

FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT

by and between

CITY OF ROSEVILLE

and

**THE BANK OF NEW YORK TRUST COMPANY, N.A.
as Fiscal Agent**

Dated as of August 1, 2006

Relating to:

**\$42,650,000
City of Roseville
Fiddymont Ranch Community Facilities District No. 1 (Public Facilities)
Special Tax Bonds
Series 2006**

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EXHIBIT A - FORM OF 2006 BONDS

FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT

THIS FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT (this "First Supplement" or "Agreement"), dated as of August 1, 2006, 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 Fiddymont Ranch Community Facilities District No. 1 (Public Facilities) (the "District"), and THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association, duly organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent") under a Fiscal Agent Agreement, dated as of August 1, 2005 (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. 04-439 of the City Council adopted on September 15, 2004;

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 August 4, 2005, the City issued, for and on behalf of the District, \$37,350,000 initial principal amount of City of Roseville Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005 (the "Series 2005 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 2005 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 (Public Facilities) Special Tax Bonds, Series 2006 in the initial aggregate principal amount of \$42,650,000 (the "2006 Bonds"), to provide moneys needed to construct and acquire 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 2006 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 2005 Bonds;

WHEREAS, the City and the Fiscal Agent desire to enter into this First Supplement pursuant to Section 5.17 of the Original Fiscal Agent Agreement and to provide for the issuance of the 2006 Bonds;

WHEREAS, in providing for the issuance of the 2006 Bonds, it is necessary to supplement and amend the Original Fiscal Agent Agreement, as more particularly provided herein, 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 2006 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, 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 entirety as follows:

ARTICLE X

2006 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 August 24, 2006, being the date upon which there was a physical delivery of the 2006 Bonds in exchange for the amount representing the purchase price of the 2006 Bonds by the Original Purchaser.

"2006 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 2006 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 2006 Bonds, financial advisor fees, 2006 Bond (underwriter's) discount or underwriting fee, legal fees and charges, including bond counsel, disclosure counsel, charges for execution, transportation and safekeeping of the 2006 Bonds and other costs, charges and fees in connection with the foregoing.

"2006 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, Stone & Youngberg LLC and U.S. Bancorp Piper Jaffray, Inc., the first purchaser of the 2006 Bonds upon their delivery by the Fiscal Agent on the Closing Date.

Section 10.02. Authorization of 2006 Bonds. 2006 Bonds in the aggregate principal amount of Forty-Two Million Six Hundred Fifty Thousand Dollars (\$42,650,000), 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 2006 Bonds.

(A) Form; Denominations. The 2006 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 2006 Bonds shall be dated the Closing Date.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the 2006 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2006 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 2006 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 2006 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 (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP† (777870)</u>
2007	\$150,000	3.950%	RL 2
2008	240,000	4.050	RM 0
2009	300,000	4.200	QW 9
2010	360,000	4.375	QX 7
2011	430,000	4.500	QY 5
2012	500,000	4.500	QZ 2
2013	575,000	4.625	RA 6
2014	655,000	4.750	RB 4
2015	740,000	4.850	RC 2
2018	1,030,000	5.000	RF 5
2019	1,145,000	5.000	RG 3
2020	1,265,000	5.000	RH 1
2021	1,385,000	5.125	RN 8
\$1,760,000 5.000% Term Bond Due September 1, 2017; CUSIP†: 777870 RE 8			
\$8,990,000 5.125% Term Bond Due September 1, 2026; CUSIP†: 777870 RJ 7			
\$23,125,000 5.250% Term Bond Due September 1, 2036; CUSIP†: 777870 RK 4			

(E) Interest and Method of Payment. Interest on the 2006 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 2006 Bonds as provided in Section 2.02(F), beginning March 1, 2007.

Section 10.04. Redemption of 2006 Bonds.

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

The 2006 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 at the following respective redemption prices (expressed as percentages of the principal amount of the 2006 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2007 through March 1, 2014	103%
September 1, 2014 and March 1, 2015	102
September 1, 2015 and March 1, 2016	101
September 1, 2016 and Interest Payment Dates thereafter	100

(ii) *Mandatory Redemption From Prepayments.*

The 2006 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 2006 Bonds to be redeemed), plus accrued interest thereon the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2007 through March 1, 2014	103%
September 1, 2014 and March 1, 2015	102
September 1, 2015 and March 1, 2016	101
September 1, 2016 and Interest Payment Dates thereafter	100

(iii) *Mandatory Sinking Payment Redemption.* The 2006 Bonds maturing September 1, 2017, 2026 and 2036 are subject to mandatory sinking payment redemption in part on September 1 in each year as indicated below 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:

Term Bonds of 2017

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
2016	\$830,000
2017 (maturity)	930,000

Term Bonds of 2026

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
2022	\$1,520,000
2023	1,665,000
2024	1,810,000
2025	1,975,000
2026 (maturity)	2,020,000

Term Bonds of 2036

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
2027	\$2,065,000
2028	2,115,000
2029	2,170,000
2030	2,220,000
2031	2,280,000
2032	2,335,000
2033	2,390,000
2034	2,450,000
2035	2,515,000
2036 (maturity)	2,585,000

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 2006 Bonds.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem 2006 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, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2006 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 2006 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 2006 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 2006 Bonds designated for redemption, at their addresses appearing on the 2006 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 2006 Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding 2006 Bonds are to be called for redemption, shall designate the CUSIP numbers and 2006 Bond numbers of the 2006 Bonds to be redeemed by giving the individual CUSIP number and 2006 Bond number of each 2006 Bond to be redeemed or shall state that all 2006 Bonds between two stated 2006 Bond numbers, both inclusive, are to be redeemed or that all of the 2006 Bonds of one or more maturities have been called for redemption, shall state as to any 2006 Bond called in part the principal amount thereof to be redeemed, and shall require that such 2006 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 2006 Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of 2006 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 2006 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 2006 Bonds of any maturity, the Fiscal Agent shall select the 2006 Bonds to be redeemed, from all 2006 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 2006 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 2006 Bond or 2006 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2006 Bond or 2006 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 2006 Bonds so called for redemption shall have been deposited in the Bond Fund, such 2006 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 2006 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 2006 Bonds and issue a certificate of destruction thereof to the City.

Section 10.05. Form of 2006 Bonds; Authentication and Delivery.

(A) Form of 2006 Bonds. The 2006 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 2006 Bonds. The 2006 Bonds shall be executed on behalf of the City by the Mayor thereof and the 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 may be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any 2006 Bond ceases to be such officer before delivery of the 2006 Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2006 Bonds to the Owner. Any 2006 Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such 2006 Bond shall be the proper officers of the City although at the nominal date of such 2006 Bond any such person shall not have been such officer of the City.

Only such of the 2006 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 2006 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Agreement.

(C) Authentication and Delivery of 2006 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 2006 Bonds as Additional Bonds have been met, the City may issue the 2006 Bonds for the District in the aggregate principal amount set forth in Section 10.02 and deliver the 2006 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 2006 Bonds in accordance with the provisions of the Act and this Agreement, as supplemented by First Supplement, to authorize the payment of 2006 Costs of Issuance and costs of the Project by the Fiscal Agent from the proceeds of the 2006 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2006 Bonds to the Original Purchaser. The provisions of Sections 2.06 through 2.13 of the Original Fiscal Agent Agreement shall apply to the 2006 Bonds in a like manner as applied to the Series 2005 Bonds.

Section 10.06. Application of Proceeds of Sale of 2006 Bonds. The proceeds of the purchase of the 2006 Bonds by the Original Purchaser in the amount of \$42,029,158.55 (which is equal to the par amount of the 2006 Bonds, less an original issue discount of \$111,173.95 and less the Underwriter's discount of \$509,667.50), 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) Deposit in the 2006 Improvement Account, to be established as a subaccount of the 2005 Improvement Fund established in the Original Fiscal Agent Agreement, \$38,394,613.19;

(ii) Deposit in the 2006 Bond Reserve Account of the 2005 Reserve Fund \$2,918,565.36, bringing the total balance in the 2005 Reserve Fund to the Reserve Requirement for the 2005 Bonds and 2006 Bonds (provided however the amount

deposited pursuant to this subsection (ii) shall not be greater than the lesser of (a) Maximum Annual Debt Service on the 2006 Bonds, (b) 125% of average annual Debt Service on the 2006 Bonds, or (c) ten percent (10%) of the total proceeds of the 2006 Bonds as required by the Code);

(iii) Deposit in the 2006 Costs of Issuance Fund \$715,980.00.

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. 2006 Costs of Issuance Fund. There is hereby established a separate fund to be known as the "2006 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 2006 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 2006 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 2006 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 2006 Costs of Issuance Fund shall be withdrawn therefrom by the Fiscal Agent and transferred to the Bond Fund for use for purposes of the Bond Fund and the 2006 Costs of Issuance Fund shall be closed.

Section 10.08. Security for 2006 Bonds. The 2006 Bonds shall be Additional Bonds which shall be secured on a parity with the 2006 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 2006 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 2006 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 2006 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:

"Bonds" means the City of Roseville Fiddymont Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2005, the 2006 Bonds, and any Additional Bonds authorized to be issued under Section 5.17.

"2006 Bonds" means the City of Roseville Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Series 2006, authorized to be issued under Section 10.02.

"First Supplement" means this First Supplement to Fiscal Agent Agreement, dated as of August 1, 2006, 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 "2005 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 Treasurer, the Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds, Special Tax Fund, to the credit of which the City shall deposit, immediately upon receipt, all Special Tax Revenues received by the City and any amounts required by Section 3.05(B) to be deposited in the 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 "2006 Improvement Account" of the Improvement Fund, which account is hereby established for purposes of accounting for the use and disposition of 2006 Bond proceeds directed to the Improvement Fund pursuant to Section 10.06.

(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 "2006 Bond Reserve Account" which account is hereby established for purposes of accounting for the use and disposition of 2006 Bonds, a portion of the proceeds of which will be deposited to such 2006 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 2006 Bond Reserve Account and any earnings thereon in such 2006 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) [RESERVED]

(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 2005 Bonds which, if the context requires reference to the 2005 Bonds and any Additional Bonds in order to maintain the parity relationship of the 2005 Bonds and any Additional Bonds and the security therefor, shall be deemed to refer to “2005 Bonds” plus any “Additional Bonds” as defined in the Original Fiscal Agent Agreement rather than solely the “2005 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 2006 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.

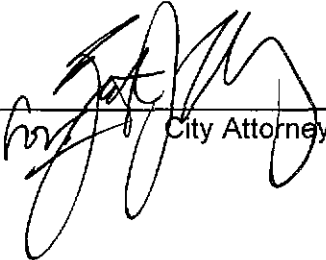
SECTION 6. Governing Law. This First Supplement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the City and the Fiscal Agent have caused this First Supplement to be executed as of August 1, 2006.

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

By: 
Russell C. Branson,
Director of Administrative Services/
Treasurer

Approved as to Form:



City Attorney

THE BANK OF NEW YORK TRUST
COMPANY, N.A.
as Fiscal Agent

By: _____
Authorized Officer

IN WITNESS WHEREOF, the City and the Fiscal Agent have caused this First Supplement to be executed as of August 1, 2006.

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

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Approved as to Form:

City Attorney

THE BANK OF NEW YORK TRUST
COMPANY, N.A.
as Fiscal Agent

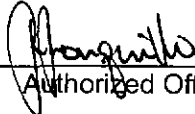
By: _____

Authorized Officer

EXHIBIT A TO FIRST SUPPLEMENT TO FISCAL AGENT AGREEMENT

FORM OF 2006 BONDS

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____

\$ _____

CITY OF ROSEVILLE
FIDDYMENT RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (PUBLIC FACILITIES)
SPECIAL TAX BOND, SERIES 2006

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
	September 1, _____	_____, 2006	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Roseville (the "City") for and on behalf of the City of Roseville Fiddymment Ranch Community Facilities District No. 1 (Public Facilities) (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 2006 Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2007 (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 2006 Bond is payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this 2006 Bond at the principal corporate trust office of The Bank of New York Trust Company, N.A. in San Francisco, California (the "Fiscal Agent"). Interest on this 2006 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 2006 Bonds.

This 2006 Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on July 19, 2006 (the "Resolution"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the

construction and acquisition of improvements within the District, and is one of the bonds designated "City of Roseville Fiddymont Ranch Community Facilities District No. 1 (Public Facilities) Special Tax Bonds Series 2006" (the "2006 Bonds"). The issuance of the 2006 Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of August 1, 2005, as amended and supplemented by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2006 (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 2006 Bond assents to said terms and conditions. The Agreement is authorized under, this 2006 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 2006 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 2006 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 2006 Bond Date shown above; provided however, that if at the time of authentication of this 2006 Bond, interest is in default hereon, this 2006 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 2006 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 2006 Bonds are 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 at the following respective redemption prices (expressed as percentages of the principal amount of the 2006 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2007 through March 1, 2014	103%
September 1, 2014 and March 1, 2015	102
September 1, 2015 and March 1, 2016	101
September 1, 2016 and Interest Payment Dates thereafter	100

The 2006 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 2006 Bonds to be redeemed), plus accrued interest thereon the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2007 through March 1, 2014	103%
September 1, 2014 and March 1, 2015	102
September 1, 2015 and March 1, 2016	101
September 1, 2016 and Interest Payment Dates thereafter	100

The Term 2006 Bonds maturing 2017, 2026 and 2036 are subject to mandatory sinking payment redemption in part on September 1 in each year as indicated below 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:

Term Bonds of 2017

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
2016	\$830,000
2017 (maturity)	930,000

Term Bonds of 2026

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
2022	\$1,520,000
2023	1,665,000
2024	1,810,000
2025	1,975,000
2026 (maturity)	2,020,000

Term Bonds of 2036

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
2027	\$2,065,000
2028	2,115,000
2029	2,170,000
2030	2,220,000
2031	2,280,000
2032	2,335,000
2033	2,390,000
2034	2,450,000
2035	2,515,000
2036 (maturity)	2,585,000

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 2006 Bonds.

Notice of redemption with respect to the 2006 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 2006 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 2006 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 2006 Bonds for redemption or (ii) with respect to a 2006 Bond after such 2006 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 2006 Bonds is not subject to acceleration upon a default under the Agreement or any other document.

This 2006 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 2006 Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this 2006 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 2006 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 2006 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 2006 Bond to be dated _____, 2006, to be signed by the Mayor of the City and countersigned by the City Clerk.

CITY OF ROSEVILLE

By: _____
Mayor

[SEAL]

By: _____
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the 2006 Bonds described in the Resolution and the Agreement.

Dated: _____, 2006

THE BANK OF NEW YORK TRUST
COMPANY, N.A.
as Fiscal Agent

By: _____
Authorized Officer

ASSIGNMENT

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

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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