

**Amendment No. 1
to
INDENTURE OF TRUST**

This Amendment No. 1 to Indenture of Trust is made and entered into as of August 1, 2006, and supplements and amends that certain Indenture of Trust (the "Original Indenture") made and entered into as of April 1 2006, by and among THE BANK OF NEW YORK TRUST COMPANY, N.A. (the "Trustee") and the ROSEVILLE FINANCE AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority").

RECITALS:

WHEREAS, pursuant to the Original Indenture, the Authority issued its \$35,870,000 original principal amount of Revenue Bonds, 2006 Series A and \$4,645,000 original principal amount of Revenue Bonds, 2006 Series B; and

WHEREAS, the Authority, after due investigation and deliberation, has determined that the allocation of the reserve fund requirement among the Highland Reserve North CFD and the Woodcreek East CFD needs to be amended to more accurately reflect the proportionate participation of each CFD in the financing described in the Original Indenture;

WHEREAS, pursuant to Section 7.1(b) of the Original Indenture, the Authority has authority to (without bondholder consent) modify provisions of the Original Indenture for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Original Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable, provided that such modifications do not materially adversely affect the interests of the Owners of the Bonds, and the Authority has determined that the amendments provided hereby do not materially adversely affect the interests of the Owners of the Bonds;

NOW, THEREFORE, the Authority and the Trustee do hereby amend the Original Indenture as follows:

Section. 1. The definition of "Proportionate Share" in Section 1.1 of the Original Indenture is revised in its entirety to the following:

"Proportionate Share" means, as of the date of calculation for any issue of the Local Obligations, the ratio derived by dividing the outstanding principal amount of such series of Local Obligations by the aggregate principal amount of the Outstanding Local Obligations; provided however, (i) for purposes of applying Proportionate Share to the determination of deposits to the Series A Reserve Fund, "Proportionate Share" for Highland Reserve North CFD shall be 85.21% and "Proportionate Share" for Woodcreek East CFD shall be 14.79%; and (ii) for purposes of applying Proportionate Share to the determination of deposits to the Series B Reserve Fund, "Proportionate Share" for Highland Reserve North CFD shall be 74.49% and "Proportionate Share" for Woodcreek East CFD shall be 25.51%.

Section. 2. The definition of "Series B Reserve Requirement" in Section 1.1 of the

Original Indenture is revised in its entirety to the following (this corrects a typographical error):

“Series B Reserve Requirement” means, initially, \$346,773.79 and thereafter increasing from the addition of investment earnings on moneys in the Series B Reserve Fund, until such amount equals the least of (i) 10% of the initial principal amount of the Series B Bonds, (ii) Maximum Annual Debt Service on the Outstanding Series B Bonds, or (iii) 125% of Average Annual Debt Service on the Outstanding Series B Bonds; the least of (i), (ii) or (iii) shall thereafter be the Series B Reserve Requirement.

IN WITNESS WHEREOF, the ROSEVILLE FINANCE AUTHORITY has caused this Amendment No. 1 to Indenture of Trust to be signed in its name by its Treasurer, and THE BANK OF NEW YORK TRUST COMPANY, N.A., has caused this Amendment No. 1 to Indenture of Trust to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

ROSEVILLE FINANCE AUTHORITY

By: _____
Treasurer

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

By: _____
Authorized Officer