

**FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF ROSEVILLE**

**and**

**BNY WESTERN TRUST COMPANY,  
as Fiscal Agent**

**Dated as of ^ May 1, 2003**

**Relating to:**

**^ \$15,475,000  
City of Roseville  
Crocker Ranch Community Facilities District No. 1  
Special Tax Bonds  
Series 2003**

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#### EXHIBIT A - FORM OF 2003 BONDS

## FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT

THIS FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT (this "First Supplement" or "Agreement"), dated as of <sup>^</sup> May 1, 2003, is by and between the CITY OF ROSEVILLE, a charter city and public body, corporate and politic, organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for and on behalf of the City of Roseville Crocker Ranch Community Facilities District No. 1 (the "District"), and BNY WESTERN TRUST COMPANY, a banking corporation, duly organized and existing under the laws of the State of California, as fiscal agent (the "Fiscal Agent") under a Fiscal Agent Agreement, dated as of <sup>^</sup> April 1, 2002 (the "Original Fiscal Agent Agreement") by and between the Fiscal Agent and the City.

### RECITALS:

**WHEREAS**, the City Council of the City has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 et seq. of the California Government Code) (the "Act") and Resolution No. 02-53 of the City Council adopted on February 6, 2002;

**WHEREAS**, the City Council, as the legislative body of the District, is authorized under the Act to levy special taxes to pay for the costs of facilities within the District and to authorize the issuance of bonds secured by said special taxes under the Act;

**WHEREAS**, pursuant to the provisions of the Act and the Original Fiscal Agent Agreement, on April 25, 2002, the City issued, for and on behalf of the District, \$4,525,000 initial principal amount of City of Roseville Community Facilities District No. 1 Special Tax Bonds, Series 2002 (the "Series 2002<sup>^</sup> Bonds") for the purpose of financing various public improvements authorized to be funded by the District;

**WHEREAS**, Section 5.17 of the Original Fiscal Agent Agreement authorizes the issuance by Supplemental Agreement of Additional Bonds (as such terms are defined in the Original Fiscal Agent Agreement) secured under the Original Fiscal Agent Agreement on a parity with the Series 2003 Bonds;

**WHEREAS**, after due investigation and deliberation the City has determined that it is in the interests of the City and the District at this time for the City, for and on behalf of the District, to provide for the issuance of City of Roseville Community Facilities District No. 1 Special Tax Bonds, Series 2003 in the initial aggregate principal amount of <sup>^</sup> \$15,475,000 (the "2003 Bonds"), to provide moneys needed to construct and acquire the facilities necessary for development of property within the City;

**WHEREAS**, this First Supplement is a "Supplemental Agreement" as defined in Section 1.03 of the Original Fiscal Agent Agreement and the 2003 Bonds are "Additional Bonds" as defined in Section 1.03 of the Original Fiscal Agent Agreement and are secured under the Original Fiscal Agent Agreement, as amended and supplemented by this First Supplement, on a parity with the Series 2003 Bonds;

**WHEREAS**, the City and the Fiscal Agent desire to enter into this First Supplement pursuant to Sections 5.17 of the Original Fiscal Agent Agreement and to provide for the issuance of the 2003 Bonds;

WHEREAS, in providing for the issuance of the 2003 Bonds, it is necessary to supplement and amend the Original Fiscal Agent Agreement, as more particularly provided herein<sup>^</sup>, as such supplements and amendments are authorized by Sections 5.17 and 8.05 of the Original Fiscal Agent Agreement; and

WHEREAS, the City has determined that all acts and proceedings required by law necessary to make the 2003 Bonds, when executed by the City for the District, authenticated and delivered by the Fiscal Agent and duly issued, the valid, binding and legal special obligations of the City for the District, and to constitute the Original Fiscal Agent Agreement, as amended and supplemented by this First Supplement, a valid and binding agreement for the uses and purposes herein and therein set forth, in accordance with its terms, have been done or taken and the execution and delivery of this First Supplement have been in all respects duly authorized.

#### AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Supplement to Original Fiscal Agent Agreement. In accordance with the provisions of Section 5.17<sup>^</sup>, 8.05 and other provisions of the Original Fiscal Agent Agreement, the Original Fiscal Agent Agreement is hereby amended by adding a new article thereto, to be designated as Article X. Such Article X shall read in its <sup>^</sup>entirety as follows:

#### ARTICLE X

#### 2003 BONDS

Section 10.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 10.01 shall, for all purposes of this Article X but not for any other purposes of this Agreement, have the respective meanings specified in this Section 10.01. All terms defined in Section 1.03 of this Agreement and not otherwise defined in this Section 10.01 shall, when used in this Article X, have the respective meanings given to such terms in Section 1.03.

"Article X" means this Article X which has been incorporated in and made a part of this Agreement pursuant to First Supplement, together with all amendments of and supplements to this Article X entered into pursuant to the provisions of Section 8.01.

"Closing Date" means <sup>^</sup>May 6, 2003, being the date upon which there was a physical delivery of the 2003 Bonds in exchange for the amount representing the purchase price of the 2003 Bonds by the Original Purchaser.

"2003 Costs 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 2003 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the 2003 Bonds, financial advisor fees, 2003 Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, disclosure counsel, charges for execution, transportation and safekeeping of the 2003 Bonds and other costs, charges and fees in connection with the foregoing.

"2003 Costs of Issuance Fund" means the fund by that name established and held by the Fiscal Agent pursuant to Section 10.07.

“Original Purchaser” means, U.S. Bancorp Piper Jaffray, Inc., the first purchaser of the 2003 Bonds upon their delivery by the Fiscal Agent on the Closing Date.

Section 10.02. Authorization of 2003 Bonds. 2003 Bonds in the aggregate principal amount of <sup>^</sup> Fifteen Million Four Hundred Seventy Five Thousand Dollars <sup>^</sup> (\$15,475,000), are hereby authorized to be issued as Additional Bonds under and subject to the terms of this Agreement, the Act, and other applicable laws of the State of California.

Section 10.03. Terms of 2003 Bonds.

(A) Form; Denominations. The 2003 Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple in excess thereof.

(B) Date of Bonds. The 2003 Bonds shall be dated the Closing Date.

(C) CUSIP Identification Numbers. “CUSIP” identification numbers shall be imprinted on the 2003 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2003 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2003 Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City’s contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities, Interest Rates. The 2003 Bonds shall mature and become payable on September 1 in each of the years, and shall bear interest at the rates per annum as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>(777870)</u>
2004	\$245,000	2.250%	IU1
2005	250,000	2.500	IV9
2006	255,000	3.000	IW7
2007	265,000	3.650	IX5
2008	270,000	4.000	IY3
2009	285,000	4.250	IZ0
2010	295,000	4.600	KA3
2011	310,000	4.850	KB1
2012	325,000	4.950	KC9
2013	340,000	5.050	KD7
2014	355,000	5.100	KE5
2015	375,000	5.200	KF2
2016	395,000	5.300	KG0
2017	415,000	5.400	KH8
2018	440,000	5.500	KI4
2019	460,000	5.550	KK1
2020	490,000	5.600	KL9
2024	2,250,000	5.900	KQ8
2027	2,065,000	6.000	KT2
2033	5,390,000	6.000	KZ8

(E) Interest and Method of Payment. Interest on the 2003 Bonds shall be payable as provided in Section 2.02(E) of this Agreement, with the Closing Date as used therein being the Closing Date as defined in Section 10.01, and payments shall be made on the 2003 Bonds as provide in Section 2.02(F)

Section 10.04. Redemption of 2003 Bonds.

(A) Redemption. (i) *Optional Redemption.*

The 2003 Bonds shall be subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among maturities as shall be specified by an Officer's Certificate of the City and by lot within a maturity, on any Interest Payment Date on or after September 1, <sup>^</sup>2009 at the following respective redemption prices (expressed as percentages of the principal amount of the 2003 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, <sup>^</sup> 2009 and March 1, <sup>^</sup> 2010	<sup>^</sup> 103%
September 1, <sup>^</sup> 2010 and March 1, <sup>^</sup> 2011	<sup>^</sup> 102
September 1, 2011 and March 1, 2012	<u>101</u>
September 1, <sup>^</sup> 2012 and Interest Payment Dates thereafter	<sup>^</sup> 100

(ii) *Mandatory Redemption From Prepayments.*

The 2003 Bonds shall be subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as shall be 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 2003 Bonds to be redeemed), plus accrued interest thereon the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
<sup>^</sup> September 1, <sup>^</sup> 2003 to and including March 1, <sup>^</sup> 2010	<sup>^</sup> 103%
<u>September 1, 2010 and March 1, 2011</u>	<u>102</u>
<u>September 1, 2011 and March 1, 2012</u>	<u>101</u>
<u>September 1, 2012 and Interest Payment Dates thereafter</u>	<u>100</u>

(iii) *Mandatory Sinking Payment Redemption.* The Term 2003 Bonds maturing September 1, <sup>^</sup>2024 are subject to mandatory sinking payment redemption in part on September 1, <sup>^</sup>2021 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

<u>Mandatory Redemption Date</u> (September 1)	<u>Sinking Fund Payment</u>
<u>2021</u>	<u>\$515,000</u>
<u>2022</u>	<u>545,000</u>
<u>2023</u>	<u>580,000</u>
<u>2024 (maturity)</u>	<u>610,000</u>

The Term 2003 Bonds maturing September 1, <sup>^</sup>2027 are subject to mandatory sinking payment redemption in part on September 1, <sup>^</sup>2025 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%)

of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
<u>2025</u>	<u>\$650,000</u>
<u>2026</u>	<u>685,000</u>
<u>2027 (maturity)</u>	<u>730,000</u>

The Term 2003 Bonds maturing September 1, 2033 are subject to mandatory sinking payment redemption in part on September 1, 2028 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
<u>2028</u>	<u>\$770,000</u>
<u>2029</u>	<u>820,000</u>
<u>2030</u>	<u>870,000</u>
<u>2031</u>	<u>920,000</u>
<u>2032</u>	<u>975,000</u>
<u>2033 (maturity)</u>	<u>1,035,000</u>

The amounts in the foregoing table shall be reduced pro rata, in order to maintain substantially level debt service, as a result of any prior partial optional redemption or mandatory redemption of the 2003 Bonds.

In lieu of redemption under this Section 10.04, moneys in the 2003 Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2003 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 2003 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem 2003 Bonds pursuant to subsections (i) and (ii) not less than sixty (60) days prior to the applicable redemption date.

(C) Purchase of Bonds in Lieu of Redemption. In lieu of redemption under this Section 10.04(A), moneys in the 2003 Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2003 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 2003 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2003 Bonds were to be redeemed in accordance with this Agreement.

(D) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2003 Bonds designated for redemption, at their addresses appearing on the 2003 Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2003 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2003 Bonds are to be called for redemption, shall designate the CUSIP numbers and 2003 Bond numbers of the 2003 Bonds to be redeemed by giving the individual CUSIP number and 2003 Bond number of each 2003 Bond to be redeemed or shall state that all 2003 Bonds between two stated 2003 Bond numbers, both inclusive, are to be redeemed or that all of the 2003 Bonds of one or more maturities have been called for redemption, shall state as to any 2003 Bond called in part the principal amount thereof to be redeemed, and shall require that such 2003 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2003 Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of 2003 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, of the 2003 Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the 2003 Bonds of any maturity, the Fiscal Agent shall select the 2003 Bonds to be redeemed, from all 2003 Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate.

Upon surrender of 2003 Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new 2003 Bond or 2003 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2003 Bond or 2003 Bonds.

(E) 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 2003 Bonds so called for redemption shall have been deposited in the 2003 Bond Fund, such 2003 Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All 2003 Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled 2003 Bonds and issue a certificate of destruction thereof to the City.

Section 10.05. Form of 2003 Bonds: Authentication and Delivery.

(A) Form of 2003 Bonds. The 2003 Bonds, the form of Fiscal Agent's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement and the Act.

(B) Execution of 2003 Bonds. The 2003 Bonds shall be executed on behalf of the City by the <sup>^</sup>Mayor <sup>^</sup>thereof and the <sup>^</sup>City Clerk who are in office on the date of adoption of this Agreement or at any time thereafter, and the seal of the City <sup>^</sup>may be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any 2003 Bond ceases to be such officer before delivery of the 2003 Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2003 Bonds to the Owner. Any 2003 Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such 2003 Bond shall be the proper officers of the City although at the nominal date of such 2003 Bond any such person shall not have been such officer of the City.

Only such of the 2003 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit B, manually executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that such 2003 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Agreement.

(C) Authentication and Delivery of 2003 Bonds. At any time after the execution of First Supplement and delivery by the City of an Officer's Certificate that the requirements of Section 5.17 for the issuance of the 2003 Bonds as Additional Bonds have been met, the City may issue the 2003 Bonds for the District in the aggregate principal amount set forth in Section 10.02 and deliver the 2003 Bonds to the Original Purchaser. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2003 Bonds in accordance with the provisions of the Act and this Agreement, as supplemented by First Supplement, to authorize the payment of 2003 Costs of Issuance and costs of the Project by the Fiscal Agent from the proceeds of the 2003 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2003 Bonds to the Original Purchaser. The provisions of Sections 2.06 through 2.13 of the Original Fiscal Agent Agreement shall apply to the 2003 Bonds in a like manner as applied to the Series 2003 Bonds.

Section 10.06. Application of Proceeds of Sale of 2003 Bonds. The proceeds of the purchase of the 2003 Bonds by the Original Purchaser in the amount of \$15,203,042.25 (which is equal to the par amount of the 2003 Bonds, less an original issue discount of \$74,651.50 and less the Underwriter's discount of \$197,306.25)<sup>^</sup>, shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

(i) <sup>^</sup>Transfer to the City for deposit in the 2003 Improvements Account of the Improvement Fund ^ \$13,630,381.91;

(ii) Deposit in the 2003 Bonds Reserve Account of the Reserve Fund ^ \$1,098,000.00, bringing the total balance in the Reserve Fund to the Reserve Fund Requirement;

(iii) Deposit in the ^2003 Capitalized Interest Account of the Bond Fund ^ \$271,310.34;

(iv) Deposit in the 2003 Costs of Issuance Fund \$400,656.25<sup>^</sup> ;

The Fiscal Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate transfers required under this Section 10.06.

Section 10.07. 2003 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "2003 Costs of Issuance Fund", which shall be held by the Fiscal Agent in trust. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay 2003 Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Treasurer or Finance Director or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all 2003 Costs of Issuance 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 2003 Costs of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date. On the earlier of (i) the date which is six (6) months following the Closing Date, or (ii) the date of receipt by the Fiscal Agent of a Written Request of the City therefor, all amounts (if any) remaining in the 2003 Costs of Issuance Fund shall be withdrawn therefrom by the Fiscal Agent and transferred to the Interest Account for use for purposes of the Interest Account and the 2003 Costs of Issuance Fund shall be closed.

Section 10.08. Security for 2003 Bonds. The 2003 Bonds shall be Additional Bonds which shall be secured on a parity with the 2002 Bonds in the manner and to the extent set forth in Articles IV and V, and in this Article X.

Section 10.09. Effect of this Article X. Except as in this Article X expressly provided or except to the extent inconsistent with any provision of this Article X, the 2003 Bonds shall be deemed to be "Bonds" under and within the meaning of Section 1.03, and every term and condition contained in the foregoing provisions of this Agreement shall apply to the 2003 Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article X.

SECTION 2. Attachment of Exhibit B. The Original Fiscal Agent Agreement is hereby further amended by incorporating therein an Exhibit B setting forth the form of the 2003 Bonds, which shall read in its entirety as set forth in Exhibit A attached hereto and hereby made a part hereof.

SECTION 3. Additional Amendments to Original Fiscal Agent Agreement. The Original Fiscal Agent Agreement is hereby further amended as follows:

(A) Section 1.03 of the Agreement is hereby amended by adding thereto the following:

"2003 Bonds" means the City of Roseville Community Facilities District No. 1 Special Tax Bonds, Series 2003, authorized to be issued under Section 10.02.

"First Supplement" means this First Supplement to Fiscal Agent Agreement, dated as of ^ May 1, 2003, between the City, for and on behalf of the District, and the Fiscal Agent.

(B) Section 1.03 of the Agreement is hereby further amended by deleting the term "^ 2002 Bond Fund" therein, and by inserting therein, in lieu thereof, the following: "Bond Fund" means the fund by that name (now renamed the "Bond Fund") established pursuant to Section 4.02(A) hereof.

(C) Section 3.03(A) of the Agreement is hereby further amended by deleting Section 3.03(A) in its entirety and replacing it with the following: There is hereby established as a separate fund to be held by the ^ City, the Crocker Ranch Community Facilities District No. 1 Special Tax Bonds, Special Tax Fund. Moneys in the Special Tax Fund shall be held in trust by the City for the benefit of the City and the Owners of the Bonds, shall be disbursed as provided

below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(D) Section 3.04(A) of the Agreement is hereby amended by adding thereto, as a new third sentence thereof, the following: "There is also hereby created within the Improvement Fund a separate account designated as the "2003 Improvements Account" of the Improvement Fund, which account is hereby established for purposes of accounting for the use and disposition of 2003 Bond proceeds directed to the Improvement Fund pursuant to Section 10.06 and 10.08.

(E) Section 4.03(A) of the Agreement is hereby amended by adding thereto, as a new second sentence thereof, the following: "There is also hereby created within the Reserve Fund a separate account designated as the "2003 Bond Reserve Account" which account is hereby established for purposes of accounting for the use and disposition of 2003 Bonds, a portion of the proceeds of which will be deposited to such 2003 Bond Reserve Account pursuant to Section 10.06, and amounts in such account shall for all purposes of this Agreement be deemed to be part of the amounts on deposit in the Reserve Fund and amounts in such 2003 Bond Reserve Account and any earnings thereon in such 2003 Bond Reserve Account shall be drawn upon in the same manner, according to the same terms and pro rata with all other amounts in the Reserve Fund whenever a draw is made on the Reserve Fund under this Section 4.03."

(F) Section 4.02(A) of the Agreement is hereby amended by adding thereto, as a new last sentence of the first paragraph thereof, the following: "There is also hereby created within the Bond Fund a "2003 Capitalized Interest Account" which account is hereby established for purposes of accounting for the disposition of 2003 Bonds, a portion of the proceeds of which will be deposited to such 2003 Capitalized Interest Account pursuant to Section 10.06. The amount deposited to the 2003 Capitalized Interest Account and any investment earnings thereon shall be used solely to make payments on the 2003 Bonds, and the amount deposited to the 2003 Capitalized Interest Account and any investment earnings thereon shall be applied solely to make payments on the 2003 Bonds as follows:

- |  |  |
|--|--|
| September 1, 2003<br>and March 1,<br>2004: | The amount necessary, taking into account any amounts then on deposit in the Bond Fund available for such purpose, to pay interest on the 2003 Bonds on the Interest Payment Date which occurs on such date. |
| September 1, 2004:                         | All amounts then on deposit, if any, in the Capitalized Interest Account.  |

(G) The second paragraph of Section 8.01 of the Agreement is hereby amended by deleting the period at the end of clause (D) thereof and by inserting therein, in lieu thereof, the following: "; and (E) in connection with the issuance of Additional Bonds under Section 5.17 hereof."

(H) References in the Original Fiscal Agent Agreement to the 2003 Bonds which, if the context requires reference to the 2003 Bonds and any Additional Bonds in order to maintain the parity relationship of the 2003 Bonds and any Additional Bonds and the security therefor, shall be deemed to refer to "Bonds" as defined in the Original Fiscal Agent Agreement rather than "2003 Bonds."

**SECTION 4. Partial Invalidity.** If any section, paragraph, sentence, clause or phrase of this First Supplement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this First Supplement. The City hereby declares that it would have entered into this First Supplement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2003 Bonds

pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this First Supplement may be held illegal, invalid or unenforceable.

**SECTION 5. Execution in Counterparts.** This First Supplement 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.

**SECTION 6. Governing Law.** This First Supplement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the City and the Fiscal Agent have caused this First Supplement to be executed as of ^May 1, 2003.

CITY OF ROSEVILLE

By: \_\_\_\_\_  
Finance Director

BNY WESTERN TRUST COMPANY, as  
Fiscal Agent

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

EXHIBIT A TO FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT

EXHIBIT B  
FORM OF 2003 BONDS

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA

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

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

CITY OF ROSEVILLE  
CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1  
SPECIAL TAX BOND, SERIES 2003

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
	September 1, ____	^ May 6, 2003	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Roseville (the "City") for and on behalf of the City of Roseville Crocker Ranch Community Facilities District No. 1 (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the 2003 Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing September 1, 2003 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this 2003 Bond is payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this 2003 Bond at the principal corporate trust office of BNY Western Trust Company in San Francisco, California (the "Fiscal Agent"). Interest on this 2003 Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of 2003 Bonds.

This 2003 Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on February 19, 2003, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements within the District, and is one of the bonds designated "City of Roseville Crocker Ranch Community Facilities District No. 1 Special Tax Bonds Series 2003" (the "2003 Bonds"). The issuance of the 2003 Bonds and the terms and conditions thereof are provided for by a

Fiscal Agent Agreement, dated as of April 1, 2002, as amended and supplemented by a First Supplement to Fiscal Agent Agreement dated as of <sup>^</sup>May 1, 2003 (together, the "Agreement"), by and between the City and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this 2003 Bond assents to said terms and conditions. The Agreement is authorized under, this 2003 Bond is issued under and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this 2003 Bond are payable, on a parity with previously issued bonds of the District, solely from the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Interest on this 2003 Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the 2003 Bond Date shown above; provided however, that if at the time of authentication of this 2003 Bond, interest is in default hereon, this 2003 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City as may be permitted by law. The 2003 Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein above.

The 2003 Bonds shall be 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 Interest Payment Date on or after September 1, 2009, at the following respective redemption prices (expressed as percentages of the principal amount of the 2003 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2009 and March 1, 2010	103%
September 1, 2010 and March 1, 2011	102
September 1, 2011 and March 1, 2012	101
September 1, 2012 and Interest Payment Dates thereafter	100

The 2003 Bonds are subject to 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, or any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2003 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2003 through March 1, 2010	103%
September 1, 2010 and March 1, 2011	102
September 1, 2011 and March 1, 2012	101
September 1, 2012 and Interest Payment Dates thereafter	100

The Term Bonds maturing September 1, 2024 ,2027 and 2033 are subject to mandatory sinking payment redemption in part on September 1, 2021, September 1, 2025 and September 1, 2028, 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 of 2024**

Mandatory Redemption Date <u>(September 1)</u>	Sinking Fund <u>Payment</u>
2021	\$515,000
2022	545,000
2023	580,000
2024 (maturity)	610,000

**Term Bonds of 2027**

Mandatory Redemption Date <u>(September 1)</u>	Sinking Fund <u>Payment</u>
2025	\$650,000
2026	685,000
2027 (maturity)	730,000

**Term Bonds of 2033**

Mandatory Redemption Date <u>(September 1)</u>	Sinking Fund <u>Payment</u>
2028	\$770,000
2029	820,000
2030	870,000
2031	920,000
2032	975,000
2033 (maturity)	1,035,000

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 2003 Bonds.

Notice of redemption with respect to the 2003 Bonds to be redeemed shall be given to the Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This 2003 Bond shall be registered in the name of the Owner hereof, as to both principal and interest. Each registration and transfer of registration of this 2003 Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium

shall be payable only to the registered owner or to such Owner's order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2003 Bonds for redemption or (ii) with respect to a 2003 Bond after such 2003 Bond has been selected for redemption.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the 2003 Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This 2003 Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this 2003 Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this 2003 Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this 2003 Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any 2003 Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Roseville has caused this 2003 Bond to be dated <sup>^</sup> May 6, 2003, to be signed by the Mayor of the City and countersigned by the City Clerk.

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Mayor

[S E A L]

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City Clerk

Approved as to Form:

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City Attorney

*FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION*

This is one of the 2003 Bonds described in the Resolution and the Agreement.

Dated: ^ May 6, 2003

BNY WESTERN TRUST COMPANY, as Fiscal Agent

By: \_\_\_\_\_  
Authorized Signatory

*ASSIGNMENT*

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name, address and Tax identification Number of Assignee)  
the within-mentioned registered 2003 Bond and hereby irrevocably constitute(s) and appoint(s)  
\_\_\_\_\_, attorney, \_\_\_\_\_  
to transfer the same on the registration books of the Fiscal Agent with full power of substitution  
in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTE: Signature(s) must be guaranteed by a member  
firm of the New York Stock Exchange or a commercial  
bank or trust company.

\_\_\_\_\_  
NOTE: The signature(s) on this Assignment must  
correspond with the name(s) as written on the face of  
the within 2003 Bond in every particular without  
alteration or enlargement or any change whatsoever.

**FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT**

**by and between**

**CITY OF ROSEVILLE**

**and**

**BNY WESTERN TRUST COMPANY,  
as Fiscal Agent**

**Dated as of ^ May 1, 2003**

**Relating to:**

**^ \$15,475,000  
City of Roseville  
Crocker Ranch Community Facilities District No. 1  
Special Tax Bonds  
Series 2003**

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#### EXHIBIT A - FORM OF 2003 BONDS

## FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT

THIS FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT (this "First Supplement" or "Agreement"), dated as of <sup>^</sup>May 1, 2003, is by and between the CITY OF ROSEVILLE, a charter city and public body, corporate and politic, organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for and on behalf of the City of Roseville Crocker Ranch Community Facilities District No. 1 (the "District"), and BNY WESTERN TRUST COMPANY, a banking corporation, duly organized and existing under the laws of the State of California, as fiscal agent (the "Fiscal Agent") under a Fiscal Agent Agreement, dated as of <sup>^</sup>April 1, 2002 (the "Original Fiscal Agent Agreement") by and between the Fiscal Agent and the City.

### RECITALS:

WHEREAS, the City Council of the City has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 et seq. of the California Government Code) (the "Act") and Resolution No. 02-53 of the City Council adopted on February 6, 2002;

WHEREAS, the City Council, as the legislative body of the District, is authorized under the Act to levy special taxes to pay for the costs of facilities within the District and to authorize the issuance of bonds secured by said special taxes under the Act;

WHEREAS, pursuant to the provisions of the Act and the Original Fiscal Agent Agreement, on April 25, 2002, the City issued, for and on behalf of the District, \$4,525,000 initial principal amount of City of Roseville Community Facilities District No. 1 Special Tax Bonds, Series 2002 (the "Series 2002<sup>^</sup> Bonds") for the purpose of financing various public improvements authorized to be funded by the District;

WHEREAS, Section 5.17 of the Original Fiscal Agent Agreement authorizes the issuance by Supplemental Agreement of Additional Bonds (as such terms are defined in the Original Fiscal Agent Agreement) secured under the Original Fiscal Agent Agreement on a parity with the Series 2003 Bonds;

WHEREAS, after due investigation and deliberation the City has determined that it is in the interests of the City and the District at this time for the City, for and on behalf of the District, to provide for the issuance of City of Roseville Community Facilities District No. 1 Special Tax Bonds, Series 2003 in the initial aggregate principal amount of <sup>^</sup>\$15,475,000 (the "2003 Bonds"), to provide moneys needed to construct and acquire the facilities necessary for development of property within the City;

WHEREAS, this First Supplement is a "Supplemental Agreement" as defined in Section 1.03 of the Original Fiscal Agent Agreement and the 2003 Bonds are "Additional Bonds" as defined in Section 1.03 of the Original Fiscal Agent Agreement and are secured under the Original Fiscal Agent Agreement, as amended and supplemented by this First Supplement, on a parity with the Series 2003 Bonds;

WHEREAS, the City and the Fiscal Agent desire to enter into this First Supplement pursuant to Sections 5.17 of the Original Fiscal Agent Agreement and to provide for the issuance of the 2003 Bonds;

WHEREAS, in providing for the issuance of the 2003 Bonds, it is necessary to supplement and amend the Original Fiscal Agent Agreement, as more particularly provided herein<sup>^</sup>, as such supplements and amendments are authorized by Sections 5.17 and 8.05 of the Original Fiscal Agent Agreement; and

WHEREAS, the City has determined that all acts and proceedings required by law necessary to make the 2003 Bonds, when executed by the City for the District, authenticated and delivered by the Fiscal Agent and duly issued, the valid, binding and legal special obligations of the City for the District, and to constitute the Original Fiscal Agent Agreement, as amended and supplemented by this First Supplement, a valid and binding agreement for the uses and purposes herein and therein set forth, in accordance with its terms, have been done or taken and the execution and delivery of this First Supplement have been in all respects duly authorized.

#### AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Supplement to Original Fiscal Agent Agreement. In accordance with the provisions of Section 5.17<sup>^</sup>, 8.05 and other provisions of the Original Fiscal Agent Agreement, the Original Fiscal Agent Agreement is hereby amended by adding a new article thereto, to be designated as Article X. Such Article X shall read in its <sup>^</sup>entirety as follows:

#### ARTICLE X

#### 2003 BONDS

Section 10.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 10.01 shall, for all purposes of this Article X but not for any other purposes of this Agreement, have the respective meanings specified in this Section 10.01. All terms defined in Section 1.03 of this Agreement and not otherwise defined in this Section 10.01 shall, when used in this Article X, have the respective meanings given to such terms in Section 1.03.

"Article X" means this Article X which has been incorporated in and made a part of this Agreement pursuant to First Supplement, together with all amendments of and supplements to this Article X entered into pursuant to the provisions of Section 8.01.

"Closing Date" means <sup>^</sup>May 6, 2003, being the date upon which there was a physical delivery of the 2003 Bonds in exchange for the amount representing the purchase price of the 2003 Bonds by the Original Purchaser.

"2003 Costs 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 2003 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the 2003 Bonds, financial advisor fees, 2003 Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, disclosure counsel, charges for execution, transportation and safekeeping of the 2003 Bonds and other costs, charges and fees in connection with the foregoing.

"2003 Costs of Issuance Fund" means the fund by that name established and held by the Fiscal Agent pursuant to Section 10.07.

“Original Purchaser” means, U.S. Bancorp Piper Jaffray, Inc., the first purchaser of the 2003 Bonds upon their delivery by the Fiscal Agent on the Closing Date.

Section 10.02. Authorization of 2003 Bonds. 2003 Bonds in the aggregate principal amount of <sup>^</sup>Fifteen Million Four Hundred Seventy Five Thousand Dollars <sup>^</sup>(\$15,475,000), are hereby authorized to be issued as Additional Bonds under and subject to the terms of this Agreement, the Act, and other applicable laws of the State of California.

Section 10.03. Terms of 2003 Bonds.

(A) Form; Denominations. The 2003 Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple in excess thereof.

(B) Date of Bonds. The 2003 Bonds shall be dated the Closing Date.

(C) CUSIP Identification Numbers. “CUSIP” identification numbers shall be imprinted on the 2003 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2003 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2003 Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City’s contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities, Interest Rates. The 2003 Bonds shall mature and become payable on September 1 in each of the years, and shall bear interest at the rates per annum as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>(777870)</u>
<u>2004</u>	<u>\$245,000</u>	<u>2.250%</u>	<u>IU1</u>
<u>2005</u>	<u>250,000</u>	<u>2.500</u>	<u>IV9</u>
<u>2006</u>	<u>255,000</u>	<u>3.000</u>	<u>IW7</u>
<u>2007</u>	<u>265,000</u>	<u>3.650</u>	<u>IX5</u>
<u>2008</u>	<u>270,000</u>	<u>4.000</u>	<u>IY3</u>
<u>2009</u>	<u>285,000</u>	<u>4.250</u>	<u>IZ0</u>
<u>2010</u>	<u>295,000</u>	<u>4.600</u>	<u>KA3</u>
<u>2011</u>	<u>310,000</u>	<u>4.850</u>	<u>KB1</u>
<u>2012</u>	<u>325,000</u>	<u>4.950</u>	<u>KC9</u>
<u>2013</u>	<u>340,000</u>	<u>5.050</u>	<u>KD7</u>
<u>2014</u>	<u>355,000</u>	<u>5.100</u>	<u>KE5</u>
<u>2015</u>	<u>375,000</u>	<u>5.200</u>	<u>KF2</u>
<u>2016</u>	<u>395,000</u>	<u>5.300</u>	<u>KG0</u>
<u>2017</u>	<u>415,000</u>	<u>5.400</u>	<u>KH8</u>
<u>2018</u>	<u>440,000</u>	<u>5.500</u>	<u>KI4</u>
<u>2019</u>	<u>460,000</u>	<u>5.550</u>	<u>KK1</u>
<u>2020</u>	<u>490,000</u>	<u>5.600</u>	<u>KL9</u>
<u>2024</u>	<u>2,250,000</u>	<u>5.900</u>	<u>KQ8</u>
<u>2027</u>	<u>2,065,000</u>	<u>6.000</u>	<u>KT2</u>
<u>2033</u>	<u>5,390,000</u>	<u>6.000</u>	<u>KZ8</u>

(E) Interest and Method of Payment. Interest on the 2003 Bonds shall be payable as provided in Section 2.02(E) of this Agreement, with the Closing Date as used therein being the Closing Date as defined in Section 10.01, and payments shall be made on the 2003 Bonds as provide in Section 2.02(F)

Section 10.04. Redemption of 2003 Bonds.

(A) Redemption. (i) *Optional Redemption.*

The 2003 Bonds shall be subject to optional redemption from any source of available funds prior to maturity, in whole, or in part among maturities as shall be specified by an Officer's Certificate of the City and by lot within a maturity, on any Interest Payment Date on or after September 1, <sup>^</sup>2009 at the following respective redemption prices (expressed as percentages of the principal amount of the 2003 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, <sup>^</sup> 2009 and March 1, <sup>^</sup> 2010	<sup>^</sup> 103%
September 1, <sup>^</sup> 2010 and March 1, <sup>^</sup> 2011	<sup>^</sup> 102
September 1, 2011 and March 1, 2012	101
September 1, <sup>^</sup> 2012 and Interest Payment Dates thereafter	<sup>^</sup> 100

(ii) *Mandatory Redemption From Prepayments.*

The 2003 Bonds shall be subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as shall be 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 2003 Bonds to be redeemed), plus accrued interest thereon the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
<sup>^</sup> September 1, <sup>^</sup> 2003 to and including March 1, <sup>^</sup> 2010	<sup>^</sup> 103%
September 1, 2010 and March 1, 2011	102
September 1, 2011 and March 1, 2012	101
September 1, 2012 and Interest Payment Dates thereafter	100

(iii) *Mandatory Sinking Payment Redemption.* The Term 2003 Bonds maturing September 1, <sup>^</sup>2024 are subject to mandatory sinking payment redemption in part on September 1, <sup>^</sup>2021 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

<u>Mandatory Redemption Date</u> (September 1)	<u>Sinking Fund Payment</u>
<u>2021</u>	<u>\$515,000</u>
<u>2022</u>	<u>545,000</u>
<u>2023</u>	<u>580,000</u>
<u>2024 (maturity)</u>	<u>610,000</u>

The Term 2003 Bonds maturing September 1, <sup>^</sup>2027 are subject to mandatory sinking payment redemption in part on September 1, <sup>^</sup>2025 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%)

of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

<u>Mandatory</u> <u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Fund</u> <u>Payment</u>
<u>2025</u>	<u>\$650,000</u>
<u>2026</u>	<u>685,000</u>
<u>2027 (maturity)</u>	<u>730,000</u>

The Term 2003 Bonds maturing September 1, 2033 are subject to mandatory sinking payment redemption in part on September 1, 2028 and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

<u>Mandatory</u> <u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Fund</u> <u>Payment</u>
<u>2028</u>	<u>\$770,000</u>
<u>2029</u>	<u>820,000</u>
<u>2030</u>	<u>870,000</u>
<u>2031</u>	<u>920,000</u>
<u>2032</u>	<u>975,000</u>
<u>2033 (maturity)</u>	<u>1,035,000</u>

^

The amounts in the foregoing table shall be reduced pro rata, in order to maintain substantially level debt service, as a result of any prior partial optional redemption or mandatory redemption of the 2003 Bonds.

In lieu of redemption under this Section 10.04, moneys in the 2003 Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2003 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 2003 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem 2003 Bonds pursuant to subsections (i) and (ii) not less than sixty (60) days prior to the applicable redemption date.

(C) Purchase of Bonds in Lieu of Redemption. In lieu of redemption under this Section 10.04(A), moneys in the 2003 Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2003 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 2003 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2003 Bonds were to be redeemed in accordance with this Agreement.

(D) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2003 Bonds designated for redemption, at their addresses appearing on the 2003 Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2003 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2003 Bonds are to be called for redemption, shall designate the CUSIP numbers and 2003 Bond numbers of the 2003 Bonds to be redeemed by giving the individual CUSIP number and 2003 Bond number of each 2003 Bond to be redeemed or shall state that all 2003 Bonds between two stated 2003 Bond numbers, both inclusive, are to be redeemed or that all of the 2003 Bonds of one or more maturities have been called for redemption, shall state as to any 2003 Bond called in part the principal amount thereof to be redeemed, and shall require that such 2003 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such 2003 Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of 2003 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, of the 2003 Bonds being redeemed with the proceeds of such check or other transfer.

Whenever provision is made in this Agreement for the redemption of less than all of the 2003 Bonds of any maturity, the Fiscal Agent shall select the 2003 Bonds to be redeemed, from all 2003 Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate.

Upon surrender of 2003 Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new 2003 Bond or 2003 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2003 Bond or 2003 Bonds.

(E) 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 2003 Bonds so called for redemption shall have been deposited in the 2003 Bond Fund, such 2003 Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All 2003 Bonds redeemed and purchased by the Fiscal Agent pursuant to this Section shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled 2003 Bonds and issue a certificate of destruction thereof to the City.

#### Section 10.05. Form of 2003 Bonds; Authentication and Delivery.

(A) Form of 2003 Bonds. The 2003 Bonds, the form of Fiscal Agent's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement and the Act.

(B) Execution of 2003 Bonds. The 2003 Bonds shall be executed on behalf of the City by the <sup>^</sup>Mayor<sup>^</sup> thereof and the <sup>^</sup>City Clerk<sup>^</sup> who are in office on the date of adoption of this Agreement or at any time thereafter, and the seal of the City <sup>^</sup>may<sup>^</sup> be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any 2003 Bond ceases to be such officer before delivery of the 2003 Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2003 Bonds to the Owner. Any 2003 Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such 2003 Bond shall be the proper officers of the City although at the nominal date of such 2003 Bond any such person shall not have been such officer of the City.

Only such of the 2003 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit B, manually executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that such 2003 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Agreement.

(C) Authentication and Delivery of 2003 Bonds. At any time after the execution of First Supplement and delivery by the City of an Officer's Certificate that the requirements of Section 5.17 for the issuance of the 2003 Bonds as Additional Bonds have been met, the City may issue the 2003 Bonds for the District in the aggregate principal amount set forth in Section 10.02 and deliver the 2003 Bonds to the Original Purchaser. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2003 Bonds in accordance with the provisions of the Act and this Agreement, as supplemented by First Supplement, to authorize the payment of 2003 Costs of Issuance and costs of the Project by the Fiscal Agent from the proceeds of the 2003 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2003 Bonds to the Original Purchaser. The provisions of Sections 2.06 through 2.13 of the Original Fiscal Agent Agreement shall apply to the 2003 Bonds in a like manner as applied to the Series 2003 Bonds.

Section 10.06. Application of Proceeds of Sale of 2003 Bonds. The proceeds of the purchase of the 2003 Bonds by the Original Purchaser in the amount of \$15,203,042.25 (which is equal to the par amount of the 2003 Bonds, less an original issue discount of \$74,651.50 and less the Underwriter's discount of \$197,306.25)<sup>^</sup>, shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

(i) <sup>^</sup>Transfer to the City for deposit in the 2003 Improvements Account of the Improvement Fund <sup>^</sup>\$13,630,381.91;

(ii) Deposit in the 2003 Bonds Reserve Account of the Reserve Fund <sup>^</sup>\$1,098,00.00, bringing the total balance in the Reserve Fund to the Reserve Fund Requirement;

(iii) Deposit in the <sup>^</sup>2003 Capitalized Interest Account of the Bond Fund <sup>^</sup>\$271,310.34;

(iv) Deposit in the 2003 Costs of Issuance Fund \$400,656.25<sup>^</sup>;

The Fiscal Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate transfers required under this Section 10.06.

Section 10.07. 2003 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "2003 Costs of Issuance Fund", which shall be held by the Fiscal Agent in trust. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay 2003 Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Treasurer or Finance Director or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all 2003 Costs of Issuance 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 2003 Costs of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date. On the earlier of (i) the date which is six (6) months following the Closing Date, or (ii) the date of receipt by the Fiscal Agent of a Written Request of the City therefor, all amounts (if any) remaining in the 2003 Costs of Issuance Fund shall be withdrawn therefrom by the Fiscal Agent and transferred to the Interest Account for use for purposes of the Interest Account and the 2003 Costs of Issuance Fund shall be closed.

Section 10.08. Security for 2003 Bonds. The 2003 Bonds shall be Additional Bonds which shall be secured on a parity with the 2002 Bonds in the manner and to the extent set forth in Articles IV and V, and in this Article X.

Section 10.09. Effect of this Article X. Except as in this Article X expressly provided or except to the extent inconsistent with any provision of this Article X, the 2003 Bonds shall be deemed to be "Bonds" under and within the meaning of Section 1.03, and every term and condition contained in the foregoing provisions of this Agreement shall apply to the 2003 Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article X.

SECTION 2. Attachment of Exhibit B. The Original Fiscal Agent Agreement is hereby further amended by incorporating therein an Exhibit B setting forth the form of the 2003 Bonds, which shall read in its entirety as set forth in Exhibit A attached hereto and hereby made a part hereof.

SECTION 3. Additional Amendments to Original Fiscal Agent Agreement. The Original Fiscal Agent Agreement is hereby further amended as follows:

(A) Section 1.03 of the Agreement is hereby amended by adding thereto the following:

"2003 Bonds" means the City of Roseville Community Facilities District No. 1 Special Tax Bonds, Series 2003, authorized to be issued under Section 10.02.

"First Supplement" means this First Supplement to Fiscal Agent Agreement, dated as of <sup>^</sup>May 1, 2003, between the City, for and on behalf of the District, and the Fiscal Agent.

(B) Section 1.03 of the Agreement is hereby further amended by deleting the term "<sup>^</sup>2002 Bond Fund" therein, and by inserting therein, in lieu thereof, the following: "Bond Fund" means the fund by that name (now renamed the "Bond Fund") established pursuant to Section 4.02(A) hereof.

(C) Section 3.03(A) of the Agreement is hereby further amended by deleting Section 3.03(A) in its entirety and replacing it with the following: There is hereby established as a separate fund to be held by the <sup>^</sup>City, the Crocker Ranch Community Facilities District No. 1 Special Tax Bonds, Special Tax Fund. Moneys in the Special Tax Fund shall be held in trust by the City for the benefit of the City and the Owners of the Bonds, shall be disbursed as provided

below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(D) Section 3.04(A) of the Agreement is hereby amended by adding thereto, as a new third sentence thereof, the following: "There is also hereby created within the Improvement Fund a separate account designated as the "2003 Improvements Account" of the Improvement Fund, which account is hereby established for purposes of accounting for the use and disposition of 2003 Bond proceeds directed to the Improvement Fund pursuant to Section 10.06 and 10.08.

(E) Section 4.03(A) of the Agreement is hereby amended by adding thereto, as a new second sentence thereof, the following: "There is also hereby created within the Reserve Fund a separate account designated as the "2003 Bond Reserve Account" which account is hereby established for purposes of accounting for the use and disposition of 2003 Bonds, a portion of the proceeds of which will be deposited to such 2003 Bond Reserve Account pursuant to Section 10.06, and amounts in such account shall for all purposes of this Agreement be deemed to be part of the amounts on deposit in the Reserve Fund and amounts in such 2003 Bond Reserve Account and any earnings thereon in such 2003 Bond Reserve Account shall be drawn upon in the same manner, according to the same terms and pro rata with all other amounts in the Reserve Fund whenever a draw is made on the Reserve Fund under this Section 4.03."

(F) Section 4.02(A) of the Agreement is hereby amended by adding thereto, as a new last sentence of the first paragraph thereof, the following: "There is also hereby created within the Bond Fund a "2003 Capitalized Interest Account" which account is hereby established for purposes of accounting for the disposition of 2003 Bonds, a portion of the proceeds of which will be deposited to such 2003 Capitalized Interest Account pursuant to Section 10.06. The amount deposited to the 2003 Capitalized Interest Account and any investment earnings thereon shall be used solely to make payments on the 2003 Bonds, and the amount deposited to the 2003 Capitalized Interest Account and any investment earnings thereon shall be applied solely to make payments on the 2003 Bonds as follows:

- |  |  |
|--|--|
| September 1, 2003<br>and March 1,<br>2004: | The amount necessary, taking into account any amounts then on deposit in the Bond Fund available for such purpose, to pay interest on the 2003 Bonds on the Interest Payment Date which occurs on such date. |
| September 1, 2004:                         | All amounts then on deposit, if any, in the Capitalized Interest Account.  |

(G) The second paragraph of Section 8.01 of the Agreement is hereby amended by deleting the period at the end of clause (D) thereof and by inserting therein, in lieu thereof, the following: "; and (E) in connection with the issuance of Additional Bonds under Section 5.17 hereof."

(H) References in the Original Fiscal Agent Agreement to the 2003 Bonds which, if the context requires reference to the 2003 Bonds and any Additional Bonds in order to maintain the parity relationship of the 2003 Bonds and any Additional Bonds and the security therefor, shall be deemed to refer to "Bonds" as defined in the Original Fiscal Agent Agreement rather than "2003 Bonds."

**SECTION 4. Partial Invalidity.** If any section, paragraph, sentence, clause or phrase of this First Supplement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this First Supplement. The City hereby declares that it would have entered into this First Supplement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2003 Bonds

pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this First Supplement may be held illegal, invalid or unenforceable.

**SECTION 5. Execution in Counterparts.** This First Supplement 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.

SECTION 6. Governing Law. This First Supplement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the City and the Fiscal Agent have caused this First Supplement to be executed as of <sup>^</sup> May 1, 2003.

CITY OF ROSEVILLE

By: \_\_\_\_\_  
Finance Director

BNY WESTERN TRUST COMPANY, as  
Fiscal Agent

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

EXHIBIT A TO FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT

EXHIBIT B  
FORM OF 2003 BONDS

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA

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

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

CITY OF ROSEVILLE  
CROCKER RANCH COMMUNITY FACILITIES DISTRICT NO. 1  
SPECIAL TAX BOND, SERIES 2003

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
	September 1, ____	^ <u>May 6, 2003</u>	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Roseville (the "City") for and on behalf of the City of Roseville Crocker Ranch Community Facilities District No. 1 (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the 2003 Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing September 1, 2003 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this 2003 Bond is payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this 2003 Bond at the principal corporate trust office of BNY Western Trust Company in San Francisco, California (the "Fiscal Agent"). Interest on this 2003 Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of 2003 Bonds.

This 2003 Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on February 19, 2003, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements within the District, and is one of the bonds designated "City of Roseville Crocker Ranch Community Facilities District No. 1 Special Tax Bonds Series 2003" (the "2003 Bonds"). The issuance of the 2003 Bonds and the terms and conditions thereof are provided for by a

Fiscal Agent Agreement, dated as of April 1, 2002, as amended and supplemented by a First Supplement to Fiscal Agent Agreement dated as of <sup>^</sup>May 1, 2003 (together, the "Agreement"), by and between the City and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this 2003 Bond assents to said terms and conditions. The Agreement is authorized under, this 2003 Bond is issued under and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this 2003 Bond are payable, on a parity with previously issued bonds of the District, solely from the annual special tax authorized under the Mello-Roos Act to be collected within the District (the "Special Tax") and certain funds held under the Agreement.

Interest on this 2003 Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the 2003 Bond Date shown above; provided however, that if at the time of authentication of this 2003 Bond, interest is in default hereon, this 2003 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City as may be permitted by law. The 2003 Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein above.

The 2003 Bonds shall be 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 Interest Payment Date on or after September 1, 2009, at the following respective redemption prices (expressed as percentages of the principal amount of the 2003 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2009 and March 1, 2010	103%
September 1, 2010 and March 1, 2011	102
September 1, 2011 and March 1, 2012	101
September 1, 2012 and Interest Payment Dates thereafter	100

The 2003 Bonds are subject to 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, or any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2003 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2003 through March 1, 2010	103%
September 1, 2010 and March 1, 2011	102
September 1, 2011 and March 1, 2012	101
September 1, 2012 and Interest Payment Dates thereafter	100

The Term Bonds maturing September 1, 2024, 2027 and 2033 are subject to mandatory sinking payment redemption in part on September 1, 2021, September 1, 2025 and September 1, 2028, 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 of 2024**

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2021	\$515,000
2022	545,000
2023	580,000
2024 (maturity)	610,000

**Term Bonds of 2027**

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2025	\$650,000
2026	685,000
2027 (maturity)	730,000

**Term Bonds of 2033**

Mandatory Redemption Date (September 1)	Sinking Fund Payment
2028	\$770,000
2029	820,000
2030	870,000
2031	920,000
2032	975,000
2033 (maturity)	1,035,000

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 2003 Bonds.

Notice of redemption with respect to the 2003 Bonds to be redeemed shall be given to the Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This 2003 Bond shall be registered in the name of the Owner hereof, as to both principal and interest. Each registration and transfer of registration of this 2003 Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium

shall be payable only to the registered owner or to such Owner's order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of 2003 Bonds for redemption or (ii) with respect to a 2003 Bond after such 2003 Bond has been selected for redemption.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the 2003 Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This 2003 Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed by the Fiscal Agent.

It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this 2003 Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this 2003 Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this 2003 Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any 2003 Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Roseville has caused this 2003 Bond to be dated <sup>^</sup> May 6, 2003, to be signed by the Mayor of the City and countersigned by the City Clerk. |

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Mayor

[S E A L]

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City Clerk

Approved as to Form:

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City Attorney

*FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION*

This is one of the 2003 Bonds described in the Resolution and the Agreement.

Dated: ^ May 6, 2003

BNY WESTERN TRUST COMPANY, as Fiscal Agent

By: \_\_\_\_\_  
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

\_\_\_\_\_  
\_\_\_\_\_

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered 2003 Bond and hereby irrevocably constitute(s) and appoint(s)

\_\_\_\_\_, attorney, \_\_\_\_\_  
to transfer the same on the registration books of the Fiscal Agent with full power of substitution  
in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by a member  
firm of the New York Stock Exchange or a commercial  
bank or trust company.

NOTE: The signature(s) on this Assignment must  
correspond with the name(s) as written on the face of  
the within 2003 Bond in every particular without  
alteration or enlargement or any change whatsoever.