

SEMIANNUAL REPORT

OF

Civic Dixon, LLC

Dated as of June 14, 2016

Providing Continuing Disclosure Relating to the

\$7,670,000

City of Dixon

Community Facilities District No. 2013-1 (Parklane)

Special Tax Bonds, Series 2015

To be filed with the Electronic Municipal Market Access ("EMMA") filing service maintained by
the Municipal Securities Rulemaking Board

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INTRODUCTORY STATEMENT

This Semiannual Report, dated as of December 1, 2015 (the "Semiannual Report"), is hereby submitted pursuant to Section 3 of the Continuing Disclosure Agreement - Developer, dated as of September 1, 2015 (the "Disclosure Agreement"), executed by Brookfield Dixon LLC, a Delaware limited liability company (the "Developer"), in connection with the issuance of the above-captioned bonds (the "Bonds") by the City of Dixon Community Facilities District No. 2013-1 (Parklane) (the "District").

Capitalized terms used in this Semiannual Report but not otherwise defined have the meanings given to them in the Disclosure Agreement.

CUSIP NUMBERS

The CUSIP⁽¹⁾ numbers for the outstanding Bonds are listed below:

<u>Maturity Date</u> <u>(September 1)</u>	CUSIP No.	<u>Maturity Date</u> <u>(September 1)</u>	CUSIP No.	<u>Maturity Date</u> <u>(September 1)</u>	CUSIP No.
2017	255650	2024	255650 AH6	2031	255650 AS2
2018	255650 AB9	2025	255650 AJ1	2032	255650 AT0
2019	255650 AC7	2026	255650 AK9	2033	255650 AU7
2020	255650 AD5	2027	255650 AL7	2034	255650 AV5
2021	255650 AE3	2028	255650 AM5	2035	255650 AQ6
2022	255650 AF0	2029	255650 AN3	2045	255650 AR4
2023	255650 AG8	2030	255650 AP8		

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FORWARD LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Semiannual Report constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "propose," "estimate," "project," "budget," "anticipate," or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Updates or revisions to these forward-looking statements may be provided pursuant to the Disclosure Agreement if the expectations, events, conditions, or circumstances on which such statements are based change in a material way. The forward-looking statements in this Semiannual Report are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE INDICATED.

REQUIRED DISCLOSURE

1. Status of Development Financing

A description of the sources of funds to finance development of property owned by the Developer or any Affiliate of the Developer within the District, and whether any material defaults exist under any loan arrangement related to such financing.

The Developer entered into a construction financing agreement with California Bank and Trust for Eleven Million dollars (\$11,000,000) to provide financing for site development as well vertical construction. The loan is currently in good standing as of May 31, 2016.

The Developer estimates that land development costs for all work site work for Newbury in Phase 2 of Parkland to cost Four Million Five Hundred and Fifty Thousand Dollars (\$4,550,000). As of May 31, 2016 the developer has spent One Million Nine Hundred Fourteen Thousand Eight Hundred Fifty Eight Dollars (\$1,914,858).

Notwithstanding the belief of each of the Developer and the Homebuilder that it will have sufficient funds to complete its respective planned development in the Development, no assurance can be given that sources of financing available to the Developer and the Homebuilder will be sufficient to complete the property development as currently anticipated. While both the Developer and the Homebuilder have had available such internal equity financing available in the past, there can be no assurance whatsoever of willingness or ability of their related entities to do so in the future. None of the Developer, the Homebuilder, or any of their affiliates has any legal obligation of any kind to make any such funds available or to obtain loans. Other than pointing out the willingness of entities related to the Developer and the Homebuilder to provide internal financing in the past, neither of the Developer or the Homebuilder has represented in any way that they will be able to continue to obtain such equity financing in the future. If and to the extent that internal equity financing, loan proceeds, home sale proceeds or Bond proceeds are inadequate to pay the costs to complete the Development and other financing by the Developer or the Homebuilder is not obtained, there could be a shortfall in the funds required to complete the proposed development of the property in the District and portions of the Development may not be developed.

The Developer has not entered into any purchase and sales agreements to sell lots with the Newbury Subdivision.

2. Summary of Development Activity

A summary of development activity conducted by the Developer or any Affiliate within the District, including the number of parcels for which building permits have been issued, and as to property owned by the Developer or any Affiliate of the Developer, the number of parcels for which sales have closed.

Status of Development. As of May 31, 2016, the Developer had expended over \$2,710,000 on land development costs for the Development including all permits and fees (plan check, inspection, impact fees, building permits, etc.), consultants and land improvement costs, and the Homebuilder had expended an additional \$2,082,000 on home construction.

As of May 31, 2016, the City had issued 16 building permits for home construction in the Newbury Subdivision, including 3 permits for model homes. As of May 31, 2016 Newbury Models were not complete, currently no homes have entered into a sales contract within Newbury.

As of May 31, 2016: (i) the Developer expects to continue constructing, marketing and selling homes on the remaining 96 lots it owns (which includes the 3 model homes). Developer has not entered into any purchase and sales agreements to purchase additional lots within Parkland.

	Newbury
Unit Number	1 and 2
Number of Expected Homes	19 (Unit 1) 77 (Unit 2)
Number of Floor Plans	4
Square Footage Range	2,100 – 2,800
Building Permits	16
Model Homes	3
Completed Homes (Sold and Closed)	0
Completed Homes (Unclosed)	0
Homes Under Construction	0
Finished Lots	19
Sheet Graded Lots	77
Final Map Status	Recorded

Source: Developer.

The product types, number of units within each product type, number of floor plans, and the square footages shown in the table above reflect the Developer's plans as of May 31, 2016. The Developer may, and likely will, make changes to these plans as it develops the property over time and responds to market conditions. No assurance can be given: (i) that home construction will be carried out according to the plans outlined above, (ii) that the Developer's construction and sale plans will not change after the date of this Semiannual Report, or (iii) lots under contract for sale will actually close.

3. Property Sales

Any sale by the Developer or any Affiliate of the Developer of property in the District to another Person, other than to buyers of completed homes, including a description of the property sold (acreage, number of lots, etc.) and the identity of the Person that so purchased the property.

As of May 31, 2016 Developer has not entered into a purchase and sale agreement to sell lots within Newbury at Parkland.

4. Status of Undeveloped Property and Developer Improvements

Status of completion of the development being undertaken by the Developer or any Affiliate of the Developer with respect to the Undeveloped Property, and any major legislative, administrative and judicial challenges known to the Developer to or affecting the construction of the development or the time for construction of any public or private improvements to be made by the Developer or any Affiliate of the Developer within the District (the "Developer Improvements").

In addition to the development of property within the District being undertaken by the Developer as described above in Section 1 entitled "Summary of Development Activity," the Developer has also undertaken to construct the following public improvements (the "Public Improvements," which, together with the improvements summarized in said Section 1, constitute the Developer Improvements):

(A) Streetscape and Pedestrian Improvements, consisting of:

(i) Backbone or primary streets (State Highway 113, East Parkway Blvd, Harvard Drive, College Way, and Yale Drive), including costs of planning, design, construction and acquisition of improvements to existing State Highway 113 along the project frontage and at the intersection of State Highway 113 and East Park Boulevard. These Public Improvements include grading, street and sidewalk widening to accommodate additional vehicle and pedestrian traffic, pedestrian and streetscape amenities, shelters and curb extensions to serve transit stops, landscape improvements, traffic signals and signage, street lighting, joint trench dry utilities, walls, sanitary sewer, storm, and water, and relocation of Solano Irrigation District facilities. This work has been completed but not fully accepted by the City.

(ii) Neighborhood Streets, consisting of planning, design, construction and acquisition of new neighborhood street improvements include grading, streets, curb, gutter and sidewalk, landscape improvements, traffic signals and/or signage, street lighting, walls and/or fencing, joint trench dry utilities, sanitary sewer, storm, and water. The proposed neighborhood streets include the following: (i) Unit 1 includes Heritage Lane, Cornell Court, Cornell Drive, Dartmouth Circle, and Baylor Way; (ii) Unit 2 includes Syracuse Lane, Duke Way, and portions of Columbia Drive, Rutgers Way and Amhurst Ave; (iii) Unit 3 includes Diploma Alley, Honors Alley and Graduate Alley; (iv) Unit 4 includes Pacific Place and portions of Rutgers Way, Columbia Drive, Vanderbilt Drive and Princeton Way; and (v) Unit 5 includes Tuft Lane and portions of Vanderbilt Drive, Amhurst Ave, and Princeton Way. The facilities described in (i) above has been completed, but not fully accepted by the City. The work described in (ii) through (v) above has not yet commenced.

(B) Public Open Space related improvements, consisting of:

(i) Open Space Parcels, including planning, designing, constructing and acquiring open space parcels that are to be dedicated to the City for pedestrian and emergency access and utility easements. The open space parcels are located in Units 1, 2, and 3. Construction of the open space areas in Unit 1 has been completed; construction of the

open space areas in Units 2 and 3 are pending.

(ii) Pedestrian Connections, including planning, designing, constructing and acquiring connections to be dedicated to the City from neighborhoods to adjacent roads or schools to improve pedestrian circulation in the community. The pedestrian connections are located in Units 1, 2, and 3. Construction of the pedestrian connections in Unit 1 have been completed; construction of the pedestrian connections in Units 2 and 3 are pending.

The Public Improvements include the costs of the acquisition of right-of-way, the costs of design, engineering and planning, the costs of any environmental or traffic studies, (including right-of-way that is intended to be dedicated by the recording of a final map), surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

The Public Improvements are being constructed by the Developer, who has substantially completed the backbone and primary streets improvements described above, as well as the neighborhood streets in Unit 1. The Developer will complete the neighborhood streets in Units 2 (including the property owned by Civic Dixon). Developer is currently under construction on Unit 2, as of May 31, 2016 storm, sewer, water, as well as joint trench have been completed. Base rock, curb and gutter and paving are left to complete.

As of May 31, 2016, the Developer has no knowledge of any major legislative, administrative, or judicial challenges to or affecting the construction of the Developer Improvements.

5. Delinquent Property Taxes

Information regarding any failure by the Developer or any of its Affiliates to pay any real property taxes (including Special Taxes) levied on a parcel of property in the District which is owned by the Developer or any of its Affiliates.

As of May 31, 2016, neither the Developer nor any of its Affiliates is delinquent in the payment of any property taxes (including the Special Taxes) levied on a parcel of property in the District which is owned by the Developer or any such Affiliate.

6. Financial Statements

For the Annual Reports only, any audited financial statements of the Developer, if such audited financial statements are prepared for the Developer in the ordinary course of business.

No financial statements are required to be provided with this Semiannual Report; therefore no such financial statements are included with this Semiannual Report.

REPORTING OF LISTED EVENTS

To the Developer's best knowledge, the following Listed Events referenced in Section 5 of the Disclosure Agreement and listed below have occurred during the period covered by this Semiannual Report:

- ___ No Listed Events have occurred as of the date of this Semiannual Report.
- ___ Failure to pay any real property taxes, special taxes or assessments levied within the District on a parcel owned by the Developer or any Affiliate of the Developer.
- ___ Damage to or destruction of any of the Developer Improvements which has a material adverse effect on the value of the parcels owned by the Developer or any Affiliate of the Developer within the District.
- ___ Material default by the Developer or any Affiliate of the Developer on any loan with respect to the construction or permanent financing of the Developer Improvements.
- ___ Material default by the Developer or any Affiliate of the Developer on any loan secured by property within the District owned by the Developer or any Affiliate of the Developer.
- ___ Material payment default by the Developer on any loan of the Developer (whether or not such loan is secured by property within the District) which is beyond any applicable cure period in such loan.
- ___ The filing of any proceedings with respect to the Developer, in which the Developer may be adjudicated as bankrupt or discharged from any or all of their respective debts or obligations or granted an extension of time to pay debts or a reorganization or readjustment of debts.
- ___ The filing of any proceedings with respect to an Affiliate of the Developer, in which such Affiliate of the Developer may be adjudicated as bankrupt or discharged from any or all of its respective debts or obligations or granted an extension of time to pay debts or a reorganization or readjustment of debts if such adjudication could materially adversely affect the completion of the Developer Improvements or the development of parcels owned by the Developer or its Affiliates within the District (including the payment of special taxes of the District).
- ___ The filing of any lawsuit against the Developer or any of its Affiliates (with service of process on the Developer or its Affiliates having occurred) which, in the reasonable judgment of the Developer, will materially adversely affect the completion of the Developer Improvements or the development of parcels owned by the Developer or its Affiliates within the District, or litigation which if decided against the Developer, or any of its Affiliates, in the reasonable judgment of the Developer, would materially adversely affect the financial condition of the Developer or its Affiliates in a manner that would materially adversely affect the completion of the Developer Improvements or the development of parcels owned by the Developer or its Affiliates within the District.
- ___ A sale or transfer of all or substantially all of the Developer's assets or a sale of a majority of the partnership interests, membership interests or outstanding stock of the Developer.

CERTIFICATION

The Developer hereby certifies that this Semiannual Report constitutes the Semiannual Report required to be furnished by the Developer under the Disclosure Agreement.

ANY OTHER STATEMENTS REGARDING THE DEVELOPER OR ITS AFFILIATES, THE DEVELOPMENT OF THE PROPERTY, THE FINANCING PLANS OR FINANCIAL CONDITION OF THE DEVELOPER OR ITS AFFILIATES, OTHER THAN STATEMENTS MADE BY THE DEVELOPER IN AN OFFICIAL RELEASE OR NEWSPAPER OF GENERAL CIRCULATION, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE DEVELOPER. THE DEVELOPER IS NOT RESPONSIBLE FOR THE ACCURACY , COMPLETENESS , OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE DEVELOPER HAS NO OBLIGATION TO UPDATE THIS SEMIANNUAL REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE AGREEMENT .

Dated: As of June 14, 2016

Civic DIXONLLC,
a California limited liability company

By: 

Name: KAREN MONTERO

Title: CFO