom
Income	$36,100	$57,760	$72,200
Gross Rent	**$903**	**$1,444**	**$1,805**
6 persons	4 bedroom	4 bedroom	4 bedroom
Income	$40,300	$64,480	$80,600
Gross Rent	**$1,008**	**$1,612**	**$2,015**

For the purposes of analysis, it is assumed an average floor plan within a proposed project would contain two bedrooms (most likely a combination of one-bedroom, two-bedroom and three-bedroom

units, but an average overall size of two bedrooms). As such, the respective rent levels for the two-bedroom category per the table above are $781, $1,250 and $1,563 per unit per month for the very low, low and moderate income levels, respectively. However, the moderate income category is actually *above* the average market rent for the area, and the low income category ($1,250 per month) is generally consistent with the average market rent for the area. As such, it appears that these rent restrictions are not necessarily detrimental to the market value of Parcel F-8A, which consists of a combination of market rate and moderate income units. As will be shown later, however, the income restrictions in place for Parcel F-6B are in fact highly value impacting. Given the lack of comparable sales of vacant multifamily land with value-impacting affordable housing restrictions, we will exclusively utilize an extraction technique for the analysis of this parcel.

In the analysis of Parcel F-8A, we will utilize the sales comparison approach to value, as well as the extraction technique. This parcel's inclusion of 54 "moderate income" units is not detrimental to value and, as such, the parcel would be expected to sell for a similar price point as other multifamily land sales in the region. As such, a sales comparison approach will be utilized. As a check of reasonableness, we will utilize an extraction technique. This technique considers the market value assuming completion of construction and stabilized occupancy of a for-rent apartment community, and then reduces that value by the direct costs, indirect costs and developer's profit for the construction of the project. The result of this analysis represents an estimate of the residual value for the subject property.

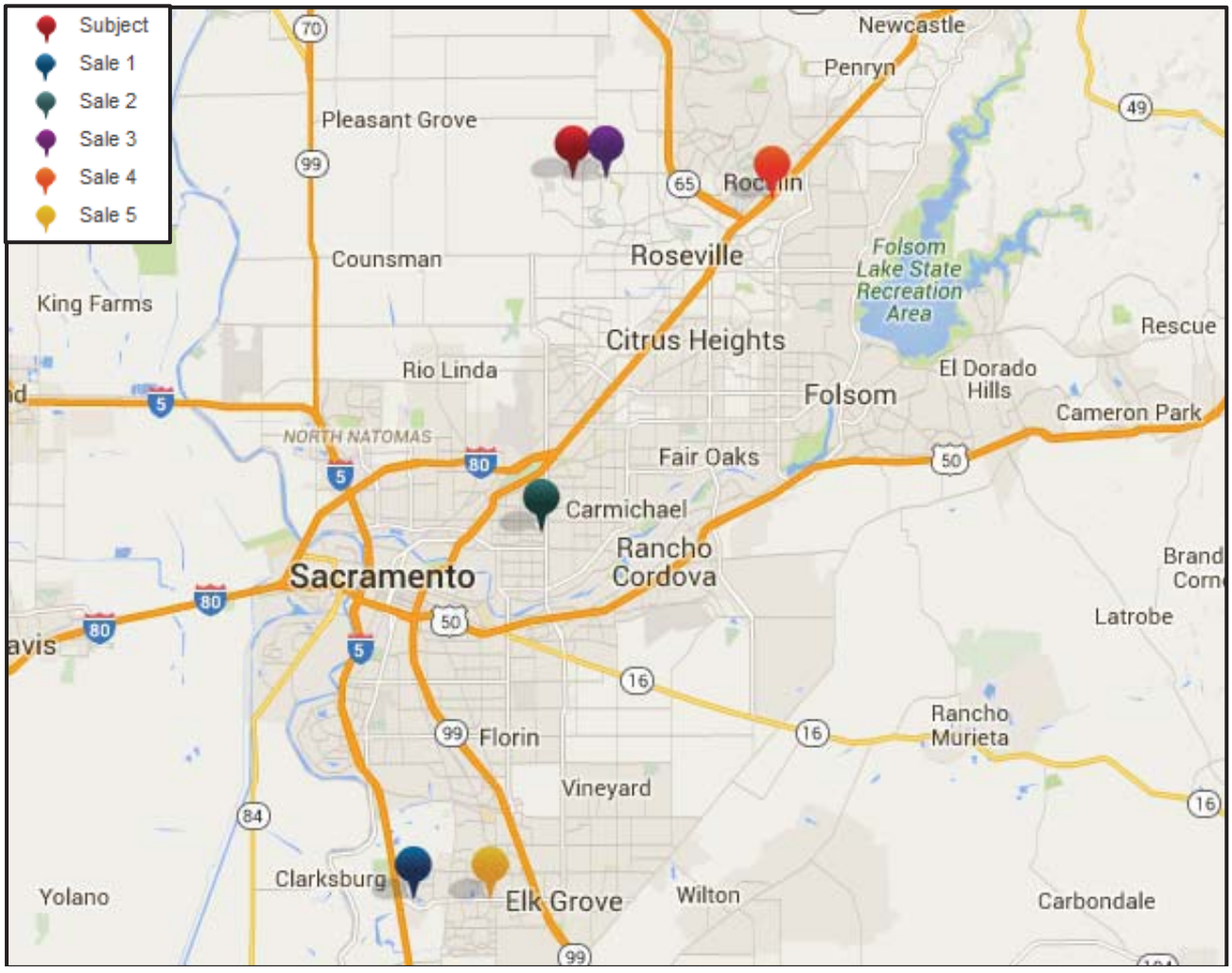
In the analysis of Parcel F-6B, only an extraction technique will be employed, as noted previously.

Sales Comparison Approach – Parcel F-8A

An array of multifamily land sales in the region is presented on the next page, along with a location map, sales sheets, an adjustment grid, and our conclusion of value via the sales comparison approach.

COMPARABLE MULTIFAMILY RESIDENTIAL LAND SALES

No.	Location	Sale Date	Sale Price	Land Area Acre/SF	# Units	Price per Unit	PV Bonds Per Unit	Total Consid. Per Unit
1	SWC Harbour Point Dr. & Maritime Dr. Elk Grove APN: 119-1920-017, -018	Oct-15	$725,000	3.05 132,858	63	$11,508	$1,355	$12,863
2	2134 Butano Drive Sacramento APN: 279-0110-061	Apr-15	$3,000,000	5.16 224,770	148	$20,270	$0	$20,270
3	N/S Blue Oaks Blvd., E/O Fiddyment Rd. Roseville APN: 017-117-047	Sep-14	$4,000,000	12.62 549,727	300	$13,333	$7,835	$21,168
4	SWC Aguilar Rd. & China Garden Rd. Rocklin APN: 045-110-063	Sep-14 (contract)	$775,000 (approximate)	3.44 149,846	49	$15,816	$0	$15,816
5	7015 Elk Grove Boulevard Elk Grove APN: 116-1560-004	Mar-14	$630,000	3.00 130,680	60	$10,500	$1,575	$12,075

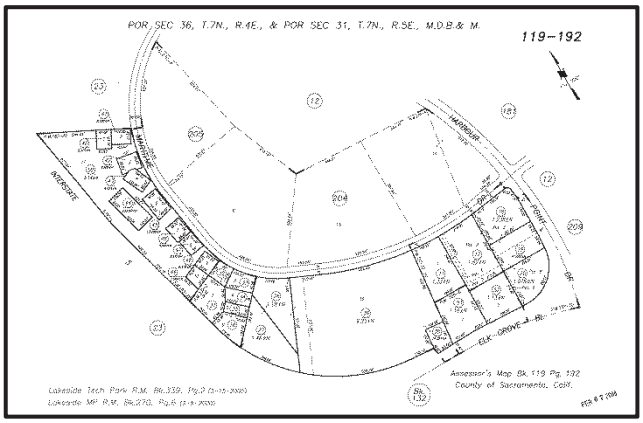


COMPARABLE 1

Property Identification

Southwest corner of Harbour Point Drive
& Maritime Drive
Elk Grove, CA 95758
Sacramento County

APN: 119-1920-017 & -018



Sale Data

Grantor	Samara Baveljit S & B K Trust
Grantee	Dhir Capital, Inc.
Sale Date	10/30/2015
Deed Book Page	201508101003
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$725,000
PV of Bonds	$85,347

Land Data

Land Area (SF)	132,858
Land Area (Acres)	3.05
Zoning	RD-25 - Multiple-family Residential
Number of Units	63
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Harbour Point and Maritime Drives
Topography	Generally level
Off-site Improvements	In place
On-site Improvements	None

Indicators

Sale Price per Unit	$11,508
PV of Bonds per Unit	$1,355
Total Consideration	$12,863

Remarks

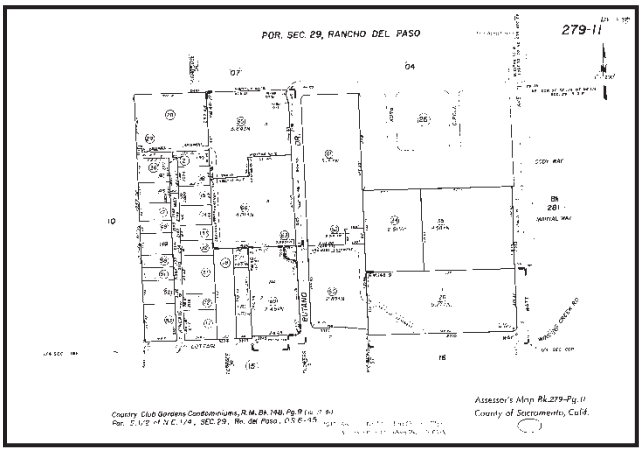
This sale consists of 3.05 acres of multifamily land in Elk Grove. The buyer acquired the property in October 2015 for $11,508 per unit, plus the assumption of bonds in the amount of $1,355 per unit. The unit count (63) was provided by the 2013-2021 Elk Grove General Plan Housing Element, which changed this site's general plan and zoning designation from commercial (C and TC, respectively) to high density residential (HDR and RD-25, respectively) with a "realistic" unit capacity of 63 units.

COMPARABLE 2

Property Identification

2134 Butano Drive
Sacramento, CA 95825
Sacramento County

APN: 279-0110-061



Sale Data

Grantor	Country Club Centre LLC
Grantee	Anton Development Company LLC
Sale Date	04/14/2015
Deed Book Page	4141252
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$3,000,000
PV of Bonds	$0

Land Data

Land Area (SF)	224,770
Land Area (Acres)	5.16
Zoning	RD-30 - Multifamily, 30 units per acre
Shape	L-shaped
Corner Orientation	No
Street Frontage	Butano Drive
Topography	Generally level
Off-Site Improvements	All to site
On-Site Improvements	None

Indicators

Sale Price per Unit	$20,270
PV Bonds per Unit	$0

Remarks

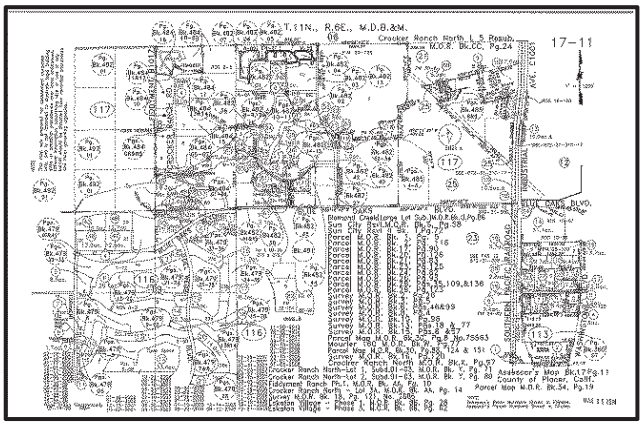
The buyer's broker indicated this site was sold for the development of a 148-unit multifamily residential project. The site has all off-site improvements in place, and is in the immediate vicinity of a Wal-Mart and a Sam's Club, as well as additional substantial commercial developments.

COMPARABLE 3

Property Identification

North side of Blue Oaks Boulevard,
east of Fiddyment Road
Roseville, CA 95747
Placer County

APN: 017-117-047



Sale Data

Grantor	West Roseville Development Company
Grantee	Central Valley Property Advisors
Sale Date	09/19/2014
Deed Book Page	64941
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$4,000,000
PV of Bonds	$2,350,500

Land Data

Land Area (SF)	549,727
Land Area (Acres)	12.62
Zoning	R-3 - Multiple-family Residential
Number of Units	300
Shape	Generally rectangular
Corner Orientation	No
Street Frontage	Blue Oaks Boulevard
Topography	Generally level
Offsite Improvements	In place
Onsite Improvements	None

Indicators

Sale Price per Unit	$13,333
PV of Bonds per Unit	$7,835
Total Consideration	$21,168

Remarks

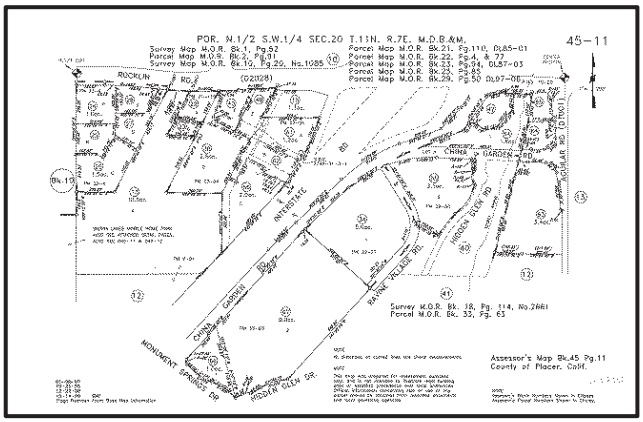
This sale consists of 12.62 acres of multifamily land in Fiddyment Ranch, along Blue Oaks Boulevard, east of Fiddyment Road. This is considered to be the best indicator of market value for the subject's multifamily component.

COMPARABLE 4

Property Identification

Southwest corner of Aguilar Road &
China Garden Road
Rocklin, CA 95677
Placer County

APN: 045-110-063



Sale Data

Grantor	Scott Cooper
Grantee	N/Av (pending)
Sale Date	09/2014 (contract)
Deed Book Page	N/Av (pending)
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$775,000 (approximate)
PV of Bonds	$0

Land Data

Land Area (SF)	149,846
Land Area (Acres)	3.44
Zoning	R-3 - Multiple-family Residential
Number of Units	49
Shape	Irregular
Corner Orientation	Yes
Street Frontage	Aguilar Road and China Garden Road
Topography	Generally level
Offsite Improvements	Partial
Onsite Improvements	None

Indicators

Sale Price per Unit	$15,816
PV of Bonds per Unit	$0

Remarks

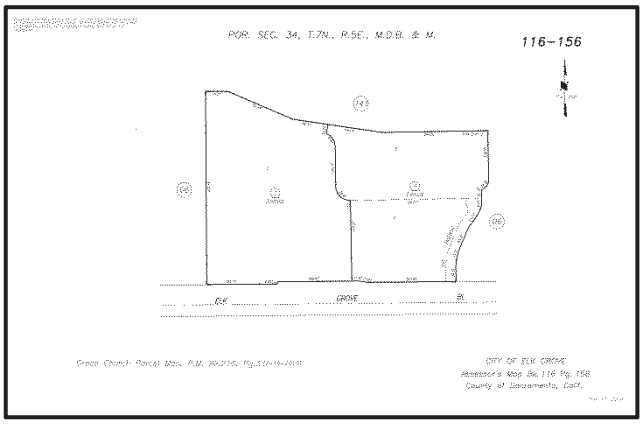
As of September 2014, this property was in contract at an approximate price of $775,000. Public records does not show a closing as of yet, and we were unable to contact parties involved in the transaction for a more current update on the status of the escrow. At the very least, the comparable represents a “meeting of the minds” between the buyer and the seller at that time.

COMPARABLE 5

Property Identification

7015 Elk Grove Boulevard
Elk Grove, CA 95758
Sacramento County

APN: 116-1560-004



Sale Data

Grantor	Pacific West Communities
Grantee	Elk Grove Pacific Associates
Sale Date	03/13/2014
Deed Book Page	201403201018
Property Rights	Fee Simple
Conditions of Sale	Market
Financing Terms	Cash Equivalent
Sale Price	$630,000
PV of Bonds	$94,500

Land Data

Land Area (SF)	130,680
Land Area (Acres)	3.00
Zoning	RD-20 – Multifamily residential, 20 units per acre
Number of Units	60
Shape	Generally rectangular
Corner Orientation	No
Street Frontage	Elk Grove Boulevard
Topography	Generally level
Off-site Improvements	In place
On-site Improvements	None

Indicators

Sale Price per Unit	$10,500
PV of Bonds per Unit	$1,575
Total Consideration	$12,075

Remarks

This property is located between a shopping center and a senior residential facility in Elk Grove. An upward adjustment is applied to account for the improvement in market conditions since the date of the transaction.

Adjustments and Conclusion

The comparable multifamily residential land transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. A discussion involving each of these factors is presented as follows:

Present Value of Bonds

Bond debt has a direct impact on the amount for which the end product will sell. In an effort to account for the impact of bond indebtedness on the sales price, we establish a present value amount for the bond encumbrance based on the annual assessment. The present value amount is based on the annual assessment payment, an interest rate of 6.0% and the remaining term of the bond. Adjustments are applied based upon the present values of the bond payments.

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 for the retail land 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. All of 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.

All of the comparable transactions were arms-length and do not require a conditions of sale adjustment.

Expenditures After Sale

This category includes all costs required after the transaction. No adjustments are required for this element of comparison.

Market Conditions

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. Sales 3 through 5, which transferred in 2014, are adjusted upward to account for the improvement in market conditions for multifamily land since the dates of these transactions. No other adjustments are applied.

Physical Characteristics

The physical characteristics of a property can impact the selling price. Those that may impact value include the following:

Location

The subject property is located in Fiddyment Ranch (West Roseville), considered a good location for the regional area. Sales 1 and 5 are located in Elk Grove, and are adjusted upward for their inferior locations. No other adjustments are applied.

Visibility/Accessibility

The visibility and accessibility of a property can have a direct impact on property value. For example, if a property is landlocked, this is considered to be an inferior position compared to a property with open accessibility. However, if a property has good visibility or is in proximity to major linkages, this is considered a superior amenity in comparison to a property with limited

visibility. The subject property has average visibility/accessibility, which is also the case for most of the comparable sales. Sales 3 and 5, however, exhibit slightly superior visibility/accessibility and are adjusted downward. No other adjustments are warranted.

Off-Site Improvements

In this portion of our analysis, the subject property is appraised as if all off-site improvements in place, and deductions for off-site costs will be applied later in this report. Sale 4 transferred with partial off-site improvements; therefore, an upward adjustment is applied to this comparable. The remaining comparables transferred with all off-site improvements in place and no adjustments are applied.

Density (Units per Acre)

The subject property is approved for about 25 units per acre. All else being equal, properties that allow for lower density development sell for less per unit than those that allow for higher density development. Sale 4, with a density of 14.4 units per acre, is adjusted upward in this category, and no other adjustments are warranted.

Site Utility

Differences in shape, contour, drainage or soil conditions can affect the utility and, therefore, the market value of the land. The subject property exhibits average site utility, with a functional shape, generally level topography and no major impediments to development. No adjustments are required in this category.

Adjustment Grid

An adjustment grid summarizing the adjustments applied is shown on the next page. It is noted that a qualitative, rather than quantitative, adjustment grid is presented, consistent with the other analyses in this appraisal report.

Elements of Comparison:	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Price per Unit (Unadjusted)		**$11,508**	**$20,270**	**$13,333**	**$15,816**	**$10,500**
PV of Bonds		$1,355	$0	$7,835	$0	$1,575
Adjustment		$1,355	$0	$7,835	$0	$1,575
Adjusted Value		**$12,863**	**$20,270**	**$21,168**	**$15,816**	**$12,075**
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment						
Adjusted Value		**$12,863**	**$20,270**	**$21,168**	**$15,816**	**$12,075**
Financing Terms	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment						
Adjusted Value		**$12,863**	**$20,270**	**$21,168**	**$15,816**	**$12,075**
Conditions of Sale	Market	Market	Market	Market	Market	Market
Adjustment						
Adjusted Value		**$12,863**	**$20,270**	**$21,168**	**$15,816**	**$12,075**
Expenditures After Sale	None	None	None	None	None	None
Adjustment						
Adjusted Value		**$12,863**	**$20,270**	**$21,168**	**$15,816**	**$12,075**
Market Conditions	Feb-17	Oct-15	Apr-15	Sep-14	Sep-14	Mar-14
Adjustment	(appraisal)			↑	↑	↑
Effective Price per Unit		**$12,863**	**$20,270**	**$21,168**	**$15,816**	**$12,075**
Physical Characteristics:						
Location	W. Roseville	Inferior	Similar	Similar	Similar	Inferior
Adjustment		↑				↑
Visibility / Accessibility	Average	Similar	Similar	Sl. Superior	Similar	Sl. Superior
Adjustment				↓		↓
Off-site Improvements	All to Site	Similar	Similar	Similar	Partial	Similar
Adjustment	(assumed)				↑	
On-site Improvements	None	None	None	None	None	None
Adjustment						
Density (Units/Acre)	25.0	20.7	28.7	23.8	14.4	20.0
Adjustment					↑	
Site Utility	Average	Similar	Similar	Similar	Similar	Similar
Adjustment						
Net Adjustment		**Upward >$12,863**	**Similar ≈$20,270**	**Similar ≈$21,168**	**Upward >$15,816**	**Upward >$12,075**

Parcel F-8A Market Value Conclusion – Sales Comparison Approach

After accounting for bonds, the unadjusted sale prices of the comparable sales ranged from $12,075 to $21,168 per unit. Given the analysis on the preceding pages, a ranking analysis of the subject property and the comparable sales is presented below:

Property	Price per Unit	Overall Similarity
Sale 5	$12,075	Inferior
Sale 1	$12,863	Inferior
Sale 4	$15,816	Inferior
Sale 2	$20,270	Similar
SUBJECT	**$21,000**	**-**
Sale 3	$21,168	Similar

The market value of Parcel F-8A is estimated to be higher than the value indicators of Sales 1, 4 and 5, and generally similar to those of Sales 2 and 3. In particular, Sale 3 represents the best indicator of value, as it is located in Fiddyment Ranch.

Given the discussion above, our conclusion of value via the sales comparison approach for Parcel F-8A, the multifamily residential parcel approved for 277 units, is as follows:

$21,000 per unit x 277 units = $5,817,000

Rd. $5,820,000

Extraction Method of Valuation

The extraction method of valuation will be employed in this section of the appraisal, to estimate the market values of the multifamily parcels F-8A (as a check of reasonableness to the sales comparison approach just presented), and F-6B. First, we will estimate the market values of completed/ stabilized projects on the subject sites, then deduct the total costs of development.

Valuation at Completion of Construction and Stabilized Occupancy

In the valuation of the subject property assuming completion of construction and stabilized occupancy, which is the first step in the extraction analysis, the income capitalization approach will be utilized, which is the most credible/reliable method of valuation for an income-producing multifamily project.

For income-producing real estate, the future earning power of the property is widely regarded as the single most critical element affecting its value. Hence, the income capitalization approach is often deemed to be the most meaningful indication of value.

We will exclusively apply the direct capitalization method of the income capitalization approach. Direct capitalization converts an estimate of a single year's net operating income into an indication of value in one direct step. This step is accomplished either by dividing the income estimate by the relevant income rate (an overall capitalization rate), or by multiplying the income estimate by a proper factor (such as a gross, effective gross or net income multiplier). We will handle direct capitalization by using an overall rate, as opposed to a multiplier.

The components of the direct capitalization method are tabulated as follows and discussed below:

- Potential Gross Income
- Vacancy and Collection Loss
- Operating Expenses
- Overall Capitalization Rate

Potential Gross Income

The potential gross income of the subject property consists of market rent. As noted in the beginning of this section, we will apply market rent conclusions ($1,436 per unit on average for the Roseville/Rocklin area, which is within the range of low- to middle-income restricted rental rates for two-bedroom units (3 person households) in West Roseville) to the moderate income units, but the restricted rents of $1,288 and $805 to the low income and very low income units, respectively.

Vacancy & Collection Loss

According to the Colliers report, the average vacancy in the Roseville/Rocklin submarket is currently about 3.6%, indicating a tight market. With an allowance also given for collection loss, we conclude a vacancy/collection loss figure of 5% in our analysis.

Operating Expenses

Typical operating expense ratios for multifamily properties in South Placer County range from 35% to 40% of effective gross income. We will utilize an operating expense ratio of 36% in our analysis.

Capitalization Rate

Based upon our market observations of capitalization rates for new multifamily product in South Placer County, we will utilize a cap rate of 5.00% for Parcel F-8A (predominately market rate units) and a higher rate of 5.50% for Parcel F-6B (all income-restricted units), which has a slightly higher level of overall risk.

Values at Stabilized Occupancy

Given the discussion above, our value conclusions for the sites assuming completion of construction and stabilized occupancy are shown below and on the following page.

PARCEL F-6B

POTENTIAL GROSS INCOME CALCULATION

Income	No. of Units	Rent per Month	Monthly Income	Annual Income
Very low income	66	$781	$51,546	$618,552
Low income	66	$1,250	$82,500	$990,000
Moderate income	63	$1,436	$90,468	$1,085,616
Total Potential Gross Income	195			$2,694,168
VACANCY AND COLLECTION LOSS	@	5%		($134,708)
EFFECTIVE GROSS INCOME				$2,559,460
OPERATING EXPENSES	@	36%	of EGI	($921,405)
NET OPERATING INCOME				$1,638,054
OVERALL CAPITALIZATION RATE				5.50%
CONCLUSION OF VALUE				$ 29,782,803
			Rd.	**$ 29,780,000**

PARCEL F-8A

POTENTIAL GROSS INCOME CALCULATION

Income	No. of Units	Rent per Month	Monthly Income	Annual Income
Moderate income	54	$1,290	$69,660	$835,920
Market rate	223	$1,436	$320,228	$3,842,736
Total Potential Gross Income	277			$4,678,656
VACANCY AND COLLECTION LOSS	@	5%		($233,933)
EFFECTIVE GROSS INCOME				$4,444,723
OPERATING EXPENSES	@	36%	of EGI	($1,600,100)
NET OPERATING INCOME				$2,844,623
OVERALL CAPITALIZATION RATE				5.00%
CONCLUSION OF VALUE				$ 56,892,457
			Rd.	**$ 56,890,000**

Construction Cost Estimate

The next step in the extraction technique is to estimate typical costs associated with the construction of apartment complexes. In developing the cost estimate, we will rely on the Residential Cost Handbook, a nationally recognized cost-estimating guide published by the Marshall & Swift Corporation. Further, the comparative-unit method will be employed in order to derive replacement costs for the subject's improvements.

The significant factors to address when considering the comparative-unit method are:

- Direct and Indirect Costs
- Accrued Depreciation
- Developer's Overhead and Profit

These components will be presented on the following pages and then reconciled at the end of this section.

Before going any further in this analysis, it is imperative to discuss what is included and what is not included in the cost indicator. These items, as stated verbatim in the Residential Cost Handbook, are tabulated as follows:

Included in the Costs

1. In the Calculator Section, the actual costs used are final costs to the owner and will include average architects and engineers fees. These, in turn, include plans, plan check and building permits, and survey to establish building lines and grades.

2. Normal interest on only the actual building funds during period of construction and processing fee for service charges is included. Typically, this will average half of the going rate over the time period plus the service fee.

3. All material and labor costs include all appropriate local, state and federal sales or GSE taxes, etc.

4. Normal site preparation including finish, grading and excavation for foundation and backfill for the structure only.

5. Utilities from structure to lot line figured for typical setback except where noted in some Unit-in-Place cost sections (mobile homes).

6. Contractor's overhead and profit including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc., are included.

Not Included in the Costs

1. Costs of buying or assembling land such as escrow fees, legal fees, property taxes, right of way costs, demolition, storm drains, or rough grading, are considered costs of doing business or land improvement costs.

2. Piling or hillside foundations are priced separately in the manual and are considered an improvement to the land. This also refers to soil compaction and vibration, terracing, etc.

3. Costs of land planning or preliminary concept and layout for large developments inclusive of entrepreneurial incentives or developer's overhead and profit are not included, nor is interest or taxes on the land, feasibility studies, certificate of need, environmental impact reports, hazardous material testing, appraisal or consulting fees, etc.

4. Discounts or bonuses paid for financing are considered a cost of doing business, as are funds for operating start up, project bond issues, permanent financing, developmental overhead for fixture and equipment purchases, etc.

5. Yard improvements including septic systems, signs, landscaping, paving, walls, yard lighting, pool or other recreation facilities, etc.

6. Off-site costs including roads, utilities, park fees, jurisdictional hookup, tap-in, impact or entitlement fees and assessments, etc.

7. Furnishings and fixtures, usually not found in the general contract, that are peculiar to a definite tenant, such as seating or kitchen equipment, etc.

8. Marketing costs to create first occupancy including model or advertising expenses, leasing or broker's commissions, temporary operation of property owners' association, fill-up or membership sales costs and fees.

The cost indicators applicable to the subject property are calculated as follows:

Buildings (Good Quality) – 6B	
Base cost (psf)*	$ 85.32
Roofing adjustment (concrete tile)	+$ 6.00
Subfloor adjustment (concrete slab)	-$ 3.59
Floor cover adjustment (allowance)	+$ 4.82
Floor insulation adjustment (moderate)	+$ 1.32
Current multiplier	x 1.00
Local multiplier	x 1.23
Indicated replacement cost (psf)	**$115.46**

*The base cost calculation assumes 12 units per building, on average, 1,100 square foot average unit size

In addition, exterior stairwells are assumed at four stairwells per building ($3,000 per stairwell), as well as appliances ($2,775 per unit).

Cost factors must also be considered for a swimming pool and clubhouse (assumed for a typical apartment project in West Roseville) and site improvements. According to the cost budgets for comparable developments, the pool is estimated to cost a total of $40,000, and a typical clubhouse would likely cost about $100,000. The site cost estimate includes site paving, parking and landscaping. Generally, site improvement costs range between $4.00 to $8.00 per square foot. A site cost estimate towards the middle of the range, or $6.00 per square foot, appears reasonable, given the topography/configuration of the sites.

In addition to the above costs, additional indirect cost items (appraisal fee, loan fee, construction interest, contingency, etc) must be incorporated, and are estimated at about 10% of direct costs.

In addition to the above indirect costs, lease-up costs must also be taken into consideration. These discounts account for the time and expense to lease the subject to a stabilized occupancy level, and consist of 1) rent loss and 2) other rent-up costs. The lease-up costs are based upon the number of vacant units anticipated at completion of construction. Previously, a stabilized vacancy/collection loss rate of 5% was utilized. As such, of the 195 (F-6B) or 277 (F-8A) units to be constructed at the

subject, approximately 95% are expected to be leased at stabilized occupancy. Prior to completion of construction, it is anticipated that the subject will be able to pre-lease a number of units. Based on the steady demand for rental units in the Roseville market area, it is expected that 40% of the units would be pre-leased.

Based on a survey of comparable projects throughout the region, and considering the specifics of the subject as proposed, it is anticipated the subject could achieve an absorption rate of 15 units per month. Rent loss is calculated based on the average potential gross income per unit achieved at stabilized occupancy.

Other rent-up costs for a project like the subject typically include marketing, advertising and rental concessions. These costs are over and above the marketing costs of a project already at stabilized occupancy. Lease-up costs can be calculated individually, or estimated in bulk. Based on the lease-up reserve expenses reported for new multifamily development within the region, a total lease-up cost of approximately $1,000 per unit is estimated. It is noted that rent-up cost is applied to both pre-leased and vacant units, as both would require this expenditure.

The total lease-up costs to be incorporated in the cost analysis are shown in the tables below and on the following page.

LEASE-UP COSTS – PARCEL F-6B

Rent Loss:						
Month 1	108	units @	$1,151	per mo. =	$ 124,308	
Month 2	93	units @	$1,151	per mo. =	$ 107,043	
Month 3	78	units @	$1,151	per mo. =	$ 89,778	
Month 4	63	units @	$1,151	per mo. =	$ 72,513	
Month 5	48	units @	$1,151	per mo. =	$ 55,248	
Month 6	33	units @	$1,151	per mo. =	$ 37,983	
Month 7	18	units @	$1,151	per mo. =	$ 20,718	
Total Rent Loss						$ 507,591
Other Rent-Up Costs						$ 195,000
Total Lease Up Costs						$ 702,591

LEASE-UP COSTS – PARCEL F-8A

Rent Loss:						
Month 1	152	units @	$1,436	per mo. =	$ 218,272	
Month 2	137	units @	$1,436	per mo. =	$ 196,732	
Month 3	122	units @	$1,436	per mo. =	$ 175,192	
Month 4	107	units @	$1,436	per mo. =	$ 153,652	
Month 5	92	units @	$1,436	per mo. =	$ 132,112	
Month 6	77	units @	$1,436	per mo. =	$ 110,572	
Month 7	62	units @	$1,436	per mo. =	$ 89,032	
Month 8	47	units @	$1,436	per mo. =	$ 67,492	
Month 9	32	units @	$1,436	per mo. =	$ 45,952	
Month 10	17	units @	$1,436	per mo. =	$ 24,412	
Total Rent Loss						$ 1,213,420
Other Rent-Up Costs						$ 277,000
Total Lease Up Costs						$ 1,490,420

Accrued Depreciation

Not applicable. The subject buildings would not be expected to suffer from any physical deterioration, functional obsolescence or external obsolescence at completion.

Developer's Incentive

According to industry sources, developer's incentive (overhead and profit) historically has ranged anywhere from 8% to 25% in the region. For purposes of this analysis, a developer's incentive of 10% for the affordable housing development (6B) and 15% for the market (partial restriction) development will be utilized.

Conclusion

Considering the components discussed on the previous pages, the estimated construction costs for a multifamily residential development are detailed on the following pages.

CONSTRUCTION COST ESTIMATE – PARCEL F-6B

MARSHALL & SWIFT COST INDICATORS

Buildings	214,500	SF	@	$115.46	/ SF =	$ 24,766,170	
Exterior Stairways	49	flights	@	$ 3,000	/ flight =	$ 147,000	
Appliances	195	units	@	$ 2,775	/ unit =	$ 541,125	
Swimming Pool						$ 40,000	
Clubhouse						$ 100,000	
Site Improvements	339,768	SF	@	$ 6.00	/ SF =	$ 2,038,608	
Total Direct Costs							$ 27,632,903
INDIRECT COSTS (EXCLUSIVE OF LEASE-UP COSTS)			@	10%	of directs		$ 2,763,290
LEASE-UP COSTS							$ 702,591
Total Indirect Costs							$ 3,465,881
Total Direct and Indirect Costs							$ 31,098,784
DEVELOPER'S INCENTIVE	@	10%					$ 3,109,878
Total Project Costs							$ 34,208,663
TOTAL PROJECT COSTS						**(Rd.)**	**$ 34,210,000**

CONSTRUCTION COST ESTIMATE – PARCEL F-8A

MARSHALL & SWIFT COST INDICATORS

Buildings	304,700	SF	@	$115.46	/ SF =	$ 35,180,662	
Exterior Stairways	69	flights	@	$ 3,000	/ flight =	$ 207,000	
Appliances	277	units	@	$ 2,775	/ unit =	$ 768,675	
Swimming Pool						$ 40,000	
Clubhouse						$ 100,000	
Site Improvements	481,774	SF	@	$ 6.00	/ SF =	$ 2,890,642	
Total Direct Costs							$ 39,186,979
INDIRECT COSTS (EXCLUSIVE OF LEASE-UP COSTS)			@	10%	of directs		$ 3,918,698
LEASE-UP COSTS							$ 1,490,420
Total Indirect Costs							$ 5,409,118
Total Direct and Indirect Costs							$ 44,596,096
DEVELOPER'S INCENTIVE	@	15%					$ 6,689,414
Total Project Costs							$ 51,285,511
TOTAL PROJECT COSTS						**(Rd.)**	**$ 51,290,000**

Conclusions of Value via Extraction

Using the income approach to value, we estimated the value of the subject property as a for-rent apartment community, assuming completion of construction and stabilized occupancy. With reference to the Residential Cost Handbook, a nationally recognized cost-estimating guide published by the Marshall & Swift Corporation, total project costs (direct costs, indirect costs and developer's profit) were also estimated. Thus, our conclusions of value for the multifamily residential parcels, via the extraction method, are as follows:

PARCEL F-6B

Value Assuming Completion	$29,780,000
Less: Total Costs To Construct	($34,210,000)
Land Value	($4,430,000)
Or:	**$0**

PARCEL F-8A

Value Assuming Completion	$56,890,000
Less: Total Costs To Construct	($51,290,000)
Land Value	**$5,600,000**

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, Parcel F-6B has restrictive affordable housing requirements as a result of the very low income rent levels. Given apartment construction costs, combined with the restrictions on the rent that can be charged, it is our opinion development of Parcel F-6B 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 Parcel F-6B. However, there is a cost involved with the sell-off of this site, as will be discussed in the next section.

With regard to Parcel F-8A, the rent levels concluded for the moderate income units were similar to those of the market rate units. In other words, the moderate income restriction is not deemed to negatively affect the value of the property. As such, a conclusion of value for Parcel F-8A is **$5,600,000, or approximately $20,217 per unit (277 units).**

Reconciliation and Final Conclusions of Value

The market value of Parcel F-8A was estimated at $5,820,000 via the sales comparison approach. The value estimated via the extraction method was $5,600,000. Both methods are very close to one another. Given the fact that we were able to confirm a reasonably good quantity and quality of multifamily land sales in the region, including a sale in Fiddyment Ranch on which we placed most reliance, most emphasis is placed on the sales comparison approach to value. As such, a final value conclusion for Parcel F-8A is **$5,820,000**.

In summary, our final value conclusions for the two multifamily residential parcels, F-6B and F-8A, are as follows:

Parcel	Value
F-6B	**$0**
F-8A	**$5,820,000**

MARKET VALUE BY OWNERSHIP

The appraised properties represent certain taxable land areas within the City of Roseville Community Facilities District No. 5 (Public Facilities). The appraised properties consist of 1,472 low density residential lots, 586 medium density residential lots, 472 high density residential units and one commercial lot. As previously discussed, the bulk of the District is held by a single owner, ATC Realty One, LLC; however, Fiddyment Ranch – Phase 2 Village F-13B1 and F-13B2 have transferred to Signature Homes and will be valued separately.

FIDDYMENT 116 LOTS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (D/B/A SIGNATURE HOMES)

In light of the fact Phase 2 Village F-13B1 and F-13B2 contain 116 lots that could sell in bulk to one buyer within 12 months, no discounting is necessary. Therefore, the market value for the component of the District held by Signature Homes is commensurate with the value in bulk derived in the Conclusion of Residential Lot Component section presented previously, which is restated as follows:

Larger Parcel Designation	Typical Lot Size (SF)	Land Use	Benchmark Value	Lot Size Adjustment	Adjusted Lot Value	No. of Lots	Value in Bulk
Phase 2							
F-13B-1	5,250	LDR	$109,000	$0	$109,000	75	$8,175,000
F-13B-2	5,250	LDR	$109,000	$0	$109,000	41	$4,469,000
					Total	**116**	**$12,644,000**

ATC REALTY ONE, LLC

In this section, the previously concluded market values, by land use, will be considered in the market value in bulk of this largest land owner. Due to the number of components, a discounted cash flow analysis (subdivision development method) is the most appropriate technique of arriving at the bulk market value for the subject property.

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 for the subject's various components (LDR, MDR, HDR and commercial) lots. For the reader's reference, a summary of the revenue component is as follows:

Parcel	No. of Lots/Units	Value
LDR Parcels	1,356	**$151,025,000**
MDR Parcels	586	**$36,873,070**
HDR Parcels	472	**$5,820,000**
Commercial Parcel	1	**$1,420,000**

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 single-family residential land (LDR and MDR lots) 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, one 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, but also considering the remaining backbone infrastructure requirements, it is anticipated the disposition of the residential land could occur over six years. For the reader's reference, a summary of remaining backbone infrastructure improvements and related timing (based upon input from the civil engineer for Fiddyment Ranch) is presented as follows:

- Year 1: 25% of costs, including Phase 2 of Hayden Parkway, off-site sewer and siphon, off-site drain
- Year 2: 10% of costs, including Phase 2 of Holt Parkway, Crawford Parkway, other miscellaneous roads
- Year 3: 10% of costs, including completion of Phase 2 of Holt Parkway and Crawford Parkway, other miscellaneous roads
- Year 4: 35% of costs, including Hayden Bridge, Blue Oaks Boulevard improvements, and remainder of Hayden Parkway
- Year 5: 10% of costs, including Phase 3 of Holt Parkway and Crawford Parkway extension

- Year 6: Final 10% of costs, including completion of Phase 3 of Holt Parkway and Crawford extension

The 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 evenly over the respective absorption periods. Additionally, sales are not expected to commence until Year 2 of the analysis, given required infrastructure.

The subject also includes a commercial parcel of 4.84 acres. While this site is expected to receive adequate interest from the market, development of the site 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 site will likely sell in Year 6 of the analysis.

With regard to the multifamily land component, Parcel F-8A consists of 277 units and Parcel F-6B consists of 195 units. While F-8A has a moderate income component, as shown earlier in this report, this restriction has no detrimental effect on value. Nonetheless, given its position toward the west end of the project (later stage of development), Parcel F-8A is projected to sell in Year 5 of the analysis. As noted, Parcel F-6B 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 Period 6 of the analysis, since it too is located at the western peripheries of Fiddyment Ranch and would require completion or near completion of all infrastructure improvements.

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 3% 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. 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.

Backbone Infrastructure

According to cost budgets prepared by Wood Rodgers (civil engineering firm), and via confirmation with Stephen Hicks of Bayless and Hicks, the CFD-funded and non-CFD funded infrastructure costs for CFD No. 5 are shown in the table below:

Phase	Cost
CFD-Funded Infrastructure	
First Bond Sale	
2G	$5,894,000
2H	$3,670,000
2I	$6,792,000
Dry Utilities - 2G	$264,000
Dry Utilities - 2H	$424,000
Dry Utilities - 2I	$589,000
Subtotal	**$17,633,000**
Subsequent Bond Sales	
Off-Site (Blue Oaks Segment #1)	$1,922,000
Portion of Phase 3A	$11,722,000
Subtotal	**$13,644,000**
Total of CFD-Funded Infrastructure	**$31,277,000**
Non-CFD Funded Infrastructure	
2F	$490,000
2G	$2,683,000
2H	$1,365,000
2I	$173,000
2J	$473,000
Por. Phase 3A	$12,210,000
Phase 3B	$768,000
Tree Mitigation & Fencing	$3,561,000
Dry Utilities - Blue Oaks	$412,000
Dry Utilities - Phase 3A	$1,329,000
Subtotal	**$23,464,000**
GRAND TOTAL	**$54,741,000**

As shown, the total cost of all remaining backbone infrastructure associated with the subject property is $54,741,000. The combined value of the District, by ownership, as will be shown in the discounted cash flow analysis that follows, is $82,134,000 [$12,644,000 (Signature Homes' component) + $69,490,000 (ATC Realty One, LLC)]. Imputing a value to lien ratio of 3:1, the expected bond size for CFD No. 5 is $27,378,000 ($82,134,000 ÷ 3). Then, assuming that approximately 85% of the total bond size could be used to fund the infrastructure costs, the resultant monies available are $23,271,300 (85% x $27,378,000). However, the Fiddyment Ranch CFD No. 1 bond must be paid off first, at an amount of $16,670,944 (according to Willdan Financial Services, the Bond administrator). As such, the remaining bond proceeds available from CFD No. 5 are $6,600,356 ($23,271,300 - $16,670,944). Subtracting this figure from the total backbone infrastructure costs of $54,741,000 yields a remaining developer cost obligation of $48,140,644.

These costs are distributed by considering the engineer's estimates (by percentage) discussed earlier in this section.

Roseville Electric Deposit

According to the civil engineer with Wood Rodgers, a portion of the dry utility costs of $7.4 million are payable to Roseville Electric at recordation of final map. Roseville Electric designs, installs and supplies electric facilities, including streetlights. The timing of this expenditure is set to generally coincide with the sales of the LDR lots, which is the major component driving the build-out/sell-off of the subject property. It is also noted these costs are already included in the in-tract costs estimates of $38,000 and $35,000 per lot for the LDR and MDR lots, respectively. Additionally, while some of the dry utility costs may be reimbursable by PG&E (but not by Roseville Electric), this reimbursement is considered highly speculative and would not necessarily be recognized by potential buyers of the parcel(s) in question.

Property Taxes and Assessments

Ad valorem real estate taxes are estimated based on a 1.105482% 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/unit and annual taxes per commercial acre. First, we estimated the total aggregate revenue allocation between the LDR, MDR, commercial and HDR components, then we multiplied each allocation percentage by the total tax obligation, and then divided this number by the number of lots/units 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, we array the annual total maximum special tax payments for the various components as follows:

FISCAL YEAR 2016/2017

Fiddyment Ranch CFD No. 5	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre***
LDR	$1,723 per lot
MDR	$1,325 per lot
HDR (market rate)	$663 per unit
HDR (affordable)	$331 per unit
Commercial	$6,625 per acre

* maximum

FISCAL YEAR 2016/2017

Fiddyment Ranch CFD No. 2	
Proposed Land Use	**Special Tax Per Lot/Unit/Acre***
LDR	$583 to $633 per lot
MDR	$583 to $633 per lot
HDR (market rate)	$95 per unit
HDR (affordable)	None levied (undeveloped)
Commercial	$1,234 per acre

* maximum

It is noted Fiddyment Ranch CFD #5 has an annual maximum escalation of 2%, while Fiddyment Ranch CFD #2 has a maximum escalation at 4% per year.

There is no payment for City of Roseville Municipal Services CFD #3, since the lots are undeveloped (this tax is assessed at building permit) and a master developer would not be obligated for this expense.

Net Cost of Sale (Income-Restricted Parcel)

As noted throughout this report, Parcel F-6B is 100% designated for income-restricted for-rent units. Given that the cost of construction exceeds the value upon completion/stabilized occupancy, there is no value to this parcel. In fact, there is a net cost to the property owner, as development of the Fiddyment Ranch project requires construction of affordable housing at some point. Our analysis of Parcel F-6B in the previous section showed a "value" of negative $4,430,000, which is about *negative* $22,718 per unit. This valuation, however, is somewhat speculative since it requires a number of inputs with regard to revenues and costs associated with a proposed project. We would

expect the owner to be required to pay a buyer to take ownership of the site. This assertion is supported by a recent transaction within the adjacent Westpark Community in West Roseville, where the developer paid $3.5 million to St. Anton Partners to acquire an affordable multifamily residential site. This transaction better represents a "market" sale that reflects actual buyer-seller transactions of this property type, and is a more reliable indicator of value than an extraction analysis. A figure of **$3.5 million** is reflected as a cost in the final period of the analysis, when the site is sold (and coincides with the timeline of expected backbone infrastructure completion).

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 production 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 Survey[11], discount rates for land development projects ranged from 10.00% to 20.00%, with an average of 16.0% during the Fourth Quarter 2016, which is up 50 basis points from the Second Quarter 2016 (15.5%) and the Fourth Quarter 2015, the last time the survey was conducted. These rates are free-and-clear of financing, are inclusive of developer's profit, and assume entitlements are in place. The surveyed investors "unanimously forecast property values in the national development land market to increase" over the next 12 months. "Their expected appreciation rate ranges up to 10% and averages 5.6% - slightly below the rate six months ago (5.9%)."

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

[11] PwC Real Estate Investor Survey, PricewaterhouseCoopers, 4th Quarter 2016, Volume 29, Number 4.

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.

> Surveyed investors remain divided when asked which property sector presents the best opportunity for development land investing in the near term. While some believe that undeveloped residential land represents the best prospects for investing, a few others feel that land readied for retail development stands as the best opportunity for investors…While investors may be divided when it comes to which land type to pursue, they unanimously see positive opportunities over the near term and are eager to partake…Within the commercial real estate (CRE) industry, Reis reports that construction activity across all major property types continues to increase, fueled by the ongoing recovery in the economy and CRE fundamentals…Total spending on U.S. private construction was up 8.5% on a year-over-year basis in March 2016, according to the U.S. Census Bureau. When looking at private spending, private residential construction was up 7.8%, while private non-residential spending was up 9.3%...Over the next 12 months, all investor participants except one foresee development land values to increase…(Second Quarter 2016)
>
> First, investors and developers are increasingly looking for development opportunities throughout the commercial real estate (CRE) industry – in both established sectors, like apartments, as well as in niche sectors, like data centers housing. And second, rising construction and land costs will likely keep the development cycle "in check," helping sustain the industry's recovery. Even though development ranks as the second preferred investment category/ strategy… only three of the five main CRE property types reported development prospects ratings higher than last year's report… retail, office and industrial. The apartment sector's score slipped slightly this year, while the hotel sector's rating decreased the most. Outside the traditional CRE property sectors… respondents felt that development prospects in 2016 were best for 1) urban mixed-use properties, 2) data centers, 3) master-planned communities, 4) self-storage, and 5) infrastructure. (Fourth Quarter 2015)
>
> Of the four main property types covered in our Survey, three of them are expected to positively move along the real estate cycle, shifting mainly into either expansion or recovery, which will provide development opportunities. The one exception is the national multifamily sector, where many metros are expected to move into contraction by year-end 2015… Over the next 12 months, all investor participants expect one foresee development land values to increase. Appreciation ranges up to 15.0% and averages 5.2%. (Second Quarter 2015)
>
> 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)

Information for a developing in-house database of project yield rates is presented in the following table. It is noted the preceding survey related to production home developments at the land stage.

Data Source	Yield / IRR Expectations (Inclusive of Profit)
PwC Real Estate Investor Survey - Fourth Quarter 2016 (updated semi-annually)	Range of 10.0% to 20.0%, with an average of 16.0%, inclusive of profit and assuming entitlements in place, for land development (national average)
National Builder	20% to 25% for entitled lots
Regional Builder	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%.
National Builder	18% minimum, 20% target
Developer	Minimum IRR of 20-25%; for an 8 to 10 year cash flow, mid to upper 20% range
Developer	25% IRR for land development is typical (no entitlements); slightly higher for properties with significant infrastructure costs
Land Management Company	20% to 30% IRR for land development deals on an unleveraged basis
Land Developer	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
Land Developer	18% to 22% for land with some entitlements, unleveraged. 30% for raw unentitled
Real Estate Consulting Firm	Low 20% range yield rate required to attract capital to longer-term land holdings
Land Developer	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%.
Regional Builder	10% discount rate excluding profit for single-family subdivisions
National Builder	10% to 40% for single-family residential subdivisions with 1-2 year development timelines
Regional Builder	15% to 20% IRR
Regional Builder	No less than 20% IRR for land development, either entitled or unentitled
Land Developer	20% to 30% for an unentitled property; the lower end of the range would reflect those properties close to tentative maps
Regional Builder	No less than 30% when typical entitlement risk exists

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 lots;
- 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. In addition, there is risk associated with unforeseen factors such as broad economic declines and job losses. Finally, there remains a significant amount of backbone infrastructure and in-tract improvements to be completed during the sell-off period; additionally, the sell-off period (six years) is considered somewhat protracted, which increases overall risk. Considering these factors, and the positive and negative characteristics previously described, we estimate a discount rate of **16%**.

Conclusion

The discounted cash flow analysis (subdivision development method) is presented below.

INPUTS

Number of LDR Lots	1,356
Total LDR Revenue	$151,025,000
Total LDR Revenue per Lot	$111,375
Number of MDR Lots	586
Total MDR Revenue	$36,873,070
Total MDR Revenue per Lot	$62,923
Number of Commercial Lots	1
Commercial Acreage	4.84
Total Commercial Revenue	$1,420,000
Total Commercial Revenue per Acre	$293,388
Number of HDR Units - Parcel 8A	277
Total HDR Value - Parcel 8A	$5,820,000
HDR Value per Unit - Parcel 8A	$21,011
Number of HDR (No Value) Units - Parcel 6B	195
Total HDR (Affordable) Revenue - Parcel 6B	$0
Total HDR (Affordable) Revenue per Unit (Parcel 6B)	$0
Revenue Appreciation	3% annual
General & Administrative	2.0%
Marketing and Commissions	2.0%
Backbone Infrastructure	$54,741,000
Anticipated CFD Bond Proceeds (net of CFD 1 payoff)	$6,600,356
Remaining Developer Cost Obligation	$48,140,644

Ad Valorem Tax Table

Annual Increase in Property Taxes		2%
First Year Annual Taxes/LDR Lot	$	437
First Year Annual Taxes/MDR Lot	$	249
First Year Annual Taxes per Commercial Acre	$	1,230
First Year Annual Taxes per HDR Unit	$	86

LDR Lots		Max. Escalation
Fiddyment CFD #5 Direct Charge	$1,723 per lot per year	2%
Fiddyment CFD #2 Direct Charge	$583 per lot per year	4%
MDR Lots		
Fiddyment CFD #5 Direct Charge	$1,325 per lot per year	2%
Fiddyment CFD #2 Direct Charge	$583 per lot per year	4%
Commercial Lots		
Fiddyment CFD #5 Direct Charge	$6,625 per acre per year	2%
Fiddyment CFD #2 Direct Charge	$1,234 per acre per year	4%
HDR (Market) Units		
Fiddyment CFD #5 Direct Charge	$663 per unit per year	2%
Fiddyment CFD #2 Direct Charge	$95 per unit per year	4%
HDR (Affordable) Units		
Fiddyment CFD #5 Direct Charge	$331 per unit per year	2%
Fiddyment CFD #2 Direct Charge	$0 per unit per year	4%

REVENUE, EXPENSES AND VALUATION

LDR REVENUE **Year:**	**1**	**2**	**3**	**4**	**5**	**6**	**Total**
Sales (Lots):	0	305	305	305	305	136	1,356
End of Period Inventory	1,356	1,051	746	441	136	0	
Total Period Inventory	1,356	1,356	1,051	746	441	136	
LDR Revenue Unappreciated	$ -	$ 33,969,487	$ 33,969,487	$ 33,969,487	$ 33,969,487	$ 15,147,050	$ 151,025,000
LDR Revenue Appreciated	*$ -*	*$ 34,988,572*	*$ 36,038,229*	*$ 37,119,376*	*$ 38,232,957*	*$ 17,559,583*	*$ 163,938,717*
MDR REVENUE							
Sales (Lots):	0	117	117	117	117	118	586
End of Period Inventory	586	469	352	235	118	0	
Total Period Inventory	586	586	469	352	235	118	
MDR Revenue Unappreciated	$ -	$ 7,362,029	$ 7,362,029	$ 7,362,029	$ 7,362,029	$ 7,424,953	$ 36,873,070
MDR Revenue Appreciated	*$ -*	*$ 7,582,890*	*$ 7,810,377*	*$ 8,044,688*	*$ 8,286,029*	*$ 8,607,555*	*$ 40,331,539*
COMMERCIAL REVENUE							
Sales (Acres)	0.00	0.00	0.00	0.00	0.00	4.84	4.84
End of Period Inventory	4.84	4.84	4.84	4.84	4.84	0.00	
Total Period Inventory (acres)	4.84	4.84	4.84	4.84	4.84	4.84	
Total Period Inventory (lots)	1	1	1	1	1	1	
Commercial Revenue Unappreciated	$ -	$ -	$ -	$ -	$ -	$ 1,420,000	$ 1,420,000
Commercial Revenue Appreciated	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 1,646,169*	*$ 1,646,169*
HDR REVENUE - PARCEL F-8A							
Sales (Units):	0	0	0	0	277	0	277
End of Period Inventory	277	277	277	277	0	0	
Total Period Inventory	277	277	277	277	277	0	
HDR Revenue Unappreciated	$ -	$ -	$ -	$ -	$ 5,820,000	$ -	$ 5,820,000
HDR Revenue Appreciated	*$ -*	*$ -*	*$ -*	*$ -*	*$ 6,550,461*	*$ -*	*$ 6,550,461*
HDR REVENUE - PARCEL F-6B							
Sales (Units):	0	0	0	0	0	195	195
End of Period Inventory	195	195	195	195	195	0	
Total Period Inventory	195	195	195	195	195	195	
HDR Revenue Unappreciated	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HDR Revenue Appreciated	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
TOTAL REVENUE	$ -	$ 42,571,462	$ 43,848,606	$ 45,164,064	$ 53,069,448	$ 27,813,307	$ 212,466,887

(continued on next page)

EXPENSES	All Categories											
	General & Administrative		$ (708,223)	$ (708,223)	$ (708,223)	$ (708,223)	$ (708,223)	$ (708,223)	$ (4,249,338)			
	Marketing/Commissions		$ -	$ (851,429)	$ (876,972)	$ (903,281)	$ (1,061,389)	$ (556,266)	$ (4,249,338)			
	Backbone Infrastructure		25%	10%	10%	35%	10%	10%	100%			
			$ (12,035,161)	$ (4,814,064)	$ (4,814,064)	$ (16,849,225)	$ (4,814,064)	$ (4,814,064)	$ (48,140,644)			
	LDR Only											
	Ad Valorem Taxes		$ (592,740)	$ (604,595)	$ (477,978)	$ (346,054)	$ (208,662)	$ (65,636)	$ (2,295,665)			
	Fiddyment CFD #5 Direct Charge		$ (2,336,388)	$ (2,383,116)	$ (1,884,032)	$ (1,364,032)	$ (822,478)	$ (258,717)	$ (9,048,764)			
	Fiddyment CFD #2 Direct Charge		$ (790,548)	$ (822,170)	$ (662,732)	$ (489,224)	$ (300,774)	$ (96,466)	$ (3,161,914)			
	MDR Only											
	Ad Valorem Taxes		$ (145,824)	$ (148,740)	$ (121,424)	$ (92,955)	$ (63,299)	$ (32,420)	$ (604,661)			
	Fiddyment CFD #5 Direct Charge		$ (776,450)	$ (791,979)	$ (646,531)	$ (494,947)	$ (337,042)	$ (172,623)	$ (3,219,572)			
	Fiddyment CFD #2 Direct Charge		$ (341,638)	$ (355,304)	$ (295,739)	$ (230,840)	$ (160,276)	$ (83,698)	$ (1,467,495)			
	Commercial Only											
	Ad Valorem Taxes		$ (5,952)	$ (6,071)	$ (6,192)	$ (6,316)	$ (6,443)	$ (6,571)	$ (37,545)			
	Fiddyment CFD #5 Direct Charge		$ (32,065)	$ (32,706)	$ (33,360)	$ (34,028)	$ (34,708)	$ (35,402)	$ (202,270)			
	Fiddyment CFD #2 Direct Charge		$ (5,973)	$ (6,211)	$ (6,460)	$ (6,718)	$ (6,987)	$ (7,267)	$ (39,616)			
	HDR Units (F-8A)											
	Ad Valorem Taxes		$ (23,684)	$ (24,158)	$ (24,641)	$ (25,134)	$ (25,636)	$ -	$ (123,252)			
	Fiddyment CFD #5 Direct Charge		$ (183,651)	$ (187,324)	$ (191,071)	$ (194,892)	$ (198,790)	$ -	$ (955,727)			
	Fiddyment CFD #2 Direct Charge		$ (26,315)	$ (27,368)	$ (28,462)	$ (29,601)	$ (30,785)	$ -	$ (142,531)			
	HDR Units (Affordable)											
	Fiddyment CFD #5 Direct Charge		$ (64,545)	$ (65,836)	$ (67,153)	$ (68,496)	$ (69,866)	$ (71,263)	$ (407,158)			
	Fiddyment CFD #2 Direct Charge		$ -	$ -	$ -	$ -	$ -	$ -	$ -			
	Net Cost of Sale		$ -	$ -	$ -	$ -	$ -	$ (3,500,000)	$ (3,500,000)			
TOTAL EXPENSES			$ (18,069,156)	$ (11,829,294)	$ (10,845,033)	$ (21,843,966)	$ (8,849,423)	$ (10,408,617)	$ (81,845,490)			
NET INCOME			$ (18,069,156)	**$ 30,742,169**	**$ 33,003,573**	**$ 23,320,098**	**$ 44,220,024**	**$ 17,404,689**	$ 130,621,397			
PRESENT VALUE FACTOR @		**16.00%**	0.86207	0.74316	0.64066	0.55229	0.47611	0.41044				
DISCOUNTED CASH FLOW			**$ (15,576,859)**	**$ 22,846,439**	**$ 21,143,992**	**$ 12,879,483**	**$ 21,053,729**	**$ 7,143,620**	**$ 69,490,405**			
NET PRESENT VALUE			**$ 69,490,405**									
CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD)									**$ 69,490,000**			

FINAL CONCLUSION OF VALUE

As a result of our analysis, it is our opinion the market value of the fee simple interest in the subject property, by ownership, in accordance with the general assumptions and limiting conditions set forth herein (pages 8 through 9), and based on an effective date of value of February 1, 2017, which was our date of inspection, is:

Ownership	Description - Fiddyment Ranch	Value by Ownership
ATC Realty One, LLC	Phase 2 Village F-13A1, -13A2, F-7A, F-7B, F-8C, F-8D, F-9B, F-9C, F-9D, F-11A1, F-11A2, F-11A3 and F-12 Phase 3 Village F-6A1, F-6A2, F-10A, F-10B, F-10C, F-6C1, F-6C2, F-8B and F-11B F-6D (Commercial), F-6B (MF), F-8A (MF)	$ 69,490,000
Fiddyment 116 Lots, LLC (d/b/a Signature Homes)	Phase 2 Village F-13B1 and F-13B2 116 Unimproved Lots	$ 12,644,000
Cumulative, or Aggregate, Value of the District*		**$ 82,134,000**

* Aggregate value ***is not*** equivalent to the market value of the combined ownership interests

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of this appraisal certain of the proceeds from the CFD No. 5 Bonds (the "Bonds") will be used to pay off the CFD No. 1 Bonds, with remaining CFD No. 5 Bond proceeds available to fund additional infrastructure improvements. The market values estimated herein are based on the hypothetical condition the CFD No. 1 Bonds have been prepaid and certain infrastructure improvements to be reimbursed by Bonds were in place as of the date of value. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the Bonds.

EXPOSURE AND MARKETING TIME

Exposure time and marketing time may or may not be similar depending on whether market activity in the immediate future continues in the same manner as in the immediate past. Indications of the exposure time associated with the market value estimate are provided by the marketing times of sale comparables, interviews with participants in the market and analysis of general economic conditions. Estimation of a future marketing time is more difficult, requiring forecasting and analysis of trends.

Exposure Time

Exposure time is the period a property interest 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. For a complete definition of exposure time, please reference the Glossary of Terms in the Appendix.

In attempting to estimate a reasonable exposure time for the subject property, we looked at both the historical exposure times of a number of sales, as well as current and past economic conditions. Based on a survey of market participants, a transfer of residential land properties in the region typically occurs within 12 months of exposure. This is substantiated by the fact most of the comparables analyzed in the *Sales Comparison Approach* transferred within 12 months of exposure. If appropriately priced, it is estimated that the transfer of this property would have occurred within 12 months of initial exposure.

Marketing Time

Marketing time is an estimate of the time to sell a property interest in real estate at the estimated market value during the period immediately after the effective date of value. A reasonable marketing time is estimated by comparing the recent exposure time of similar properties, and then taking into consideration current and future economic conditions and how they may impact marketing of the subject property.

The marketing time for the subject property is not anticipated to vary significantly from the exposure time. Thus, the marketing time is estimated at 12 months or less.

APPENDIX

A – FINAL MAP- FIDDYMENT RANCH - PHASE 2

PLACER, County Recorder
RYAN RONCO
DOC- 2016-0081859-00
OLD REPUBLIC TITLE - RECORDING ACCT
TUESDAY, SEP 27, 2016 14:57:21

MIC	$3.00	AUT	$0.00	SBS	$6.00
ERD	$0.00	RED	$0.00	MAP	$17.00
ADD	$0.00				

Ttl Pd $26.00 Rcpt # 02546550
CLK98C1382/SM/1-7

RECORDING REQUESTED BY:

Old Republic Title Company

TYPE OF MAP: Subdivision Map, City of Roseville

BOOK: DD PAGE: 73

NAME: Fiddyment Ranch – Phase 2 Village F-13B1

TOWNSHIP:	11N	RANGE:	05E	SECTION:	13
	11N		06E		18

NO. OF SHEETS: 7

FINAL MAP OF

FIDDYMENT RANCH - PHASE 2
VILLAGE F-13B1

WEST ROSEVILLE SPECIFIC PLAN PARCEL F-13B
SUBDIVISION NO. PL14-0397

BEING A PORTION OF THE DESIGNATED REMAINDER OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2 LARGE LOT SUBDIVISION", SUBDIVISION NO. 03-11, BOOK BB OF MAPS, PAGE 24, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

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AUGUST 2016

Sheet 1 of 7

1027.144

OWNER'S STATEMENT

THE UNDERSIGNED HEREBY CERTIFY THAT THEY ARE THE ONLY PERSONS HAVING ANY RECORD TITLE INTEREST IN THE REAL PROPERTY INCLUDED WITHIN THE BOUNDARIES OF THIS SUBDIVISION MAP, "FINAL MAP OF FIDDYMENT RANCH PHASE 2 – VILLAGE F-13B1" AS SHOWN UPON THIS MAP, AND DO HEREBY CONSENT TO THE PREPARATION AND RECORDING OF SAID MAP AND THAT THE CONSENT OF NO OTHER PERSON IS NECESSARY. WE HEREBY OFFER FOR DEDICATION AND DO HEREBY DEDICATE FOR SPECIFIC PURPOSES THE FOLLOWING:

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS EASEMENT FOR PUBLIC PURPOSES:

A. PUBLIC EASEMENTS FOR INSTALLATION AND MAINTENANCE OF, BUT NOT LIMITED TO, ELECTROLIERS, TRAFFIC CONTROL APPURTENANCES, WATER, SEWER, DRAINAGE AND GAS PIPES, AND FOR UNDERGROUND WIRES AND CONDUITS FOR ELECTRICAL, TELEPHONE AND TELEVISION SERVICES, TOGETHER WITH WITH ANY AND ALL APPURTENANCES PERTAINING THERETO ON, OVER, UNDER AND ACROSS LOTS B AND C, AND THOSE STRIPS OF LAND TEN (10) FEET IN WIDTH AND CONTIGUOUS TO THE WAYS, DRIVES, AND LOOP SHOWN HEREON AND DESIGNATED "10' PUE".

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED IN FEE FOR PUBLIC PURPOSES:

A. AS PUBLIC RIGHTS-OF-WAY (INCLUDING THE IMPROVEMENTS THEREON), THE STREETS SHOWN HEREON AS ADELAIDE DRIVE, ADELAIDE LOOP, CHICO DRIVE, DANWOOD DRIVE, FENCE POST WAY, HOLLIS WAY, AND SMOKEHOUSE WAY, AND LOTS B AND C.

B. LOT 'A', SHOWN HEREON, TO THE CITY OF ROSEVILLE FOR OPEN SPACE PURPOSES.

ATC REALTY ONE, LLC
A DELAWARE LIMITED LIABILITY COMPANY

BY: _____
DAVID ASH
ITS: SENIOR VICE PRESIDENT

NOTARY'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF Contra Costa) SS

ON 8th DAY OF August, 2016 BEFORE ME, Jacqueline Wiler Boucher, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED David Ash

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND: Jacqueline Wiler Boucher
PRINTED NAME: Jacqueline Wiler Boucher
MY PRINCIPLE PLACE OF BUSINESS IS IN THE COUNTY OF: Contra Costa
MY COMMISSION EXPIRES: April 5, 2019
MY COMMISSION No.: 2105829

NOTARY'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF _____) SS

ON _____ DAY OF _____, 2016 BEFORE ME, _____, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED _____

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND: _____
PRINTED NAME: _____
MY PRINCIPLE PLACE OF BUSINESS IS IN THE COUNTY OF: _____
MY COMMISSION EXPIRES: _____
MY COMMISSION No.: _____

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF FIDDYMENT RANCH PHASE 2 – VILLAGE F-13B1 AND FIND IT TO BE SUBSTANTIALLY THE SAME AS THE TENTATIVE MAP ON FILE AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND ALL APPLICABLE CITY ORDINANCES HAVE BEEN COMPLIED WITH.

MARC STOUT — DATE 9/7/16
CITY ENGINEER, CITY OF ROSEVILLE
R.C.E. #69879 EXPIRATION DATE 09/30/2016

I HEREBY STATE THAT I AM SATISFIED THAT THIS FINAL MAP OF FIDDYMENT RANCH PHASE 2 – VILLAGE F-13B1 IS TECHNICALLY CORRECT.

FOR MARC STOUT, CITY ENGINEER, CITY OF ROSEVILLE
TIMOTHY G. BLAIR, P.L.S. 8278
EXPIRATION DATE: 12/31/2017
9/7/16
DATE

PROFESSIONAL LAND SURVEYOR — TIMOTHY G. BLAIR — No. 8278 — EXP. 12/31/17 — STATE OF CALIFORNIA

CITY CLERK'S STATEMENT

I HEREBY STATE THAT THE CITY COUNCIL, CITY OF ROSEVILLE HAS APPROVED THIS FINAL MAP OF FIDDYMENT RANCH PHASE 2, VILLAGE F-13B1 AND HAS ACCEPTED ON BEHALF OF THE PUBLIC, SUBJECT TO IMPROVEMENT, LOT A AND THE RIGHTS-OF-WAY AND EASEMENTS OFFERED HEREON FOR DEDICATION.

9/9/2016
DATE

Ainie Orozco
CITY CLERK, CITY OF ROSEVILLE

BY: _____
ASSISTANT CITY CLERK

RECORDER'S STATEMENT

FILED THIS 27th DAY OF September, 2016, AT 14:57 P.M. IN BOOK DD OF MAPS, AT PAGE 73, AT THE REQUEST OF WOOD RODGERS, INC.

FEE: $ 26.00
DOCUMENT NO.: 2016-0081859

BY: Ryan Ronco
JIM MCCAULEY Ryan Ronco
COUNTY RECORDER
COUNTY OF PLACER

BY: A. McCaul
DEPUTY RECORDER

SURVEYOR'S STATEMENT

THIS FINAL MAP OF FIDDYMENT RANCH PHASE 2, VILLAGE F-13B1 WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF SIGNATURE HOMES IN AUGUST, 2015. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP; THAT ALL THE MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND WILL OCCUPY THE POSITIONS AS INDICATED, OR THAT THEY WILL BE SET BY AUGUST 31, 2018 AND THAT THE MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

WOOD RODGERS, INC.

PROFESSIONAL LAND SURVEYOR — DENNIS L. BARBER — EXP:12-31-17 — No. 8067 — STATE OF CALIFORNIA

DENNIS L. BARBER
P.L.S 8067 EXP. 12/31/2017

8/4/16
DATE

NOTES

1. ALL CURVES DIMENSIONED WITH RADIUS, DELTA, ARC LENGTH, CHORD BEARING, AND CHORD DISTANCE.
2. ALL DISTANCES SHOWN HEREON ARE EXPRESSED IN FEET AND DECIMALS THEREOF.
3. DUE TO ROUNDING THE SUM OF THE INDIVIDUAL DIMENSIONS MAY NOT EQUAL THE OVERALL DIMENSION.
4. TOTAL AREA FOR THIS "FIDDYMENT RANCH PHASE 2 – VILLAGE F–13B1" SUBDIVISION IS 23.51± ACRES, CONSISTING OF 75 RESIDENTIAL LOTS, 3 MISCELLANEOUS LOTS, 1 FUTURE DEVELOPMENT LOT, AND CREATING 1 DESIGNATED REMAINDER.
5. 5/8" REBAR CAPPED LS 8067 WILL BE SET AT ALL REAR LOT CORNERS, ALONG WITH ALL LOT LINE ANGLE POINTS OR AT 2.00 FOOT PROJECTION ALONG LOT LINES ADJACENT TO WALLS (2.00 FOOT BY 2.00 FOOT OFFSET FOR ANGLE POINTS ADJACENT TO WALLS). FRONT CORNERS WILL BE SET WITH A 1" BRASS DISK STAMPED "LS 8067" AT A 1.00 FOOT PROJECTION OF PROPERTY LINE ONTO THE SIDEWALK.

REFERENCES:

(1) BB MAPS 24 FINAL MAP OF FIDDYMENT RANCH PHASE 2 – LARGE LOT SUBDIVISION
(2) CC MAPS 21 FINAL MAP OF FIDDYMENT RANCH PHASE 2 – VILLAGE 14–D1
(3) DD MAPS 9 FINAL MAP OF FIDDYMENT RANCH PHASE 2 – VILLAGES F–9 & F–19

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE NORTH LINE OF SECTION 13, T.11N., R.5E., M.D.M. SAID BEARING IS TAKEN AS NORTH 89°26'37" EAST PER THE FINAL MAP OF FIDDYMENT RANCH PHASE 2 – LARGE LOT SUBDIVISION, FILED IN BOOK BB OF MAPS AT PAGE 24, O.R.P.C.

LEGEND

- ○ DIMENSION POINT
- ◎ SET BRASS DISK WITH PUNCH STAMPED "LS 8067" IN STANDARD CITY OF ROSEVILLE MONUMENT WELL
- ● FOUND 5/8" REBAR WITH PLASTIC CAP STAMPED "LS 7944" IN LIEU OF 5/8" REBAR WITH PLASTIC CAP STAMPED "LS 6046" PER (1).
- ⊠ FOUND 3/4" IRON PIPE WITH PLASTIC CAP STAMPED "LS 7944" PER (2).
- ◉ FOUND BRASS CAP WITH PUNCH STAMPED "7944" IN MONUMENT WELL PER (2).
- ■ FOUND BRASS DISK WITH PUNCH STAMPED "LS 6046 WR" IN MONUMENT WELL PER (1).
- ✦ FOUND SECTION CORNER AS NOTED

N.T.S. NOT TO SCALE
(OA) OVERALL DIMENSION
O.R.P.C. OFFICIAL RECORDS OF PLACER COUNTY
PUE PUBLIC UTILITY EASEMENT
(R) RADIAL BEARING
SF SQUARE FEET

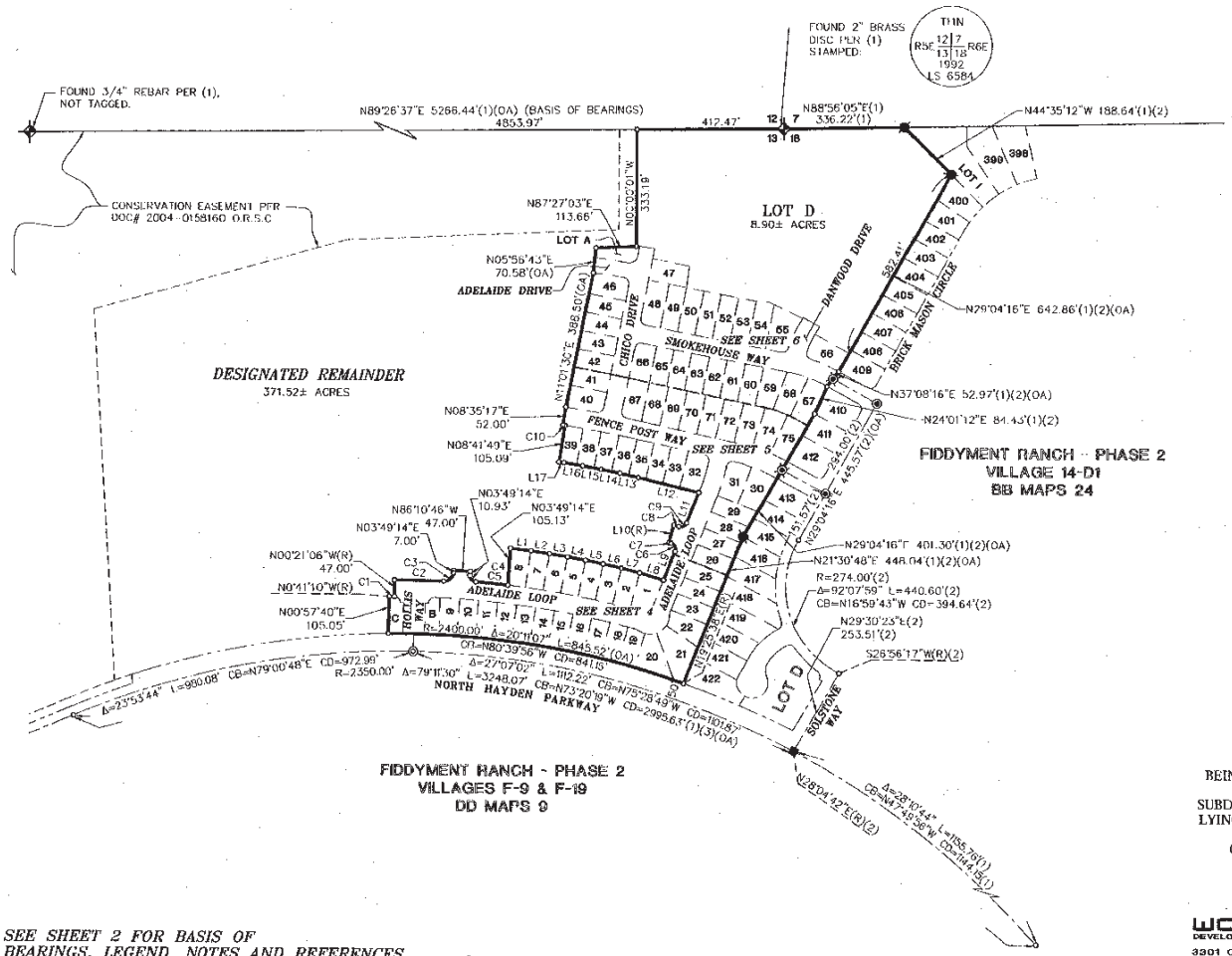
FINAL MAP OF
FIDDYMENT RANCH - PHASE 2
VILLAGE F-13B1
WEST ROSEVILLE SPECIFIC PLAN PARCEL F-13B
SUBDIVISION NO. PL14-0397
BEING A PORTION OF THE DESIGNATED REMAINDER OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2 LARGE LOT SUBDIVISION", SUBDIVISION NO. 03-11, BOOK BB OF MAPS, PAGE 24, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

AUGUST 2016

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Sacramento, CA 95816 Fax 916.341.7767

1027.144

BOUNDARY SHEET



Curve Table – This Sheet Only					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	2505.00'	0°20'03"	14.62'	N89°28'52"E	14.62'
C2	2552.00'	3°07'40"	139.31'	N88°47'16"W	139.29'
C3	26.00'	88°57'19"	40.37'	N48°17'54"E	36.43'
C4	17.00'	89°02'34"	26.42'	N40°42'03"W	23.84'
C5	2557.00'	2°01'28"	90.34'	N84°12'36"W	90.34'
C6	17.00'	95°33'30"	28.35'	N26°15'57"W	25.18'
C7	2767.00'	0°08'40"	6.98'	N74°07'02"W	6.98'
C8	2819.00'	0°18'49"	15.43'	N74°01'58"W	15.43'
C9	17.00'	84°36'39"	25.10'	N63°40'07"E	22.88'
C10	3029.00'	0°06'32"	5.75'	N81°21'27"W	5.75'

Line Table – This Sheet Only		
No.	Bearing	Length
L1	N82°42'52"W	56.35'
L2	N81°32'47"W	51.69'
L3	N80°26'02"W	51.69'
L4	N79°19'16"W	51.69'
L5	N78°12'31"W	51.69'
L6	N77°05'46"W	51.69'
L7	N75°57'54"W	53.41'
L8	N73°17'01"W	70.85'
L9	N21°30'48"E	88.44'
L10	N15°48'38"E	52.00'
L11	N21°30'48"E	93.71'
L12	N76°17'54"W	177.16'
L13	N77°28'51"W	53.56'
L14	N78°24'56"W	53.56'
L15	N79°27'54"W	53.56'
L16	N80°30'52"W	53.56'
L17	N81°33'50"W	13.46'

SEE SHEET 2 FOR BASIS OF BEARINGS, LEGEND, NOTES AND REFERENCES.

FINAL MAP OF

FIDDYMENT RANCH - PHASE 2 VILLAGE F-13B1

WEST ROSEVILLE SPECIFIC PLAN PARCEL F-13B
SUBDIVISION NO. PL14-0397

BEING A PORTION OF THE DESIGNATED REMAINDER OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2 LARGE LOT SUBDIVISION", SUBDIVISION NO. 03-11, BOOK BB OF MAPS, PAGE 24, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

AUGUST 2016

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Sacramento, CA 95816 Fax 916.341.7767

FINAL MAP OF

FIDDYMENT RANCH - PHASE 2
VILLAGE F-13B1

WEST ROSEVILLE SPECIFIC PLAN PARCEL F-13B
SUBDIVISION NO. PL14-0397

BEING A PORTION OF THE DESIGNATED REMAINDER OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2 LARGE LOT SUBDIVISION", SUBDIVISION NO. 03-11, BOOK BB OF MAPS, PAGE 24, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

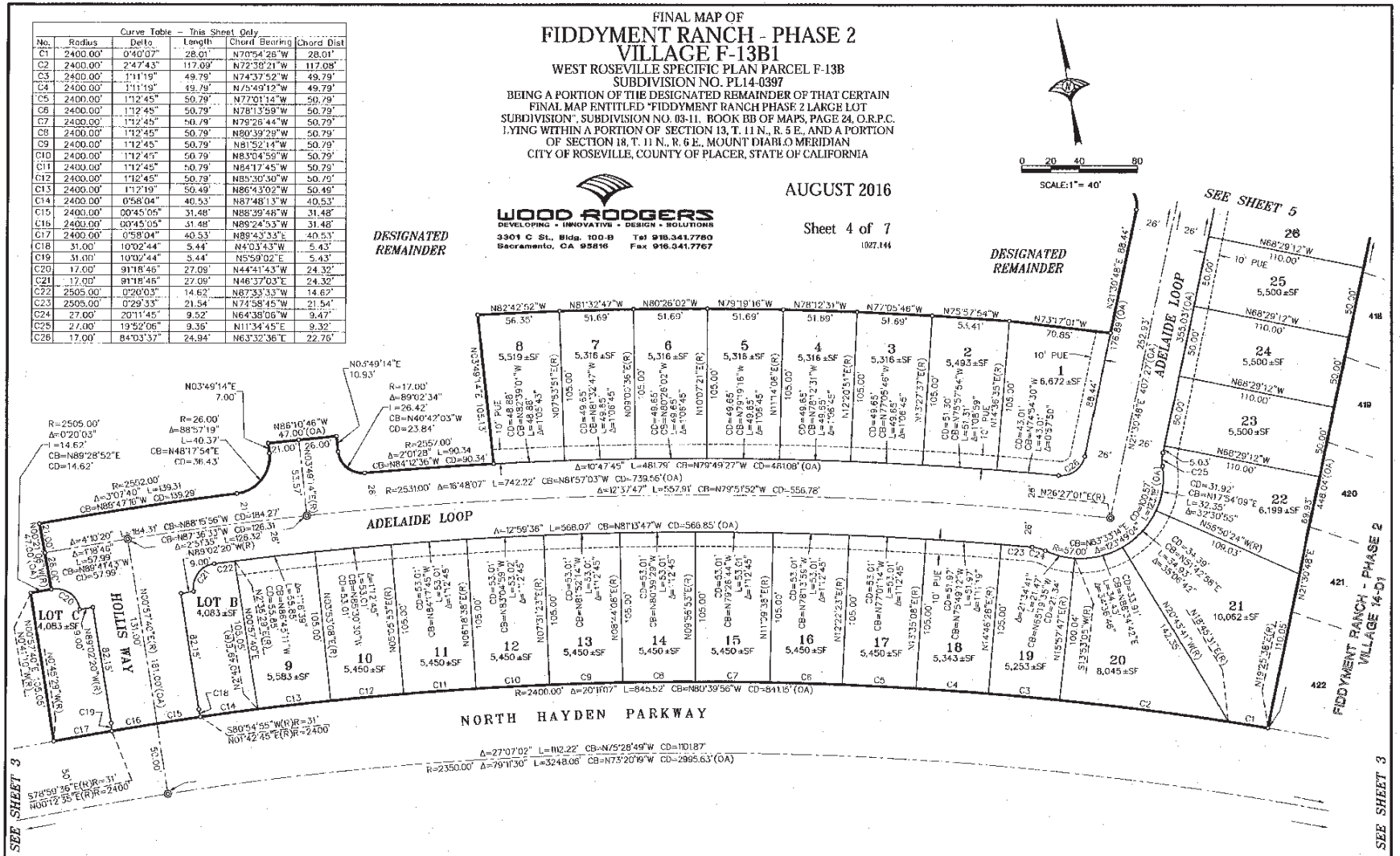
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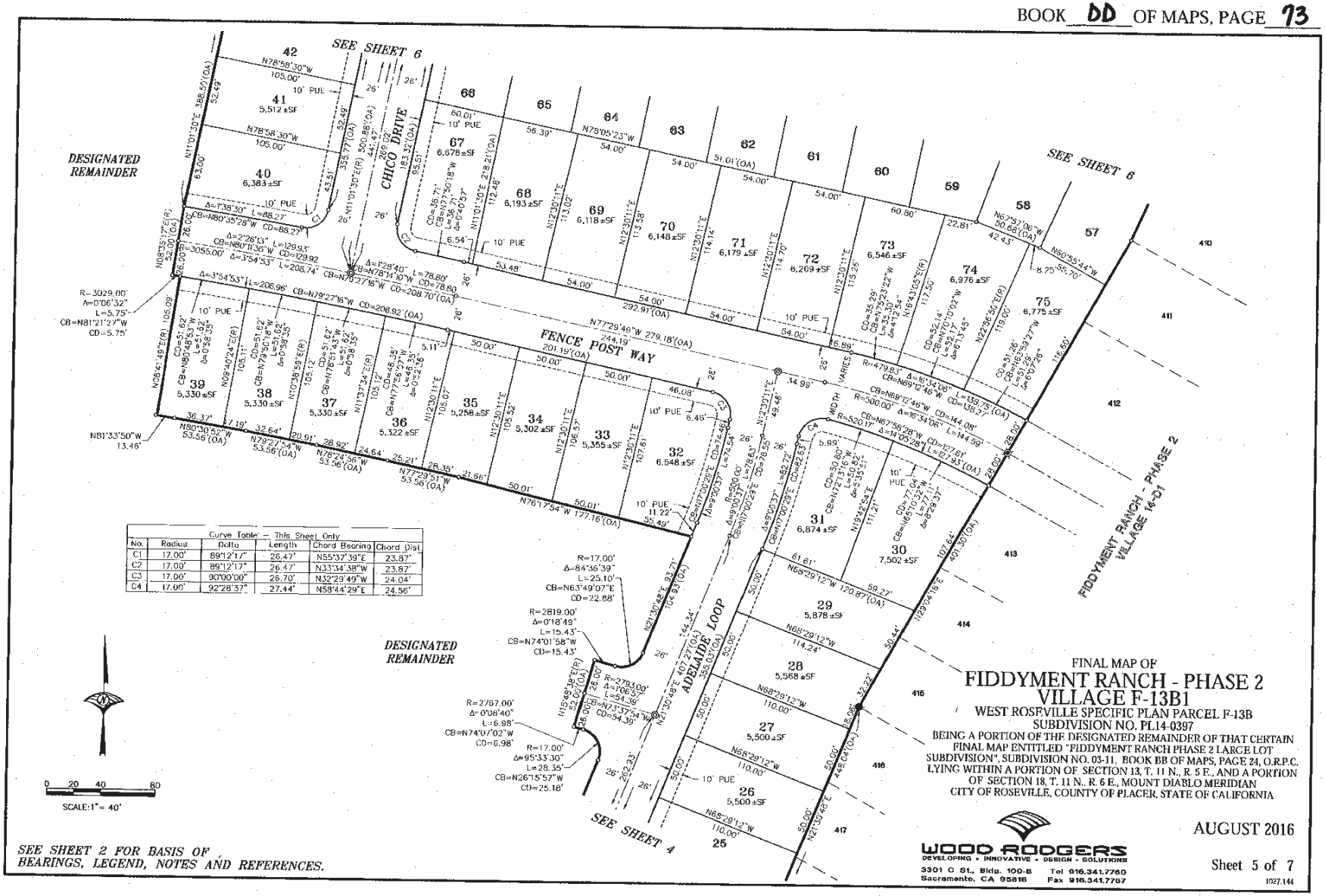
Sheet 4 of 7

1027.144

Curve Table – This Sheet Only					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	2400.00'	0°40'07"	28.01'	N70°54'26"W	28.01'
C2	2400.00'	2°47'43"	117.09'	N72°38'21"W	117.08'
C3	2400.00'	1°11'19"	49.79'	N74°37'52"W	49.79'
C4	2400.00'	1°11'19"	49.79'	N75°49'12"W	49.79'
C5	2400.00'	1°12'45"	50.79'	N77°01'14"W	50.79'
C6	2400.00'	1°12'45"	50.79'	N78°13'59"W	50.79'
C7	2400.00'	1°12'45"	50.79'	N79°26'44"W	50.79'
C8	2400.00'	1°12'45"	50.79'	N80°39'29"W	50.79'
C9	2400.00'	1°12'45"	50.79'	N81°52'14"W	50.79'
C10	2400.00'	1°12'45"	50.79'	N83°04'59"W	50.79'
C11	2400.00'	1°12'45"	50.79'	N84°17'45"W	50.79'
C12	2400.00'	1°12'45"	50.79'	N85°30'30"W	50.79'
C13	2400.00'	1°12'19"	50.49'	N86°43'02"W	50.49'
C14	2400.00'	0°58'04"	40.53'	N87°48'13"W	40.53'
C15	2400.00'	00°45'05"	31.48'	N88°39'46"W	31.48'
C16	2400.00'	00°45'05"	31.48'	N89°24'53"W	31.48'
C17	2400.00'	0°58'04"	40.53'	N89°43'33"E	40.53'
C18	31.00'	10°02'44"	5.44'	N4°03'43"W	5.43'
C19	31.00'	10°02'44"	5.44'	N5°59'02"E	5.43'
C20	17.00'	91°18'46"	27.09'	N44°41'43"W	24.32'
C21	17.00'	91°18'46"	27.09'	N46°37'03"E	24.32'
C22	2505.00'	0°20'03"	14.62'	N87°33'33"W	14.62'
C23	2505.00'	0°29'33"	21.54'	N74°58'45"W	21.54'
C24	27.00'	20°11'45"	9.52'	N64°38'06"W	9.47'
C25	27.00'	19°52'06"	9.36'	N11°34'45"E	9.32'
C26	17.00'	84°03'37"	24.94'	N63°32'36"E	22.76'



SEE SHEET 2 FOR BASIS OF BEARINGS, LEGEND, NOTES AND REFERENCES.



Curve Table – This Sheet Only					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	17.00'	89°12'17"	26.47'	N55°37'39"E	23.87'
C2	17.00'	89°12'17"	26.47'	N33°34'38"W	23.87'
C3	17.00'	90°00'00"	26.70'	N32°29'49"W	24.04'
C4	17.00'	92°28'37"	27.44'	N58°44'29"E	24.56'

SEE SHEET 2 FOR BASIS OF BEARINGS, LEGEND, NOTES AND REFERENCES.

FINAL MAP OF

FIDDYMENT RANCH - PHASE 2 VILLAGE F-13B1

WEST ROSEVILLE SPECIFIC PLAN PARCEL F-13B
SUBDIVISION NO. PL14-0397

BEING A PORTION OF THE DESIGNATED REMAINDER OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2 LARGE LOT SUBDIVISION", SUBDIVISION NO. 03-11, BOOK BB OF MAPS, PAGE 24, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., MOUNT DIABLO MERIDIAN
CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

AUGUST 2016

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FINAL MAP OF

FIDDYMENT RANCH - PHASE 2
VILLAGE F-13B1

WEST ROSEVILLE SPECIFIC PLAN PARCEL F-13B
SUBDIVISION NO. PL14-0397

BEING A PORTION OF THE DESIGNATED REMAINDER OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2 LARGE LOT SUBDIVISION", SUBDIVISION NO. 03-11, BOOK BB OF MAPS, PAGE 24, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., MOUNT DIABLO MERIDIAN CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

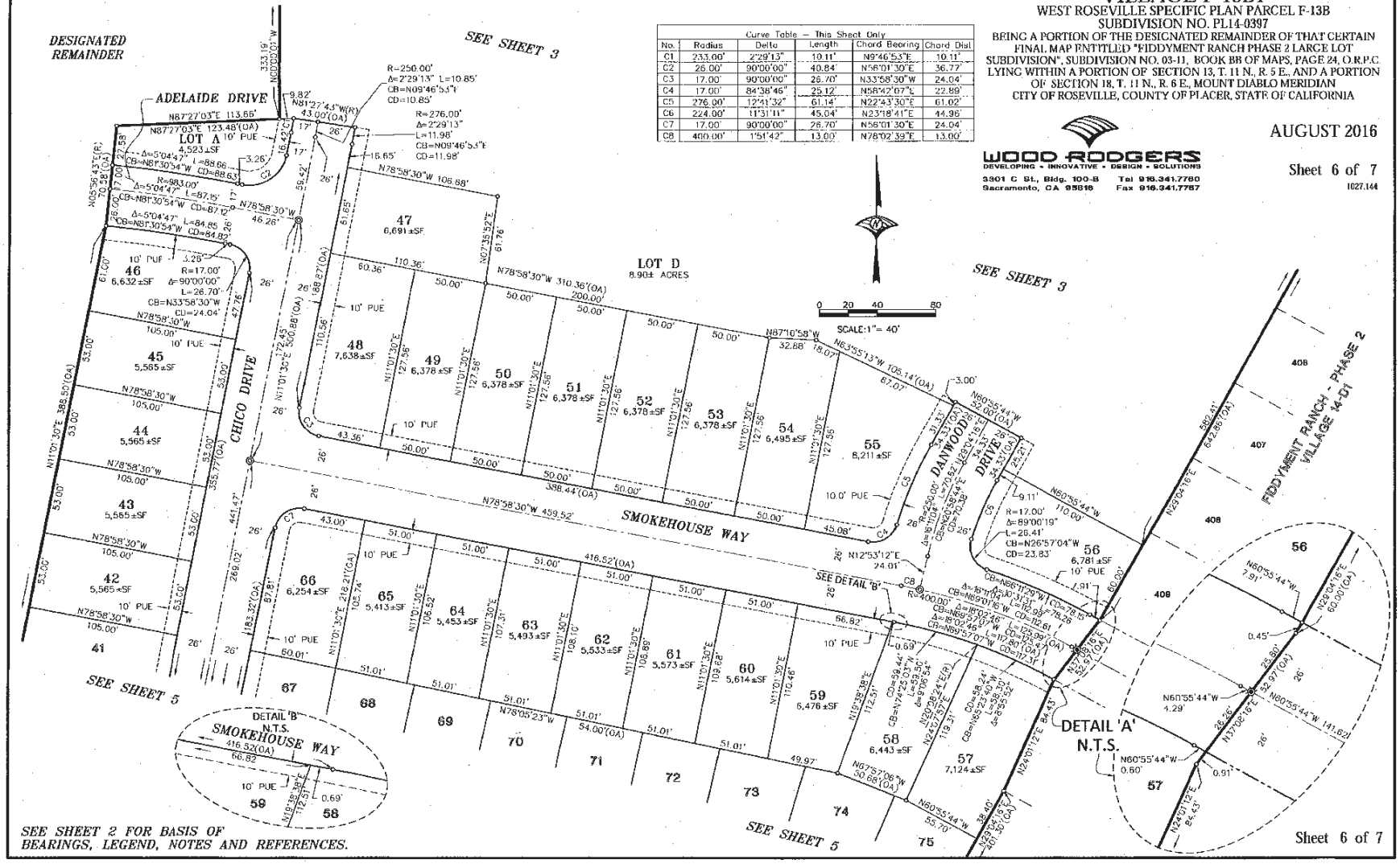
AUGUST 2016

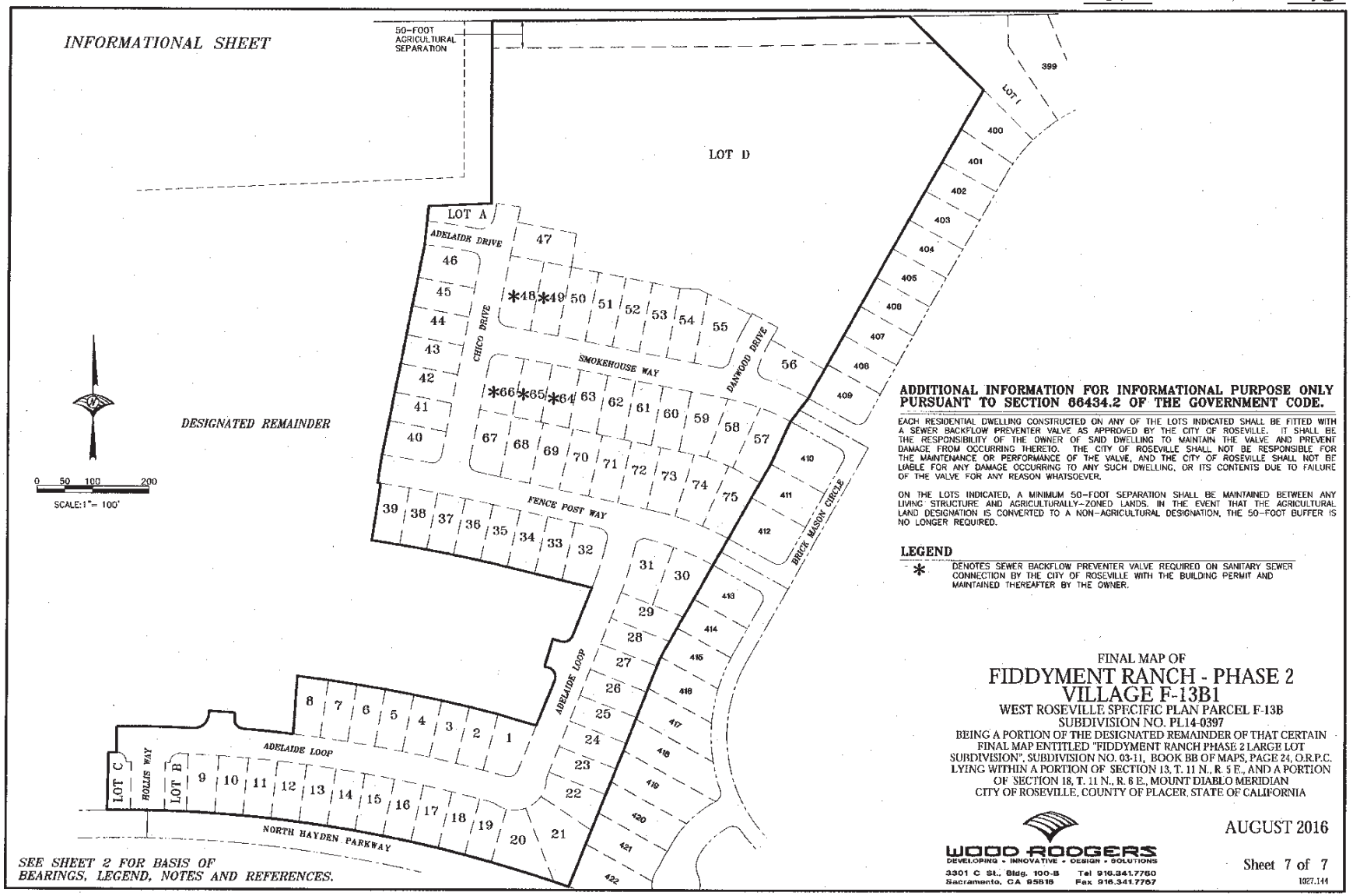
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Sheet 6 of 7

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Curve Table – This Sheet Only					
No.	Radius	Delta	Length	Chord Bearing	Chord Dist
C1	233.00'	2°29'13"	10.11'	N9°46'53"E	10.11'
C2	26.00'	90°00'00"	40.84'	N56°01'30"E	36.77'
C3	17.00'	90°00'00"	26.70'	N33°58'30"W	24.04'
C4	17.00'	84°38'46"	25.12'	N58°42'07"E	22.89'
C5	276.00'	12°41'32"	61.14'	N22°43'30"E	61.02'
C6	224.00'	11°31'11"	45.04'	N23°18'41"E	44.96'
C7	17.00'	90°00'00"	26.70'	N56°01'30"E	24.04'
C8	400.00'	1°51'42"	13.00'	N78°02'39"E	13.00'





ADDITIONAL INFORMATION FOR INFORMATIONAL PURPOSE ONLY PURSUANT TO SECTION 66434.2 OF THE GOVERNMENT CODE.

EACH RESIDENTIAL DWELLING CONSTRUCTED ON ANY OF THE LOTS INDICATED SHALL BE FITTED WITH A SEWER BACKFLOW PREVENTER VALVE AS APPROVED BY THE CITY OF ROSEVILLE. IT SHALL BE THE RESPONSIBILITY OF THE OWNER OF SAID DWELLING TO MAINTAIN THE VALVE AND PREVENT DAMAGE FROM OCCURRING THERETO. THE CITY OF ROSEVILLE SHALL NOT BE RESPONSIBLE FOR THE MAINTENANCE OR PERFORMANCE OF THE VALVE, AND THE CITY OF ROSEVILLE SHALL NOT BE LIABLE FOR ANY DAMAGE OCCURRING TO ANY SUCH DWELLING, OR ITS CONTENTS DUE TO FAILURE OF THE VALVE FOR ANY REASON WHATSOEVER.

ON THE LOTS INDICATED, A MINIMUM 50-FOOT SEPARATION SHALL BE MAINTAINED BETWEEN ANY LIVING STRUCTURE AND AGRICULTURALLY-ZONED LANDS. IN THE EVENT THAT THE AGRICULTURAL LAND DESIGNATION IS CONVERTED TO A NON-AGRICULTURAL DESIGNATION, THE 50-FOOT BUFFER IS NO LONGER REQUIRED.

LEGEND

* DENOTES SEWER BACKFLOW PREVENTER VALVE REQUIRED ON SANITARY SEWER CONNECTION BY THE CITY OF ROSEVILLE WITH THE BUILDING PERMIT AND MAINTAINED THEREAFTER BY THE OWNER.

FINAL MAP OF

FIDDYMENT RANCH - PHASE 2
VILLAGE F-13B1

WEST ROSEVILLE SPECIFIC PLAN PARCEL F-13B
SUBDIVISION NO. PL14-0397

BEING A PORTION OF THE DESIGNATED REMAINDER OF THAT CERTAIN FINAL MAP ENTITLED "FIDDYMENT RANCH PHASE 2 LARGE LOT SUBDIVISION", SUBDIVISION NO. 03-11, BOOK BB OF MAPS, PAGE 24, O.R.P.C. LYING WITHIN A PORTION OF SECTION 13, T. 11 N., R. 5 E., AND A PORTION OF SECTION 18, T. 11 N., R. 6 E., MOUNT DIABLO MERIDIAN CITY OF ROSEVILLE, COUNTY OF PLACER, STATE OF CALIFORNIA

AUGUST 2016

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B – U.S. ARMY CORPS OF ENGINEERS LETTERS

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, SACRAMENTO DISTRICT
1325 J STREET
SACRAMENTO CA 95814-2922

REPLY TO
ATTENTION OF

December 30, 2015

Regulatory Division SPK-2002-00666

West Roseville, LLC
c/o Westpark Communities
Attn: Mr. Jeff Jones
1420 Rocky Ridge Drive, Suite 265
Roseville, California 95661

Signature Properties
Attn: Mr. Jim McKeehan
4670 Willow Road, Suite 200
Pleasanton, California 94588

Dear Mr. Jones and Mr. McKeehan:

We are responding to your April 02, 2013, request to modify your Department of the Army permit number SPK-2002-00666. The permit was originally issued on October 21, 2004 for the discharge of fill material into 21.76 acres of waters of the United States, to construct the West Roseville Specific Plan, a large-scale mixed-use development project. The approximately 3,160-acre project site is located along and adjacent to the floodplain of Pleasant Grove Creek at the confluence of Kaseberg Creek and the South Branch of Pleasant Grove Creek, northwest of Roseville, California, within Sections 13, 14, 22, 23, 24, 25, 26, and 27, of Township 11 North, Range 5 East, and Sections 18 and 19 of Township 11 North, Range 6 East, Mount Diablo Meridian, as depicted on the CA-ROSEVILLE USGS Topographic Quadrangle, Latitude 38.788526°, Longitude -121.372841°, Placer County, California. The modification request involves an extension of time required to complete work, and changes to the mitigation and monitoring requirements of the permit.

General Condition 1 is hereby modified as follows:

1. The time limit for completing the work authorized ends on December 30, 2020. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.

Sub-conditions c) and d) of Special Condition 10, are hereby modified as follows (modifications in bold):

c) **Construct 3.63 acres of seasonal wetland/perennial wetland habitat on-site**, for which you shall develop a final comprehensive mitigation and monitoring plan, which must be submitted to the Army Corps of Engineers prior to December 31, 2004, and must be approved by the Corps of Engineers in writing. The plan shall include mitigation location and design drawings, vegetation plans, and final success criteria, presented in the format of the most current version of the Sacramento District's *Habitat Mitigation and Monitoring Proposal Guidelines*. The purpose of this requirement is to ensure replacement of functions and values of the aquatic environment that would be lost through project implementation. Construction of the on-site mitigation shall be completed no later than September 1, 2006.

d) **Construct 7.64 acres of seasonal wetland habitat at the Yankee Slough property** to compensate for the loss of seasonal wetlands within the vernal pool creation area. You shall develop a final comprehensive mitigation and monitoring plan for the 7.64 acres of seasonal wetland habitat at the Yankee Slough property. This plan must be submitted to the Army Corps of Engineers by February 28, 2005, and must be approved in writing. This plan shall include mitigation location and design drawings, vegetation plans, and success criteria, presented in the format of the most current version of the Sacramento District's Habitat Mitigation and Monitoring Proposal Guidelines. The Yankee Slough seasonal wetland mitigation shall be completed no later than December 31, 2005.

The following sub-condition to Special Condition 10 is hereby added to the permit:

h) Purchase 1.8 seasonal wetland creation credits at Toad Hill Ranch Mitigation Bank, and 4.24 seasonal wetland creation credits at Colusa Basin Mitigation Bank. Evidence of these purchases shall be provided to the Corps prior to initiation of construction activities within waters of the U.S. Once purchased, these credits will serve to address the 3.92-acre shortfall of constructed seasonal wetlands that meet the established performance criteria at both the on-site and off-site Yankee Slough permittee-responsible mitigation areas. The required number of credits have been calculated using a 1:1 ratio for Toad Hill Ranch, and a 2:1 ratio for Colusa Basin.

Additionally, criterion 1 of the vegetation success criteria described in the Corps-approved 2005 *Westpark/Fiddyment Ranch Off-Site Vernal Pool Restoration and Monitoring Plan for the Yankee Slough Preserve*, by ECORP Consulting, Inc., is hereby modified to read as follows:

1. The areal coverage of vegetation for 25% of the constructed vernal pools must be equal to or greater than 75%, and the areal coverage of vegetation for the remaining 75% of the constructed vernal pools may be 50-74%.

Special Condition 24 is hereby added to the permit:

24. If, after the tenth year of monitoring (2014-2015), any of the required 43 acres of constructed vernal pool habitat are not meeting all success criteria as specified in the

2005 *Westpark/Fiddyment Ranch Off-Site Vernal Pool Restoration and Monitoring Plan for the Yankee Slough Preserve*, by ECORP Consulting, Inc., and as modified by this letter, the permittee shall submit to the Corps a plan for purchase of vernal pool establishment credits from a Corps-approved mitigation bank, in order to address the shortfall of required fully-performing constructed vernal pools at Yankee Slough Preserve. The selected mitigation bank shall include the area of the permitted project within its service area. The submitted plan must be approved by the Corps, and executed by the permittee, before the Corps will consider the permittee's mitigation responsibilities complete.

All other terms and conditions of the permit remain in full force and effect. Failure to comply with the terms and conditions of this authorization may result in the suspension or revocation of your permit.

Please refer to identification number SPK-2002-00666 in any correspondence concerning this project. If you have any questions, please contact Mr. Zachary Fancher at our Sacramento Regulatory Office, 1325 J Street, Suite 1350, Sacramento, California 95814-2922, by email at *Zachary.J.Fancher@usace.army.mil*, or telephone at 916-557-6643. For more information regarding our program, please visit our website at *www.spk.usace.army.mil/Missions/Regulatory.aspx*.

Sincerely,

Nancy A. Haley
Chief, California North Branch
Regulatory Division

cc:
Ms. Debra Sykes, ECORP Consulting, Inc., dsykes@ecorpconsulting.com
Mr. John Tallman Jr., Westpark Communities, johnt@wpcommunities.com
Mr. Carl Jensen, ICF International, carl.jensen@icfi.com
Ms. Krissy Walker, ECORP Consulting, Inc., kwalker@ecorpconsulting.com

C – READDRESSING/REASSIGNING APPRAISAL REPORTS

Readdressing/Reassigning Appraisal Reports

Seevers Jordan Ziegenmeyer adheres to the requirements of the 2016-2017 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). This edition is effective from January 1, 2016 through December 31, 2017. The following excerpts pertain to readdressing/reassigning appraisal reports:

Advisory Opinion 26, Page A-164:

> 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-166 to A-169:

> 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. 119, Page F-266:

> 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.

D – GLOSSARY OF TERMS

GLOSSARY OF TERMS

Unless otherwise noted, the following definitions are from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

Aggregate of Retail Values: 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 the value of all the units as though sold together in a single transaction; it is simply the total of the individual 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 an investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Bulk Value: The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

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 estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.

Depreciation: In appraisal, 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 one year's income is used. Yield and value changes are implied, but not explicitly 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 rate of return on capital 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 property should bring under the following conditions: 1) consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market; 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; 8) payment will be made in cash in US dollars (or the local currency) 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.

Exposure Time: The 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.

External Obsolescence: A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.

Extraction: A method of estimating land value in which the depreciated cost of the improvements on an 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.

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 zoning or 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 (Curable): An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected.

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 as of the effective date of the appraisal.

Highest and Best Use: The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

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.

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

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 a specified date, a substitute for a building or other improvements, 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 sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making 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: 1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand. 2. An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life.

Subdivision Development Method: A method of estimating land value when subdividing and developing a parcel of land is the highest and best use of that land. 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 the completed improvements on those lots), 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.

E – QUALIFICATIONS OF APPRAISER(S)

Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation
Northern California/Nevada
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Rocklin, California 95765
P: (916) 435-3883 F: (916) 435-4774

Eric A. Segal, MAI, Partner

Introduction

Mr. Segal is a Certified General real estate appraiser with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1998, Mr. Segal began his career in real estate as a research analyst/appraiser trainee for SJZ. By 1999, he began writing narrative appraisal reports covering a variety of commercial properties, with an emphasis on residential master planned communities and subdivisions. Today, Mr. Segal is a partner in the firm and is involved in appraisal assignments covering a wide variety of properties including office, retail, industrial, multifamily housing, master planned communities, and specializes in the appraisal of Mello-Roos and Assessment Districts for land-secured municipal financings. He has developed the experience and background necessary to deal with complex assignments covering an array of property types.

Professional Affiliations

Appraisal Institute – MAI designation
Certified General Real Estate Appraiser – State of California (No. AG026558)
Real Estate Appraiser - Certified General – State of Nevada (No. A.0207066-CG)

Education

Academic:

Bachelor of Science in Business Administration (Concentrations in Finance and Real Estate & Land Use Affairs), California State University, Sacramento

Appraisal and Real Estate Courses:

Uniform Standards of Professional Appraisal Practice
Appraisal Principles
Basic Income Capitalization
Highest & Best Use and Market Analysis
Advanced Income Capitalization
Report Writing and Valuation Analysis
Appraisal Litigation Practice and Courtroom Management
Computer Enhanced Cash Flow Modeling
Advanced Sales Comparison & Cost Approaches
Advanced Applications

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Sample of Appraisal Experience

Pleasant Valley Mixed-Use Development Visitacion Valley Neighborhood San Francisco, San Francisco County, California	This appraisal was prepared for loan underwriting. The Pleasant Valley mixed-use development comprises approximately 20.08 gross acres of land to be developed in three phases. Phase 1 will contain 568 residential units, a grocery store, in-line retail stores, office space, public park and pedestrian access to the Caltrain Bayshore station, which is located just east of the development. Phase 2 will contain approximately 556 residential units and an additional public park (Visitacion Park). Phase 3 will contain approximately 555 residential units. In total, Pleasant Valley is expected to be developed with 1,679 residential units of studio/loft, 1, 2, 3 and 4-bedroom unit types.
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.
Santa Barbara Palms Las Vegas, Clark County, Nevada	Santa Barbara Palms is a 114-unit, age-restricted, low-income housing apartment project in Las Vegas. The appraisal was prepared under Section 223(f) of the Federal Housing Administration (FHA) MAP Program for a 223(f) Refinance for Capital One Multifamily Finance, LLC.
City of Dixon Community Facilities District No. 2013-1 (Parklane) Dixon, Solano County, California	This assignment involved the appraisal of 71.51 gross acres of land approved for the development of 401 single-family homes under construction by Brookefield Homes. The proposed Bond proceeds were to be used to reimburse the developer for infrastructure improvements. The estimate of market value accounted for the impact of the lien of the special taxes securing the proposed Bonds, and the estimated value was subject to a hypothetical condition such improvements were in place and available for use.

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Sample of Appraisal Experience (continued)

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.
HUD 223(f) Apartment Portfolio San Francisco, San Francisco County, California	This appraisal assignment involved the appraisal of nine multifamily properties in San Francisco containing between seven and 50 units, as well as mixed-use properties including ground floor retail tenants. The self-contained appraisals were completed in compliance with Federal regulatory requirements and guidelines that may apply as well as the requirements of the Federal Housing Administration (FHA) MAP Program for a 223(f) Refinance. This report was prepared for Column Guaranteed, LLC.
The Parkway & Quinto Ranch Santa Nella, Merced County, California	This appraisal involved the valuation of a 1,464-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 1,644-acre ranch subject to a conservation easement. This report was prepared for IndyMac Bank.

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Sample of Appraisal Experience (continued)

Reclamation District No. 17 – Mossdale Tract (portion) County of San Joaquin, California	The appraised properties represented a portion of Reclamation District No. 17 identified as vacant residential, vacant commercial and vacant industrial land, and excluded those properties within the boundaries of the District zoned as agricultural and public use, and those properties with an assessed improvement value on the most recent property tax roll. Reclamation District No. 17 (Mossdale Tract) is located in San Joaquin County and contains approximately 16,107.58 acres of land comprising approximately 13,335 assessor's parcels. This report was prepared for Reclamation District No. 17.
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.
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.
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.

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Eric A. Segal

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 026558

Effective Date: February 19, 2017
Date Expires: February 18, 2019

Jim Martin, Bureau Chief, BREA

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Update Appraisal Report



City of Roseville Community Facilities District No. 5 (Public Facilities)
Roseville, California

Date of Report: April 24, 2017

Prepared For:

Mr. Jay Panzica, Chief Financial Officer
City of Roseville
311 Vernon Street
Roseville, CA 95678

Prepared By:

Kevin K. Ziegenmeyer, MAI
Eric A. Segal, MAI

SJZ Seevers Jordan Ziegenmeyer
Real Estate Appraisal & Consultation

April 24, 2017

Mr. Jay Panzica, Chief Financial Officer
City of Roseville
311 Vernon Street
Roseville, CA 95678

RE: City of Roseville Community Facilities District No. 5
(Public Facilities)
Roseville, California

Dear Mr. Panzica:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has prepared an update to our appraisal of the above-referenced property. In the original document, dated April 19, 2017, we submitted an Appraisal Report, conforming to the requirements set forth under Standards Rule 2-2(a) 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). Our original appraisal had an effective date of value of February 1, 2017. **This update appraisal may only be used in conjunction with our original report**. As an Update Appraisal Report, this document does not present complete discussion of the data, reasoning and analyses used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's work file. Subsequent to the original date of value (February 1, 2017), properties within the City of Roseville Community Facilities District No. 5 (Public Facilities) have continued to develop and sell new homes, which have contributed to the overall value.

The appraised properties represent a portion of Phases 2 and 3 of the Fiddyment Ranch master planned community, which is located east and west (substantially west) of Fiddyment Road, north and south of Blue Oaks Boulevard (substantially north of Blue Oaks Boulevard), within the city of Roseville, Placer County, California. The subject consists of a variety of land use designations, including low density residential (LDR), medium density residential (MDR), high density residential (HDR) and community commercial (CC), as well as public use land areas designated for park areas, open space and a school site. The subject is more fully described within the original Appraisal Report dated April 19, 2017.

The market value of the appraised properties, by ownership, as well as the cumulative, or aggregate, value of the appraised properties in the CFD account for the impact of the Lien of the Special Tax securing the City of Roseville Fiddyment Ranch Community Facilities District No. 5 Bonds. The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in

the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

Please note the aggregate value noted herein ***is not*** the market value of the appraised properties 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.

Presented below is a summary of pertinent information pertaining to the subject properties:

Property Rights Appraised: Fee simple estate

Property Description: The subject property consists of 1,472 low density residential lots, 586 medium density residential lots, 472 high density residential units, one commercial lot, five park sites, one open space area and one school site. Most of the residential lots are unimproved, or "paper lots," as they have tentative map approval and lack in-tract and backbone infrastructure required to develop; however, site development is underway on Phase 2F, which comprises 114 lots, with 75 lots approximately 50% complete. Additionally, there are various open space areas along the roads classified as "Paseo" areas. The total (net) land area, per a review of the provided diagrams/maps, is approximately 533.07 acres.

Zoning & Entitlements: The various land components within the City of Roseville Fiddyment Ranch Community Facilities District No. 5 comprise the following:

RS/DS – small lot residential with development standard overlay
R3 – attached housing
CC – community commercial
P/QP – public/quasi-public (also includes school site)
P/R – park and recreation
OS – open space

The Fiddyment Ranch master planned community represents a development that has undergone extensive planning and review. Consequently, significant changes to the underlying land uses are highly unlikely.

Earthquake Zone: According to the Seismic Safety Commission, the appraised properties are 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.
Highest and Best Use:	Near term single-family residential development, as well as multifamily residential development, as well as multifamily residential development on the high density residential parcel with some level of income restrictions (F-8A). The highest and best use as vacant for the 100% income-restricted multifamily parcel (F-6B), as well as the commercial land component, is for an interim hold until demand warrants construction.
Type and Definition of Value:	The purpose of this update appraisal is to estimate the not-less-than market value of the subject property.
Scope of Work:	In preparing this update appraisal, we analyzed market data presented in our original appraisal report dated April 19, 2017 (as of the February 1, 2017 date of value/inspection). In addition, we analyzed current market conditions through an analysis of recent market sales and market surveys published by local real estate brokerage houses. This Update Appraisal Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's work file.
Date of Inspection:	The subject was re-inspected on April 21, 2017.
Date of Report:	April 24, 2017
Date of Value:	April 24, 2017

Conclusion of Cumulative, or Aggregate, Value of the District:

Ownership	Description - Fiddyment Ranch	Value by Ownership
ATC Realty One, LLC	Phase 2 Village F-13A1, -13A2, F-7A, F-7B, F-8C, F-8D, F-9B, F-9C, F-9D, F-11A1, F-11A2, F-11A3 and F-12 Phase 3 Village F-6A1, F-6A2, F-10A, F-10B, F-10C, F-6C1, F-6C2, F-8B and F-11B F-6D (Commercial), F-6B (MF), F-8A (MF)	$ 69,490,000
Fiddyment 116 Lots, LLC (d/b/a Signature Homes)	Phase 2 Village F-13B1 and F-13B2 116 Unimproved Lots	$ 12,644,000
Cumulative, or Aggregate, Value of the District*		**$ 82,134,000**

* Aggregate value ***is not*** equivalent to the market value of the combined ownership interests

Any properties within the CFD not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites) are not a part of this appraisal.

The estimates of market value assume a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimate is 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 each acting prudently, knowledgeably, for their own self-interest and assuming neither is under duress.

We hereby certify the properties have been inspected and we have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the properties. The subject properties do 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 Update Appraisal Report dated April 24, 2017, which contains 9 pages, must remain attached to the original appraisal dated April 19, 2017, which contains 150 pages, plus related exhibits and Appendix, in order for the value opinions set forth herein to be considered valid.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

It is noted the use of an extraordinary assumption or hypothetical condition may have affected the results of the appraisal.

Extraordinary Assumptions

1. It is assumed all cost figures relating to remaining backbone infrastructure, which were prepared by Wood Rodgers (a civil engineering firm), and which were provided to us by Mr. Steve Hicks of Bayless and Hicks, are correct. Any deviation of actual cost figures from those provided could materially affect the conclusion(s) of value contained herein.

2. We were not provided a cost budget for in-tract site work. A generalized in-tract site cost estimate was provided by Mr. Stephen Hicks of Bayless and Hicks, at $35,000 per lot for the entire Fiddyment Ranch master planned community. Nonetheless, given the lack of a specific budget, we have placed more emphasis on our observations of similar projects in the market in the estimation of in-tract site costs, especially with regard to the delineation between larger versus smaller lots. Any deviation of actual in-tract cost information from that estimated in this appraisal could materially affect the conclusion of value contained herein.

3. It is represented the school site (Parcel F-71) will be acquired by the School District based upon the appraised market value under its highest and best economic use; that is, residential land with a tentative map in place for development similar to other parcels in the Fiddyment Ranch project. Based upon the size of the site (10.44 acres) and typical density (5 units per acre) for LDR lots in the area, it is estimated the site could accommodate approximately 52 LDR lots. However, as the designated parcel will be exempt from the Lien of the Special Tax securing the Bonds, this site will be excluded from the valuation herein. If this assumption proves to be false, the conclusion of market value herein would likely be positively affected.

4. It is presumed there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit development of the subject property. 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.

Hypothetical Conditions

1. The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "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 the analysis." It is a hypothetical condition of the Appraisal that certain of the proceeds from the Bonds will be used to pay off all of the CFD No. 1 special taxes applicable to property in the District, with remaining Bond proceeds available to fund additional infrastructure improvements. The market value estimated in the Appraisal is based on the hypothetical condition these CFD No. 1 special taxes have been prepaid and certain infrastructure improvements to be reimbursed by Bond proceeds were in place as of the date of value. The estimate of market value accounts for the impact of the Lien of the Special Taxes securing the Bonds.

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

subjects' 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 appraised 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 services as an appraiser 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.
- Eric A. Segal, MAI, 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 Addenda to this report for additional information.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.



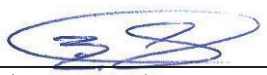
Kevin K. Ziegenmeyer, MAI
State Certification No.: AG013567 (Expires June 4, 2019)

April 24, 2017
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 services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
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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 a personal inspection of the property that is the subject of this report.
- Kevin Ziegenmeyer, MAI, 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 continuing education program for Designated Members of the Appraisal Institute.



Eric A. Segal, MAI
State Certification No.: AG026558 (February 18, 2019)

April 24, 2017
DATE

APPENDIX C

PLACER COUNTY AND CITY OF ROSEVILLE
DEMOGRAPHIC INFORMATION

The District is located in the City of Roseville (the "**City**"), which is located in southwestern Placer County (the "**County**"), California (the "**State**"). Certain financial and economic data for the City, County and State are presented in this appendix for information purposes only. The Bonds are not a debt or obligation of the City, County or State, but are a limited obligation of the City secured solely by the Special Tax Revenues generated in the District and certain other funds held pursuant to the Fiscal Agent Agreement, all as described in more detail in this Official Statement.

General

The City is located within the County, which is located in the 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 presently occupies 42.26 square miles in the southwestern part of the County and is the largest city in the County as well as the residential and industrial center of the County. It is bordered by Sacramento County to the south, the City of Rocklin to the north and un-incorporated Placer County to the east and west. The estimated population of the City as of January 2017 was approximately 135,868.

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.

The City is predominately comprised of residential housing, small and large businesses, as well as numerous retail centers, the latter of which play a vital role in the economy of the City and contribute significantly to City and County sales tax receipts. The City has the thirteenth highest retail sales of all cities in the State, and the City is considered a regional shopping destination. The Westfield Galleria at Roseville is the main shopping center in the City and the second largest shopping mall in Northern California. Across from the Westfield Galleria lies the "Fountains at Roseville," a 330,000 square foot retail center, containing additional stores and several recreation centers. Plans call for future construction of hotel, additional retail, and office buildings in connection with the Fountains at Roseville project. In addition to the Westfield Galleria and Fountains at Roseville, the City has many shopping plazas surrounding the Westfield Galleria and the Douglas Boulevard financial corridor. The City is also home to one of the largest auto malls in the United States and a popular water park, Roseville Golfland-SunSplash.

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 approximately 1% to 2% per year over the past five years. The following table sets forth population estimates for the City, County and State for the past five years.

POPULATION ESTIMATES
City, County and State
2013 through 2017

Year	City of Roseville	Placer County	State of California
2013	127,438	362,417	38,239,207
2014	129,822	367,176	38,567,459
2015	131,443	370,238	38,907,642
2016	134,073	373,793	39,255,883
2017	135,868	382,837	39,523,613

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 and the United States.

The table on the following page summarizes the total effective buying income for the City, County, State and the United States for the period 2012 through 2016. Effective buying income data is not yet available for calendar year 2017.

EFFECTIVE BUYING INCOME (EBI)
City, County, State and United States
As of January 1, 2012 through 2016

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
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
2015	City of Roseville	$3,959,073	$64,615
	Placer County	11,729,490	64,480
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Roseville	$4,126,395	$66,668
	Placer County	12,122,101	65,269
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043

Source: The Nielsen Company (US), Inc.

Employment and Industry

The City is included in the Sacramento-Arden-Arcade-Roseville Metropolitan Statistical Area ("**MSA**"). The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 5.1 percent in February 2017, down from a revised 5.3 percent in January 2017, and below the year-ago estimate of 5.5 percent. This compares with an unadjusted unemployment rate of 5.2 percent for California and 4.9 percent for the nation during the same period. The unemployment rate was 4.9 percent in El Dorado County, 4.3 percent in Placer County, 5.2 percent in The County, and 6.3 percent in Yolo County.

The table below provides information about employment rates and employment by industry type for the Sacramento MSA (which includes Sacramento, Placer, Yolo and El Dorado Counties) for the calendar years 2012 through 2016.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Sacramento-Arden Arcade-Roseville MSA
(El Dorado, Placer, Sacramento, and Yolo Counties)
March 2016 Benchmark
(Annual Averages)

	2012	2013	2014	2015	2016
Civilian Labor Force [(1)]	1,049,500	1,046,800	1,049,200	1,060,200	1,073,300
Employment	941,100	956,100	974,100	998,100	1,017,300
Unemployment	108,300	90,800	75,100	62,100	56,000
Unemployment Rate	10.3%	8.7%	7.2%	5.9%	5.2%
Wage and Salary Employment [(2)]					
Agriculture	8,600	8,900	9,200	9,300	9,200
Mining and Logging	400	500	500	600	500
Construction	38,400	43,300	45,400	49,900	54,500
Manufacturing	33,900	34,100	35,400	36,300	36,200
Wholesale Trade	25,200	25,000	24,500	24,600	25,500
Retail Trade	91,800	93,800	95,300	97,500	100,600
Transportation, Warehousing and Utilities	22,000	22,900	23,600	24,600	25,900
Information	15,600	14,800	13,900	14,200	13,800
Finance and Insurance	35,700	36,300	35,500	37,100	37,500
Real Estate and Rental and Leasing	12,500	13,100	13,400	13,900	14,400
Professional and Business Services	111,100	114,600	118,200	119,700	128,600
Educational and Health Services	125,600	130,700	134,300	140,300	145,900
Leisure and Hospitality	84,500	88,700	91,800	94,900	99,800
Other Services	28,600	29,000	30,200	30,800	31,200
Federal Government	13,700	13,500	13,600	13,700	14,100
State Government	108,200	109,900	113,400	115,400	116,600
Local Government	99,600	99,200	100,800	102,900	104,600
Total, All Industries [(3)]	855,300	878,200	898,800	925,400	958,700

(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.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Major Employers

The following table lists the major employers within the County as of April 2017, in alphabetical order.

MAJOR EMPLOYERS
County of Placer
As of April 2017

Employer Name	Location	Industry
Adventist Health	Roseville	Health Services
Alpine Meadows	Alpine Meadows	Resorts
Consolidated Communications	Roseville	Communications
County Jail	Tahoe City	Government Offices-County
Golfland Sunsplash	Roseville	Water Parks
Hewlett-Packard	Roseville	Computer & Equipment Dealers
Kaiser Permanente Roseville	Roseville	Hospitals
Kw Commercial	Roseville	Real Estate
Northstar California	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County of Education	Auburn	Schools
Placer County Sheriff	Auburn	Government Offices-County
PRIDE Industries	Roseville	Employment Agencies & Opportunities
Resort At Squaw Creek	Alpine Meadows	Resorts
Ritz-Carlton Club Lake Tahoe	Truckee	Hotels & Motels
Ritz-Carlton Lake Tahoe	Truckee	Hotels & Motels
Sheriff's Training	Auburn	Government Offices-County
Sugar Bowl Ski Area Group Sls	Norden	Skiing Centers & Resorts
Sutter Auburn Faith Hospital	Auburn	Hospitals
Sutter Roseville Medical Ctr	Roseville	Hospitals
TASQ Technology	Roseville	Importers (whls)
Thunder Valley Casino & Resort	Lincoln	Casinos
UNFI Western Region Div	Rocklin	Food Products (whls)
Village Lodge-Sugar Bowl	Norden	Hotels & Motels

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2017 2nd Edition.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Comprehensive Annual Financial Report for fiscal year ending June 30, 2016.

PRINCIPAL EMPLOYERS
City of Roseville
As of June 2016

Employer	Number of Employees	Percent of Total Employees
The Permanente Medical Group & Foundation Group	4,988	6.48%
Hewlett Packard	2,300	2.99
Sutter Roseville Medical Group	2,100	2.73
Union Pacific Railroad Company	1,150	1.49
City of Roseville	1,136	1.48
Roseville Joint Union High School	1,090	1.42
Roseville City School District	1,034	1.34
PRIDE Industries	838	1.09
Adventist Health System	801	1.04
Consolidated Communications	440	0.57
Total	15,877	20.67%

Source: City of Roseville-City Manager's Office, Comprehensive Annual Financial Report, Fiscal Year Ending June 30, 2016.

Construction Activity

The County's 2015-2016 assessment roll totaled $63.4 billion as compared to the prior year's assessment roll of $58.2 billion, which reflected an 8.89% 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 2016, the City issued 47 residential single-family building permits and 1 commercial building permit. The City maintains building permit data, which can be viewed on its website.

The following tables show a five-year summary of the valuation of building permits issued in the City and the County. Annual figures are not yet available for 2016.

BUILDING PERMIT VALUATION
City of Roseville
(Valuation in Thousands of Dollars)

	2011	2012	2013	2014	2015
Permit Valuation					
New Single-family	$91,310.0	$249,559.2	$118,547.9	$154,499.7	$262,769.4
New Multi-family	0.0	0.0	6,632.0	15,360.4	0.0
Res. Alterations/Additions	7,329.2	3,082.0	3,395.0	4,967.8	9,039.9
Total Residential	$98,639.2	$252,641.2	$128,575.0	$174,827.9	$271,809.3
New Commercial	$ 707.9	$16,280.4	$26,058.9	$19,546.6	36,704.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	0.0	0.0	2,627.4	10,935.1	9,340.5
Com. Alterations/Additions	67,245.2	31,868.5	45,489.0	62,138.9	42,754.7
Total Nonresidential	$67,953.1	$48,148.9	$74,175.4	$92,620.6	$88,799.2
New Dwelling Units					
Single Family	411	663	528	644	927
Multiple Family	0	0	224	0	0
Total New Dwelling Units	411	663	752	644	927

Source: Construction Industry Research Board, Building Permit Summary.

BUILDING PERMIT VALUATION
County of Placer
(Valuation in Thousands of Dollars)

	2011	2012	2013	2014	2015
Permit Valuation					
New Single-family	$230,831.8	$431,611.6	$378,286.0	$523,638.2	$683,806.3
New Multi-family	6,549.5	11,368.0	7,078.5	48,645.5	21,702.2
Res. Alterations/Additions	62,155.8	35,481.3	50,358.2	59,428.5	82,577.5
Total Residential	$299,537.1	$478,460.9	$435,722.7	$631,712.2	$788,086.0
New Commercial	$7,014.3	$44,303.0	$70,876.0	$38,343.5	$88,675.3
New Industrial	860.0	164.0	1,092.0	199.8	1,339.6
New Other	12,112.3	414.5	25,673.5	44,159.8	56,433.7
Com. Alterations/Additions	88,639.9	55,512.0	73,037.0	101,977.7	80,457.5
Total Nonresidential	$108,626.5	$100,393.5	$170,678.5	$184,680.8	$226,906.1
New Dwelling Units					
Single Family	802	1,209	1,249	1,620	1,994
Multiple Family	28	111	227	376	240
Total New Dwelling Units	830	1,320	1,476	1,996	2,234

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables. The total taxable sales during calendar year 2015 in the City were reported to be $4,446,457,000, a 5.17% increase over the total taxable sales of $4,227,788,000 reported during the calendar year 2014. Annual figures are not yet available for calendar year 2016.

TAXABLE TRANSACTIONS
City of Roseville
Calendar Years 2011 through 2015
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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
2014	3,699	3,607,127	4,743	4,227,788
2015	3,828	3,684,238	5,334	4,446,457

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

The total taxable sales during calendar year 2015 in the County were reported to be $8,675,315,000, a 7.1% increase over the total taxable sales of $8,100,167,000 reported during calendar year 2014. Annual figures are not yet available for calendar year 2016.

TAXABLE TRANSACTIONS
Placer County
Calendar Years 2011 through 2015
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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
2014	8,520	6,296,076	11,749	8,100,167
2015	4,446	6,594,126	13,124	8,675,315

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 Roseville, 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 Roseville area. 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 D

FORM OF OPINION OF BOND COUNSEL

June 14, 2017

City Council
City of Roseville
311 Vernon Street
Roseville, California 95678

OPINION: $23,845,000 City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds Series 2017

Members of the City Council:

We have acted as bond counsel in connection with the issuance by the City of Roseville (the "City") of $23,845,000 City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds Series 2017 (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 June 1, 2017 (the "Fiscal Agent Agreement") by and between the City for and on behalf of the City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities), and The Bank of New York Mellon Trust Company, N.A., as fiscal agent. 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 in the certified proceedings and other certifications of public officials 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 City is duly created and validly existing as a public body, corporate and politic, with the power to adopt the resolution authorizing the issuance of the Bonds (the "Resolution"), enter into the Fiscal Agent Agreement, and perform the agreements on its part contained therein, and issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

3. The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.

4. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement.

5. The 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 opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that such 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. The 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, the Resolution 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 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

APPENDIX E

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

[CITY UNDERTAKING]

$23,845,000
CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 5 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2017

This CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of June 1, 2017 is executed and delivered by the CITY OF ROSEVILLE (the "City"), for and on behalf of the City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) (the "District"), in connection with the execution and delivery of its City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds, Series 2017 (the "Bonds"). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of June 1, 2017 (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 covenants and agrees, for and on behalf of the District, as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate 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 Underwriter in complying with the Rule.

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 Certificate unless otherwise defined herein, 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 Certificate.

"Annual Report Date" means January 15th.

"Dissemination Agent" means, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation in accordance with Section 8 of this Disclosure Certificate.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"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, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Official Statement" means the final official statement executed by the City in connection with the issuance of the Bonds.

"Participating Underwriter" means Stifel, Nicolaus & Company, Incorporated, as the original underwriter 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.

"Special Taxes" means the special taxes of the District levied on taxable property within the District.

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 January 15, 2018, with the report for the 2016-17 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 Certificate. 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 Certificate; 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. 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, the City shall provide (or cause the Dissemination Agent to provide) to the MSRB in a timely manner, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A to this Disclosure Certificate.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine prior to each Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, 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:

(a) The City's 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 City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) Principal amount of all outstanding bonds of the District.

(ii) Balance in the improvement fund or construction account.

(iii) Balance in debt service reserve fund, and statement of the reserve fund requirement. Statement of projected reserve fund draw, if any.

(iv) Balance in other funds and accounts held by the City or Fiscal Agent related to the Bonds, including the surplus account of the special tax fund.

(v) Additional debt authorized by the City and payable from or secured by assessments or special taxes with respect to property within the District.

(vi) The Special Tax levy, collections, the delinquency rate, total amount of delinquencies, number of parcels delinquent in payment for the five most recent Fiscal Years.

(vii) The Special Tax levy and Maximum Special Tax by land use category (for example, LDR, MDR, HDR, commercial office and light industrial) for the Fiscal Year in which the Annual Report is delivered.

(viii) Notwithstanding the June 30th reporting date for information provided as of the end of the City's most recent Fiscal Year in the Annual Report, the following information shall be reported as of the last day of the month immediately preceding the date of the Annual Report for which such data is available rather than as of June 30th (i.e., as of December 31st): The identity of each delinquent taxpayer responsible for 5% or more of total special tax levied, and for each such taxpayer, the applicable assessor parcel number, assessed value of applicable properties, amount of Special Tax levied, amount delinquent by parcel number and status of foreclosure proceedings. If any foreclosure has been completed, a summary of results of foreclosure sales or transfers shall be provided.

(ix) Most recently available total assessed value of all parcels subject to the Special Tax (in total, not by individual APNs) and for each of the previous five Fiscal Years. In addition, building permits issued for parcels subject to the Special Tax as of June 30th for the most recent year and aggregate for the District.

(x) Top Ten Taxpayers (substantially in the form of Table 6 but excluding any appraised values, overlapping debt information and special tax-related projections).

(xi) To the extent not already provided pursuant to (viii) above, list of landowners and assessor's parcel number of parcels subject to 5% or more of the Special Tax levy, including the following information: development status to the extent shown in City records, land use classification, and assessed value (land and improvements). The reporting of development status shall coincide with cut-off dates applicable to the latest special tax levy.

(xii) Updated debt service schedule.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material 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.

(d) 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 security, or other material events affecting the tax status of the security.

(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 or other obligated person.

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

(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 Certificate, 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 pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate 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 Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City. The initial Dissemination Agent shall be Willdan Financial Services.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate 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; and

(b) the proposed amendment or waiver either (i) 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 (ii) does not, in the opinion of 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 Report 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 this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. 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 any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Certificate. 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 Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter 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 Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save harmless the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding losses, liabilities, costs and expenses due to an Indemnified Party's negligence, willful misconduct or failure to perform its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder, and shall not be deemed to be acting in any fiduciary capacity for the City, the holders and beneficial owners from time to time of the Bonds 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.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all reasonable and documented expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the 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 Certificate 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.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

CITY OF ROSEVILLE, for and on behalf of City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities)

By: _____
Authorized Officer

WILLDAN FINANCIAL SERVICES, as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Roseville
Name of Bond Issue:	$23,845,000 City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds, Series 2017
Date of Issuance:	June 14, 2017

NOTICE IS HEREBY GIVEN that the City of Roseville (the "City"), on behalf of City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities), has not provided an Annual Report with respect to the above-named Bonds as required by the Fiscal Agent Agreement dated as of June 1, 2017 (the "Fiscal Agent Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

[Dissemination Agent]

By: _____
Authorized Officer

cc: City of Roseville

[OWNER UNDERTAKING]

$23,845,000
CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 5 (PUBLIC FACILITIES)
SPECIAL TAX BONDS
SERIES 2017

This CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") dated as of June 1, 2017, is executed and delivered by ATC Realty One, LLC, a Delaware limited liability company (the "Owner") in connection with the execution and delivery by the City of Roseville, for and on behalf of the City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) (the "District"), of its City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds, Series 2017 (the "Bonds"). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of June 1, 2017 (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 Owner covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Owner for the benefit of the holders and beneficial owners of the Bonds.

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 Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Affiliate" of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other Person, (b) any Person, 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

"Assumption Agreement" means an undertaking of a Major Owner, or an Affiliate thereof, for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner's development and financing plans with respect to the District), whereby such Major Owner or Affiliate agrees to provide periodic reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in the District owned by such Major Owner and its Affiliates and, at the option of the Owner or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 11 hereof.

"Dissemination Agent" means, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the Owner, and which has filed with the Owner, the City and the Fiscal Agent a written acceptance of such designation, and which is

experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"Major Owner" means, as of any Report Date, an owner of land in the District that is responsible in the aggregate for 20% or more of the Special Taxes in the District anticipated to be levied at any time during the then-current Fiscal Year.

"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, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Official Statement" means the final official statement executed by the City in connection with the issuance of the Bonds.

"Participating Underwriter" means Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the Bonds.

"Periodic Report" means any Periodic Report provided by the Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Property" means, as of the applicable date, the property owned by the Owner in the District.

"Report Date" means April 1 and October 1 of any Fiscal Year.

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

"Special Taxes" means the special taxes of the District levied on taxable property within the District.

Section 3. Provision of Periodic Reports.

(a) The Owner shall, or, upon written direction of the Owner the Dissemination Agent shall, not later than the Report Date, commencing April 1, 2018, file or cause to be filed with the MSRB a Periodic Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Owner shall provide the Periodic Report to the Dissemination Agent (if different from the Owner). The Owner shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from the Owner), the Fiscal Agent (if different from the Dissemination Agent), the Participating Underwriter and the City to the

effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Fiscal Agent, the Participating Underwriter and the City may conclusively rely upon such certification of the Owner and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Periodic Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Owner that the Periodic Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Owner to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 6 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Owner does not provide, or cause the Dissemination Agent to provide, a Periodic Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A, with a copy to the Fiscal Agent (if other than the Dissemination Agent), the City and the Participating Underwriter.

(c) With respect to the Periodic Report, the Dissemination Agent shall, to the extent the Periodic Report has been furnished to it, file the Periodic Report with the MSRB and file a report with the Owner (if the Dissemination Agent is other than the Owner), the City and the Participating Underwriter certifying that the Periodic Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to and filed with the MSRB.

Section 4. Content of Periodic Reports. The Owner's Periodic Report shall contain or incorporate by reference the information set forth in Exhibit B relating to the Owner or relating to any Major Owner that has acquired any of the Property owned by the Owner and has not signed an Assumption Agreement, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Owner or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Owner shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit B, the Owner's Periodic Report shall include 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.

Section 5. Reporting of Listed Events.

(a) The Owner shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Owner and, if known, any bankruptcy or insolvency proceedings commenced by or

against any Affiliate of the Owner that is reasonably likely to have a significant impact on the Owner's ability to pay Special Taxes or to sell or manage the Property;

(ii) failure to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property on or prior to the delinquency date;

(iii) filing of a lawsuit of which the Owner is aware against the Owner or an Affiliate seeking damages, which is reasonably likely to have a significant impact on the Owner's ability to pay Special Taxes or to sell or manage the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Owner on any loan with respect to the construction of improvements on the Property.

(b) Whenever the Owner obtains knowledge of the occurrence of a Listed Event, the Owner shall as soon as practicable determine if such event would be material under applicable federal securities laws.

(c) If the Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Owner shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with the MSRB, with a copy to the Fiscal Agent, the City and the Participating Underwriter.

Section 6. Duration of Reporting Obligation.

(a) All the Owner's obligations hereunder shall commence on the date hereof and terminate (except as provided in Section 11) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds;

(ii) at such time as property owned by the Owner is no longer responsible for payment of 20% or more of the Special Taxes;

(iii) the date on which the Owner prepays, in full, all of the Special Taxes attributable to the Property; or

(iv) the date on which (A) the Owner has completed construction of all buildings to be constructed within property it owns in the District and (B) each such building constructed by the Owner and intended for lease by the Owner has been, since completion of construction, at least 80% occupied at one time or another.

The Owner shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If a portion of the Property owned by the Owner, or any Affiliate of the Owner, is conveyed to a Person that, upon such conveyance, will be a Major Owner, the obligations of the Owner hereunder with respect to the property in the District owned by such Major Owner and its Affiliates may be assumed by such Major Owner or by an

Affiliate thereof, and if so assumed the Owner's obligations hereunder with respect to such portion of the Property will be terminated. In order to effect such an assumption, such Major Owner or Affiliate shall enter into an Assumption Agreement in form and substance reasonably satisfactory to the City and the Participating Underwriter. If not so assumed, the Owner shall report the information, as applicable to the transferee, required herein so long as the transferee is a Major Owner.

Section 7. Dissemination Agent. The Owner may, from time to time, appoint or engage a Dissemination Agent to assist the Owner in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days' written notice to the City, the Owner and the Fiscal Agent. The initial Dissemination Agent shall be Willdan Financial Services.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Owner may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(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; and

(b) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

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

Section 10. Default. In the event of a failure of the Owner to comply with any provision of this Disclosure Certificate, the Fiscal Agent shall (upon written direction and only to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys), and the Participating Underwriter and 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 Owner to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole and exclusive remedy under this Disclosure Certificate in the event of any failure of the Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Owner agrees to indemnify and save harmless the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding losses, liabilities, costs and expenses due to an Indemnified Party's negligence, willful misconduct or failure to perform its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Owner hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Owner, the holders and beneficial owners from time to time of the Bonds or any other party. The obligations of the Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by or on behalf of the Owner for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all reasonable and documented expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 12. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Owner:	ATC Realty One, LLC 333 Market Street, 17th Floor San Francisco, CA 94105 Attn: _____
To the Dissemination Agent:	Willdan Financial Services 27368 Via Industria, Suite 200 Temecula, CA 92590 Attn: _____
To the City or District:	City of Roseville 311 Vernon Street Roseville, CA 95678 Attn: CFD Administrator

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

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Owner (its successors and assigns), the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. All obligations of the Owner hereunder shall be assumed by any legal successor to the obligations of the Owner as a result of a sale, merger, consolidation or other reorganization.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Certificate as of the date first above written.

OWNER:

_____

By: _____
Authorized Officer

DISSEMINATION AGENT:

Willdan Financial Services

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE PERIODIC REPORT

Name of Issuer: City of Roseville

Name of Bond Issue: $23,845,000 City of Roseville, Fiddyment Ranch Community Facilities District No. 5 (Public Facilities), Special Tax Bonds, Series 2017

Date of Issuance: June 14, 2017

NOTICE IS HEREBY GIVEN that _____ (the "Owner") has not provided a Periodic Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Owner dated as of June 1, 2017. The Owner anticipates that the Periodic Report will be filed by _____.

Dated: _____

[Dissemination Agent]

By: _____

Its: _____

cc: Owner, City of Roseville

EXHIBIT B

PERIODIC REPORT

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (the "Disclosure Certificate") dated _____ __, 20__ executed by the undersigned (the "Owner") in connection with the issuance by the City of Roseville (the "City"), for and on behalf of the City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) (the "District"), of its City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities), Special Tax Bonds, Series 2017 (the "Bonds").

Capitalized terms used in this Periodic Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Periodic Report).

A. Property currently owned by the Owner in the District (the "Property"):

Development name: _____

Number of lots (acreage): _____

B. Status of land ownership or construction activities:

_____

_____

C. Status of building permits and any significant amendments to land use or development entitlements:

_____

_____

D. Aggregate property sold, optioned or leased by the Owner to end users or merchant builders:

	Since the Date of Issuance of the Bonds		Since the Last Periodic Report	
	Acres*	____	Acres*	____
	Lots	____	Lots	____
	Bldg. Sq. Ft.	____	Bldg. Sq. Ft.	____

* For bulk land sales only (excluding sales of finished lots or completed buildings).

E. Status of any land purchase contracts with regard to the Property, whether acquisition of land in the District by the Owner or sales of land in the District to other property

owners, distinguishing between (i) end users (e.g., condominiums), (ii) developers and (iii) merchant builders.

_____

_____

F. With respect to occupied buildings owned and leased by the Owner, (i) occupancy percentage and (ii) a rent roll consisting solely of (A) term of lease and (B) number of square feet subject to the lease.

_____

_____

II. Legal and Financial Status of the Owner

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any change in the legal structure of the Owner or the financial condition and financing plan of the Owner that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement.

_____

_____

III. Change in Management or Financing Plans

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any management plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan described in the Official Statement.

_____

_____

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any other significant changes in the information relating to the Owner or the Property contained in the Official Statement under the heading "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT" that would materially and adversely interfere with the Owner's ability to develop and sell the Property as described in the Official Statement.

_____

_____

V. Other Material Information

In addition to any of the information expressly required above, 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.

_____

_____

Certification

The undersigned Owner hereby certifies that this Periodic Report constitutes the Periodic Report required to be furnished by the Owner under the Disclosure Certificate.

ANY STATEMENTS REGARDING THE OWNER, THE DEVELOPMENT OF THE PROPERTY, THE OWNER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE BONDS, OTHER THAN STATEMENTS MADE BY THE OWNER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE OWNER. THE OWNER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE OWNER HAS NO OBLIGATION TO UPDATE THIS PERIODIC REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated: _____

_____

By: _____
_____
_____

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APPENDIX F

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") 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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APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT

Certain definitions and provisions of the Fiscal Agent Agreement not otherwise defined or summarized in the main body of the Official Statement are set forth below. *This summary of certain provisions 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, available at the Principal Office of the Fiscal Agent, for the complete terms thereof.*

Definitions

"Additional Bonds" means any series of bonds other than the 2017 Bonds issued pursuant to the Agreement.

"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 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 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 District. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid, and any advances of funds by the City under the Agreement.

"Agreement" means the Fiscal Agent Agreement, dated as of June 1, 2017, related to the Bonds, as it may be amended or supplemented from time to time by any Supplemental Agreement.

"Annual Debt Service" means, for each Bond Year and each Series of Outstanding Bonds, the sum of (i) the interest due on the respective Series of Outstanding Bonds in such Bond Year, assuming that such Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the respective Series of Outstanding Bonds, including any mandatory sinking fund payments, due in such Bond Year.

"Authorized Officer" means the City Manager, Treasurer, Chief Financial Officer, Finance Director, City Attorney or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in the Agreement as required to be undertaken by an Authorized Officer.

"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 shall begin on the Closing Date and end on September 1, 2017.

"*Bonds*" means the 2017 Bonds and any Additional Bonds.

"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.

"City" means the City of Roseville, California, and any successor thereto.

"Closing Date" means June 14, 2017, the date upon which there is a physical delivery of the 2017 Bonds in exchange for the amount representing the purchase price of the 2017 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 Certificate" means the Continuing Disclosure Agreement, dated as of the Closing Date, by and between the City and Willdan Financial Services, in its capacity as 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 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, and 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.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Agreement.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

"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.

"District" means the City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) formed pursuant to the Resolution of Formation.

"*Fair Market Value*" means the price at which a willing buyer would purchase the 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 referenced 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) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"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.

"Finance Director" means the duly acting Finance Director of the City, or if the City has no Finance Director, such officer of the City serving a similar role.

"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.

"Information Services" means “EMMA” or the “Electronic Municipal Market Access” system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Maximum Annual Debt Service" means, for each Series of Outstanding Bonds, the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of the respective Series of 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 the first purchaser 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 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 Certificate.

"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 is entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal 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 an 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 and retains a fee for services provided to the fund, (b) the Fiscal Agent collects fees for services rendered pursuant to the Agreement, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to the Agreement 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, 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 and retains a fee for services provided to the fund, (b) the Fiscal Agent collects fees for services rendered pursuant to the Agreement, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to the Agreement 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; or

(xiii) 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.

(xiv) any other lawful investment for City funds.

"Prepayment" means moneys received by the City from the prepayment of Special Taxes as provided in the "Rate, Method of Apportionment, and Manner of Collection of Special Tax" applicable to the District.

"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 set forth in the Agreement, or such other or additional offices as may be designated by the Fiscal Agent.

"*Project*" means the acquisitions and improvements described in the Resolution of Formation, including Administrative Expenses related thereto.

"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 in the "AA" category (without regard to modifier) or higher by S&P or Moody's at the time of issuance; (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 Fiscal Agent 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.

"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 respective Outstanding Bonds covered by the Reserve Fund, (b) 125% of the average Annual Debt Service on the respective Outstanding Bonds covered by the Reserve Fund, as calculated at the time of issuance thereof, or (c) ten percent (10%) of the original principal amount of the respective Bonds covered by the Reserve Fund (or the issue price of the respective Bonds excluding accrued interest, if the net original issue discount or premium is less than 98% or more than 102% of the principal amount of the respective Bonds), as calculated by the City; provided, that (1) in no event shall the City, in connection with the issuance of Additional Bonds covered by the Reserve Fund pursuant to a Supplemental Agreement be obligated to deposit an amount in the Reserve Fund which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Fund is so limited, the Reserve Requirement shall, in connection with the issuance of such Additional Bonds, be increased only by the amount of such deposit as permitted by the Code, and (2) the District may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Fund Credit Instrument in the Reserve Fund in accordance with the Agreement.

"Resolution of Formation" means Resolution No. 16-84, adopted by the City Council of the City on March 16, 2017, establishing the District for the purpose of providing for the financing of certain public facilities in and for such District.

"Securities Depositories" means The Depository Trust Company, New York, New York; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer's Certificate delivered to the Fiscal Agent.

"Series" means a series of Bonds issued under this Fiscal Agent Agreement.

"Special Tax Fund" means the fund by that name established by 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, net of the administration charge of the County (currently 1%).

"Special Taxes" means the special taxes levied within the District 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 hereunder.

"Treasurer" means the duly acting Treasurer of the City, or if the City has no Treasurer, the Chief Financial Officer, the Finance Director or other officer of the City serving a similar role.

"2017 Bonds" means the City of Roseville Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds, Series 2017.

"2017 Reserve Account" means the account within the Reserve Fund by that name established pursuant to the Agreement.

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 Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds 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 shall be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by an Authorized Officer or a designee thereof 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 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. 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. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 3 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.

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.

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 District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in certain funds created hereunder as, and to the extent, set forth in the Agreement.

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 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 shall 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.

Compliance with Law; Completion of Project. The City will comply with all applicable provisions of the Act and the law in completing the acquisition and construction of the Project; provided that the City shall have no obligation to advance any funds to complete the Project in excess of the amounts available therefor in the Improvement Fund.

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 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 and 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 shall in no way affect the obligations of the Treasurer or Finance Director under the following two paragraphs. Upon receipt of such notice, the Treasurer and Finance Director shall communicate with each other and/or their designees to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The 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 the County Auditor will accept the transmission of the Special Tax amounts for the parcels within the District 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 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 District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing Bond 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 District 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.

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.

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.

Investments; Disposition of Investment Proceeds

Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the 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 Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested and notify the Treasurer or Finance Director that it is doing so until further direction is received from the Treasurer or Finance Director. Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Treasurer shall be invested by the Treasurer 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 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 or the 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 the 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 the Agreement or the Code) at Fair Market Value. 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). 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 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 the 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.

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 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 shall notify the Finance Director in writing of the amount of the shortfall and the 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 provision 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 provision, the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate.

Limited Obligation. The City's obligations under the Agreement are limited obligations of the City on behalf of the District 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.

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 or other fiduciary, 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 or other fiduciary, 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 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 shall have been given as in the 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 the Agreement and all other obligations of the City under the Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City (i) related to maintenance of tax-exemption and (ii) 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 the Agreement; 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.

Amendments

Amendments Permitted. 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 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 the 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.

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 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 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 shall 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.

No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

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.

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 the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement, to take effect when and as provided in the Agreement. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under the Agreement, 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 the Agreement provided.

If consent of the Owners is required under the Agreement, 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 the Agreement) and a notice shall have been mailed as hereinafter in the Agreement 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 the Agreement. 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 the Agreement 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 the Agreement 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 the Agreement (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 the Agreement 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.

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 H

FORM OF INVESTOR LETTER

City of Roseville,
Fiddyment Ranch CFD No. 5 (Public Facilities)

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

Stifel, Nicolaus & Company, Incorporated

Re: City of Roseville, Fiddyment Ranch Community Facilities District No. 5 (Public Facilities) Special Tax Bonds, Series 2017

Ladies and Gentlemen:

The City of Roseville (the "Issuer") has issued the above-referenced bonds (the "Bonds"). Capitalized terms used in this letter but not defined have the meaning given them in the Fiscal Agent Agreement, dated as of June 1, 2017, relating to the Bonds (the "Fiscal Agent Agreement").

In connection with our purchase on the date hereof of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser states that: (i) it is a qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (a "Qualified Institutional Buyer"); (ii) it is acquiring the Bonds for its own account or for the account of a Qualified Institutional Buyer; (iii) it is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities.

(b) The Bond Purchaser understands that the Bonds (i) have not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required, (ii) have not been registered and may not have otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (iii) will not be listed in any stock or other securities exchange, (iv) will not carry a rating from any rating service, and (v) will be delivered in a form which may not be readily marketable. The Bond Purchaser represents to you that it is purchasing the Bonds for investment in its own account and not with a present view toward resale or the distribution thereof. It will not resell or otherwise dispose of all or any part of the Bonds, except as permitted by law and in compliance with, and subject to, all applicable federal and state securities laws and regulations.

(c) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there may be no established market for the Bonds and that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(d) The Bond Purchaser acknowledges that the obligation of the Issuer to pay debt service on the Bonds is a special, limited obligation payable solely from Special Taxes (as defined in the Fiscal Agent Agreement) and moneys in certain funds and accounts established

in the Fiscal Agent Agreement, and that the Issuer is not obligated to use any other moneys or assets of the Issuer to pay debt service on the Bonds.

(e) The Bond Purchaser acknowledges that it has been supplied with or been given access to financial and other information, including but not limited to a Preliminary Official Statement dated May 11, 2017 (the "POS"), a final Official Statement dated May 25, 2017 (the "OS"), both including an Appraisal dated April 19, 2017 and an Update to Appraisal dated April 24, 2017.

(f) The Bond Purchaser understands that the Issuer and the Underwriter, and their respective counsel and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

(g) The signatory of this Letter is a duly authorized representative of the Bond Purchaser with the authority to sign this Letter on behalf of the Bond Purchaser, and this Letter has been duly authorized, executed and delivered.

Very truly yours,

By:_____
Name:_____
Title:_____
Bond Purchaser Name:_____
Fund Name:_____
Date: _____



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