Agenda

City Council Regular Meeting and Joint City Council, Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Meeting

Folsom City Hall | City Council Chambers, First Floor

50 Natoma Street, Folsom, CA 95630

September 24, 2024, 6:30 PM

Welcome to Your City Council Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

Participation

If you would like to provide comments to the City Council, please:

- Fill out a blue speaker request form, located at the back table.
- Submit the form to the City Clerk before the item begins.
- When it's your turn, the City Clerk will call your name and invite you to the podium.
- Speakers generally have three minutes, unless the presiding officer (usually the mayor) changes that time.

Reasonable Accommodations

In compliance with the Americans with Disabilities Act, if you are a person with a disability and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (916) 461-6035, (916) 355-7328 (fax) or CityClerkDept@folsom.ca.us. Requests must be made as early as possible and at least two full business days before the start of the meeting.

How to Watch

The City of Folsom provides three ways to watch a City Council meeting:

In Person	Online	On TV
		
City Council meetings take place at City Hall, 50 Natoma Street	Watch the livestream and replay past meetings on the city website, www.folsom.ca.us	Watch live and replays of meetings on Sac Metro Cable TV, Channel 14

More information about City Council meetings is available at the end of this agenda

City Council Regular Meeting and Joint City Council, Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Meeting

Folsom City Hall | City Council Chambers, First Floor
50 Natoma Street, Folsom, CA 95630
www.folsom.ca.us

Tuesday, September 24, 2024 6:30 PM

Mike Kozlowski, Mayor

Sarah Aquino, Vice Mayor
Rosario Rodriguez, Councilmember
YK Chalamcherla, Councilmember
Anna Rohrbough, Councilmember

AGENDA

CALL TO ORDER

ROLL CALL:

Councilmembers: Aquino, Chalamcherla, Rodriguez, Rohrbough, Kozlowski

The City Council has adopted a policy that no new item will begin after 10:30 p.m. Therefore, if you are here for an item that has not been heard by 10:30 p.m., you may leave, as the item will be continued to a future Council meeting.

PLEDGE OF ALLEGIANCE

BUSINESS FROM THE FLOOR:

Members of the public are entitled to address the City Council concerning any item within the Folsom City Council's subject matter jurisdiction. Public comments are generally limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda.

AGENDA UPDATE

CONSENT CALENDAR:

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Councilmembers may pull an item for discussion.

1. Resolution No. 11259 – A Resolution Authorizing the City Manager to Execute a Contract Change Order with Mozingo Construction, Inc. (Contract No. 174-21 23-020) for the Construction of the Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901)

2. Resolution No. 11260 - A Resolution Repealing Resolution No.10900 and Designating Conflict of Interest Filing Positions and Disclosure Categories

3. Resolution No. 11261 - A Resolution Authorizing the City Manager to Execute a Contract Renewal/Extension with Dell for the Microsoft Enterprise Agreement

4. Resolution No. 11262 - A Resolution Authorizing the City Manager to Execute an Agreement with Environmental Systems Research Institute, Inc. (ESRI) to Renew/Extend Contract for Geographic Information System (GIS) Software

5. Resolution No. 11264 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with Central Valley Engineering, Inc., for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area and Appropriation of Funds

6. Resolution No. 11265 – A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 20-031) with HydroScience Engineers, Inc. for Design Services for the Ashland Water Rehabilitation Project No.1 (Project WA 2101) and Appropriation of Funds

7. Resolution No. 11267 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with Martin General Engineering, Inc. for the Folsom High School Iron Point Road Median Fence Project, Project No. 8023, and Appropriation of Funds

8. Resolution No. 11268- A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and Addition of $15,000 from the City's Housing Fund to Complete the Mixed-Use and Multifamily Objective Design and Development Standards Project, and Appropriation of Funds

9. Resolution No. 11269- A Resolution Authorizing the City Manager to Execute an Agreement with the 50 Corridor Transportation Management Association to Provide Transportation Demand Management Services in the Folsom Specific Plan Area

PUBLIC HEARING:

10. Ordinance No. 1348 - An Ordinance of the City of Folsom Amending Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code Pertaining to Parking in Alleys in the Historic District (Introduction and First Reading)

11. Folsom Heights Small-Lot Vesting Tentative Subdivision Map Amendment and Determination that No Further CEQA Review is Required

    i.Resolution No. 11263- A Resolution to Approve a Small-Lot Vesting Tentative Subdivision Map Amendment for the Folsom Heights Subdivision Project

CONVENE JOINT CITY COUNCIL, FOLSOM REDEVELOPMENT SUCCESSOR AGENCY, THE FOLSOM PUBLIC FINANCING AUTHORITY, THE FOLSOM RANCH FINANCING AUTHORITY, AND THE SOUTH OF 50 PARKING AUTHORITY MEETING

ROLL CALL: Council / Boardmembers: Aquino, Chalamcherla, Rodriguez, Rohrbough, Kozlowski

CONSENT CALENDAR:

12. Receive and File the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Monthly Investment Reports for the Month of June 2024

PUBLIC HEARING:

13. Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area - Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024

    i. Resolution No.11266 – Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

    ii. Resolution No. 012- Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $50,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing

ADJOURNMENT

RECONVENE CITY COUNCIL MEETING

COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

CITY MANAGER REPORTS

COUNCIL COMMENTS

ADJOURNMENT

NOTICE: Members of the public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address Council on an issue, which is on this agenda, please complete a blue speaker request card, and deliver it to a staff member at the table on the left side of the Council Chambers prior to discussion of the item. When your name is called, stand to be recognized by the Mayor and then proceed to the podium. If you wish to address the City Council on any other item of interest to the public, when the Mayor asks if

there is any "Business from the Floor," follow the same procedure described above. Please limit your comments to three minutes or less.

NOTICE REGARDING CHALLENGES TO DECISIONS: Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

As presiding officer, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Council, and to enforce the rules of the Council.

PERSONS INTERESTED IN PROPOSING AN ITEM FOR THE CITY COUNCIL AGENDA SHOULD CONTACT A MEMBER OF THE CITY COUNCIL.

The meeting of the Folsom City Council is being telecast on Metro Cable TV, Channel 14, the Government Affairs Channel, and will be shown in its entirety on the Friday and Saturday following the meeting, both at 9 a.m. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14. The City of Folsom provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the online services page of the City's website www.folsom.ca.us.

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Any documents produced by the City and distributed to the City Council regarding any item on this agenda will be made available at the City Clerk's Counter at City Hall located at 50 Natoma Street, Folsom, California and at the Folsom Public Library located at 411 Stafford Street, Folsom, California during normal business hours.

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11259 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Mozingo Construction, Inc. (Contract No. 174-21 23-020) for the Construction of the Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901)
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Departments recommends that the City Council pass and adopt Resolution No. 11259 – A Resolution Authorizing the City Manager to Execute a Contract Change Order with Mozingo Construction, Inc. (Contract No. 174-21 23-020) for the Construction of the Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901)

BACKGROUND / ISSUE

The Environmental and Water Resources (EWR) Department identifies sewer infrastructure rehabilitation and replacement projects through sewer master plans and ongoing sewer condition assessment programs. As part of the City's Sewer System Management Plan for its wastewater collection system, the EWR Department performs ongoing condition assessments on the wastewater system and corrects any defects/deficiencies identified through this process. Through these efforts, City staff identified the Folsom Boulevard 27-inch Trunk Sewer Project as needing improvements.

On April 25th, 2023, through Resolution No. 11028, the City Council awarded a contract to Mozingo Construction, Inc. for the construction of the Folsom Boulevard 27-Inch Truck Sewer Project in the amount of $4,918,900 with a 10% contingency in the amount of $491,890 for a contract amount of $5,410,790. The project involved the construction and operation of a

parallel 21-inch sewer line adjacent to the City's existing 27-inch Folsom Boulevard Trunk Sewer along Folsom Boulevard between Blue Ravine and Bidwell Street. The purpose of the parallel 21-inch gravity sewer line is to provide wet weather flow capacity/redundancy.

During construction the work to install the pipeline deviated from the original design due to unforeseen changes in field conditions. All changes associated with the unforeseen field conditions were able to be negotiated within the 10% contingency with the exception of additional traffic control that was required in order to minimize impacts to traffic along Folsom Boulevard during construction.

This Resolution will authorize the City Manager to execute a Contract Change Order with Mozingo Construction, Inc. (Contract No. 174-21 23-020) for construction of the Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901).

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of $73,209 or greater shall be awarded by the City Council.

ANALYSIS

The initial project consisted of constructing a parallel 21-inch sewer line adjacent to the City's existing 27-inch Folsom Boulevard Trunk Sewer along Folsom Boulevard between Blue Ravine and Bidwell Street in order to provide wet weather flow capacity/redundance. The work to install the pipeline required alignment modifications from the original design due to unforeseen changes in field conditions. Changes associated with the unforeseen field conditions that were able to be negotiated within the 10% contingency included:

- Unforeseen existing utility conflicts along Folsom Boulevard that required additional survey, layout, excavation and road restoration
- Additional subsurface investigation to gain a better understanding of the utility conflicts
- 12-inch water main relocation at Parkshore Drive to allow the sewer line to be installed
- Repair of a 15-inch storm drain line that was parallel to the sewer line excavation that sloughed into the trench
- Realignment of the proposed sewer line to avoid utility conflicts
- Pumping and removal of groundwater above the amount described in the Contract Documents
- Delays due to unmarked utilities such as communication lines, gas lines, railroad tracks, and other items
- Asphalt thickness was significantly greater at several locations along the alignment than what was anticipated based on geotechnical report
- Soil instability that resulted in sloughing and minor cave-ins
- Spot repair of the existing 27-inch sewer line

- Additional work to reroute a 10-inch water line in order to accommodate the alignment of the new 27-inch sewer line at the intersection of Folsom Boulevard and Blue Ravine
- Additional abandonment work on the 10-inch waterline at the intersection of Folsom Boulevard and Blue Ravine beyond what the Contract Documents had anticipated due to a large thrust block

While the items described above were captured within the previously approved 10% contingency, the additional traffic control necessary to complete the project cannot be covered. The additional traffic control was required due to:

- Traffic Control had to be taken down and set back up again due to unexpected utilities that required design modifications
- Major changes to the permanent traffic control due to unexpected parallel utilities conflicting with the original sewer alignment
- Intersections were opened up for special events/holidays to lessen traffic impacts to the public
- Phasing of the permanent setups to lessen impact to the public which required multiple set up mobilizations
- Additional maintenance of traffic control due to project delays associated with unexpected utilities
- Modifications to the traffic control after setup to better accommodate detours and public access
- Additional flagging efforts by the traffic control company to safely escort pedestrians and cyclists across the intersections
- Traffic Control was extended due to unexpected utilities encountered throughout the project

The additional traffic control was beyond the amount of time and effort within the original scope of work and were necessary to complete the project.

This Resolution will authorize the City Manager to execute a Contract Change Order with Mozingo Construction, Inc. (Contract No. 174-21 23-020) for construction of the Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901).

FINANCIAL IMPACT

The additional traffic control work necessary to complete this project requires the contract to be increased by an additional $83,326. Approximate project costs to date include design, construction administration services, construction management, inspection services, and construction total approximately $7,168,1428. The Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901) is included in the FY 2024-25 Capital Improvement Plan with a total project budget of $8,023,945 funded by the Sewer Operating Fund (Fund 530) and the Sewer Capital Fund (Fund 531).

The EWR Department is requesting an increase of Mozingo Construction, Inc. contract by $83,326 for a total not-to-exceed project budget for this agreement in the amount of

$5,641,645. Sufficient funds are budgeted and available in the Sewer Operating Fund (Fund 530).

ENVIRONMENTAL REVIEW

The Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) was designed to avoid direct and indirect impacts to the environment. Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15303 (d), the proposed project consists of construction and installation of a sewer line of reasonable length to serve the needs of the City of Folsom. Pursuant to CEQA Guidelines Section 15301 (b), the project will accommodate current flow conditions and provide redundancy to the existing sewer system in the City of Folsom. Each segment of the proposed project was designed and will be constructed to avoid environmentally sensitive areas. The project design placed the pipeline mainly within roadways and as far away as possible from environmentally sensitive areas. The proposed new pipeline will be located on the same site as the existing public utilities pipeline. The overall design of the project has no significant impacts to the environment and will be exempt from CEQA review.

ATTACHMENT

Resolution No. 11259 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Mozingo Construction, Inc. (Contract No. 174-21 23-020) for the Construction of the Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901).

Submitted,

_____

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11259

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT CHANGE ORDER WITH MOZINGO CONSTRUCTION, INC. (CONTRACT NO. 174-21 23-020) FOR THE CONSTRUCTION OF THE FOLSOM BOULEVARD 27-INCH TRUNK SEWER PROJECT (SECAP) (PROJECT WW1901)

WHEREAS, the City is currently implementing its Sanitary Sewer System Management Plan which consists of condition assessment, as well as operation and system improvements; and

WHEREAS, the City is continuing to update its System Evaluation and Capacity Assurance Plan to identify recommended system capacity improvements; and

WHEREAS, the City has identified this project to help proactively ensure that future General Plan and build out sewer flow conditions are accounted for in the ultimate operation of the sanitary sewer collection system; and

WHEREAS, the EWR Department requests an increase in the amount of $83,326 for additional traffic control work which is above the 10% contingency; and

WHEREAS, approximate project costs to date are $7,168,142 and the project was included in the FY 2024-25 Capital Improvement Plan with a total project budget of $8,023,945; and

WHEREAS, sufficient funds are budgeted and available in the Sewer Operating Fund (Fund 530); and

WHEREAS, the Change Order will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Contract Change Order with Mozingo Construction, Inc. (Contract No. 174-21 23-020) for the Construction of the Folsom Boulevard 27-Inch Trunk Sewer Project (SECAP) (Project WW1901) for an additional $83,326 for a total not-to-exceed amount of $5,641,645

PASSED AND ADOPTED this 24th day of September, 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11260 - A Resolution Repealing Resolution No. 10900 and Designating Conflict of Interest Filing Positions and Disclosure Categories
FROM:	City Clerk's Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council approve Resolution No. 11260 - A Resolution Repealing Resolution No. 10900 and Designating Conflict of Interest Filing Positions and Disclosure Categories.

BACKGROUND / ISSUE

All local California agencies are required to establish a Conflict of Interest Code. The purpose of a Conflict of Interest Code is to ensure that public officials and employees make decisions impartially, without undue influence from personal financial interests. This code aims to promote transparency and accountability by requiring individuals in positions of authority to disclose their financial interests that could potentially conflict with their public duties. By clearly defining disclosure requirements and prohibitions, the Conflict of Interest Code helps prevent corruption and maintains public trust in the integrity of city government operations.

POLICY / RULE

Under the Political Reform Act, specifically Government Code Section 87303 et seq., agencies must review their Conflict of Interest Codes every two years to assess the need for revisions. The City's last update was completed in 2022.

Section 7.01 of the City's Charter stipulates that "[t]he use of public office for private gain is prohibited. The City Council shall implement this prohibition by ordinance adopting and ensuring compliance with the laws of the State of California regarding such conflicts…"

Folsom Municipal Code Section 2.34.030 et seq. grants the City Council the authority to designate by resolution those positions involved in making or participating in decisions that could materially affect any financial interest.

ANALYSIS

The City of Folsom's Conflict of Interest Code designates specific staff positions within the City that make or are involved in making financial decisions. Examples of financial decisions made by staff include contracting for services, purchasing goods and supplies, and overseeing financial investments or expenditures. Each designated position is assigned one or more disclosure categories based on the position's responsibility and authority. For example, positions involving contracting and purchasing are categorized under Disclosure Category 2.

For this year's update, department heads have reviewed the 2022 list of designated positions and their corresponding disclosure categories to identify any necessary updates. This review assessed whether positions should be added, removed, or reclassified based on their decision-making responsibilities and potential impact on personal financial interests.

Since the 2022 update to the Conflict of Interest Code, there have been changes in positions, including additions, reassignments, deletions, and re-titling. As a result, the appendix of designated positions also requires revision to accurately reflect the current structure and titles.

ATTACHMENTS

1. Resolution No. 11260 - A Resolution Repealing Resolution No. 10900 and Designating Conflict of Interest Filing Positions and Disclosure Categories

2. Resolution No. 10900 - A Resolution Repealing Resolution No. 10527 and Designating Conflict of Interest Filing Positions and Disclosure Categories

Submitted,

Christa Freemantle, CMC
City Clerk

ATTACHMENT 1

Resolution No. 11260 - A Resolution Repealing Resolution No. 10900 and Designating Conflict of Interest Filing Positions and Disclosure Categories

RESOLUTION NO. 11260

A RESOLUTION REPEALING RESOLUTION NO. 10900 AND DESIGNATING CONFLICT OF INTEREST FILING POSITIONS AND DISCLOSURE CATEGORIES

WHEREAS, the Political Reform Act, Government Code Section 87303 et seq. requires that agencies review biennially in even-numbered years the provisions of their Conflict of Interest Code, which includes designated positions and disclosure categories; and

WHEREAS, persons holding these positions are designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any personal financial interest; and

WHEREAS, Chapter 2.34 of the Folsom Municipal Code pertaining to the Conflict of Interest Code, authorizes the City Council to designate by resolution those designated Conflict of Interest staff positions which should file statements of economic interests; and

WHEREAS, that as a result of the review mandated by Government Code Section 87300 et seq. it has been determined that the current list of designated positions and disclosure categories should be updated:

NOW THEREFORE, BE IT RESOLVED, that Resolution No. 10900, which established the prior list of designated filers and disclosure categories is hereby replaced; and

BE IT FURTHER RESOLVED, that all public officials, officials, elected and appointed officers, persons holding designated positions and consultants that are subject to the filing and disclosure requirements pursuant to Exhibit "A" in accordance to the disclosure categories as set forth in Exhibit "B" shall file statements of economic interests in accordance with the forms and procedures established by the California Fair Political Practices Commission.

PASSED AND ADOPTED on this 24th day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

EXHIBIT "A"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
APPENDIX OF DESIGNATED OFFICIALS/EMPLOYEES

I. Designated Positions.

The positions listed below constitute the list of designated positions required by the City of Folsom's conflict of interest code (Folsom Municipal Code Chapter 2.34). Individuals holding these positions as designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any financial interest. The individuals occupying the designated positions shall disclose their economic interests in accordance with the corresponding disclosure categories, defined in Exhibit B.

Department	Designated Position/Category
City Attorney's Department	Assistant City Attorney / CAT-01
City Attorney's Department	City Attorney / 87200 Filer
City Attorney's Department	Legal Analyst / CAT-02, CAT-04
City Attorney's Department	Legal Secretary / CAT-01
City Clerk's Department	City Clerk / CAT-01
City Clerk's Department	Deputy City Clerk / CAT-02
City Council	87200 Filers
City Manager's Department	Administrative Support Specialist / CAT-01
City Manager's Department	City Manager / 87200 Filer
City Manager's Department	Communications Director / CAT-02
City Manager's Department	Digital Communications Specialist / CAT-01
Commission / Committee Members	Planning Commissioners / 87200 Filer All Others: CAT-03, CAT-04
Community Development Department	Associate Planner / CAT-03

Community Development Department	Building Inspector I/II / CAT-03, CAT-04
Community Development Department	Building Inspector Supervisor / CAT-03, CAT-04
Community Development Department	City Engineer / CAT-02, CAT-03
Community Development Department	Code Enforcement Officer I/II / CAT-02, CAT-03
Community Development Department	Code Enforcement Supervisor / CAT-03
Community Development Department	Community Development Director / CAT-01
Community Development Department	Plan Check Engineer / CAT-03, CAT-04
Community Development Department	Planning Manager / CAT-01
Community Development Department	Principal Civil Engineer / CAT-01
Community Development Department	Senior Civil Engineer / CAT-02, CAT-03
Community Development Department	Senior Planner / CAT-03, CAT-04
Community Development Department	Urban Forester / CAT-03, CAT-04
Environmental and Water Resources Department	Associate Civil Engineer / CAT-02, CAT-03
Environmental and Water Resources Department	Director of Environmental/Water Resources / CAT-01
Environmental and Water Resources Department	Management Analyst / CAT-02
Environmental and Water Resources Department	Principal Engineer / CAT-02, CAT-03
Environmental and Water Resources Department	Utility Maintenance Supervisor / CAT-02, CAT-04
Environmental and Water Resources Department	Utility Manager / CAT-02, CAT-03, CAT-04
Environmental and Water Resources Department	Wastewater Collection Supervisor / CAT-02, CAT-04
Environmental and Water Resources Department	Water Distribution Supervisor / CAT-02

Environmental and Water Resources Department	Water Treatment Plant Supervisor / CAT-02, CAT-04
Finance Department	Deputy Treasurer / CAT-02
Finance Department	Finance Director / Chief Financial Officer / 87200 Filer
Finance Department	Financial Services Manager / CAT-01
Finance Department	Information Systems Manager / CAT-02
Finance Department	Revenue Supervisor / CAT-01, CAT-03
Finance Department	Revenue/Disbursements Manager / CAT-01
Fire Department	Administrative Assistant / CAT-02
Fire Department	Administrative Technician / CAT-02
Fire Department	Fire Battalion Chief / CAT-02
Fire Department	Fire Chief / CAT-01
Fire Department	Fire Division Chief / CAT-02
Fire Department	Fire Prevention Officer / CAT-02
Human Resources Department	Human Resources Director / CAT-01
Human Resources Department	Senior Management Analyst / CAT-02
Library Services	Librarian / CAT-01
Library Services	Library Manager / CAT-02
Library Services	Senior Librarian / CAT-01
Lobbyist	Consultant / CAT-01
Parks and Recreation Department	Community and Cultural Services Manager / CAT-02, CAT-03
Parks and Recreation Department	Facilities Maintenance Supervisor / CAT-02, CAT-03

Parks and Recreation Department	Parks and Recreation Director / CAT-01
Parks and Recreation Department	Parks Maintenance Supervisor / CAT-02, CAT-03
Parks and Recreation Department	Parks Maintenance Supervisor / CAT-02, CAT-03
Parks and Recreation Department	Parks/Facilities Maintenance Manager / CAT-02, CAT-03
Parks and Recreation Department	Recreation Supervisor / CAT-02, CAT-03
Parks and Recreation Department	Senior Management Analyst / CAT-02
Parks and Recreation Department	Senior Recreation Coordinator / CAT-01
Parks and Recreation Department	Senior Trails Planner / CAT-02, CAT-03
Parks and Recreation Department	Zoo Manager / CAT-02, CAT-03
Police Department	Administrative Assistant / CAT-01
Police Department	Animal Control Officer / CAT-02, CAT-04
Police Department	Commander / CAT-01
Police Department	Police Chief / CAT-01
Police Department	Police Lieutenant / CAT-01
Public Works Department	Environmental Specialist Supervisor / CAT-02, CAT-04
Public Works Department	Public Works Director / CAT-01
Public Works Department	Section Manager / CAT-02, CAT-04
Public Works Department	Senior Civil Engineer / CAT-02, CAT-03
Public Works Department	Senior Environmental Specialist / CAT-01
Public Works Department	Senior Management Analyst / CAT-02
Public Works Department	Senior Traffic Control/Light Technician / CAT-01
Public Works Department	Solid Waste Supervisor / CAT-01

Public Works Department	Solid Waste/Fleet Manager / CAT-02, CAT-04
Public Works Department	Streets Operations Supervisor / CAT-02, CAT-03
Special Counsel	Consultant / CAT-01

* "87200 Filer(s)" refers to filers identified within Government Code section 87200 et seq, This section establishes certain requirements for members of planning commissions, mayors, city managers, city attorneys, city treasurers, members of city councils, other public officials who manage public investments, and candidates for any of these offices to file statements of economic interest disclosing investments, interests in real property (excluding principal or personal residence) and any income received.

EXHIBIT "B"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES

Disclosure Categories

Category 1 – Officials and employees whose duties are broad and indefinable:

Investments and business positions in business entities, and income including loans, gifts, and travel payments from sources located in or doing business in the jurisdiction.

Interests in real property located in the jurisdiction, including property located within a two-mile radius of any property owned or used by the City or within two miles of the boundaries of the City.

Category 2 – Officials and employees whose duties involve contracting or purchasing:

Investments and business positions in business entities and sources of income including those that provide services, supplies, materials, machinery or equipment of the type utilized by the City.

Category 3 – Officials and employees whose decisions may affect real property interests:

Investments and business positions in business entities and income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the City.

Engage in land development, construction or the acquisition or sale of real property.

Interests in real property located within the jurisdiction, including property located within a two-mile radius of any property owned or used by the City.

Category 4 – Officials and employees with regulatory powers:

Investments and business positions in business entities and sources of income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the department or division to which the filer is assigned.

Regulations Regarding Gifts

Gifts from outside the agency's jurisdiction shall not be required to be reported if the purpose of disclosure of the gift does not have some connection with or bearing upon the duties of the position. (18730.1, Title 2, Div 6, CA Code of Regulations)

ATTACHMENT 2

Resolution No. 10900 - A Resolution Repealing Resolution No. 10527 and Designating Conflict of Interest Filing Positions and Disclosure Categories

RESOLUTION NO. 10900

A RESOLUTION REPEALING RESOLUTION NO. 10527 AND DESIGNATING CONFLICT OF INTEREST FILING POSITIONS AND DISCLOSURE CATEGORIES

WHEREAS, the Political Reform Act, Government Code Section 87303 et seq. requires that agencies review biennially in even-numbered years the provisions of their Conflict of Interest Code, which includes designated positions and disclosure categories; and

WHEREAS, persons holding these positions are designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any personal financial interest; and

WHEREAS, Chapter 2.34 of the Folsom Municipal Code pertaining to the Conflict of Interest Code, authorizes the City Council to designate by resolution those positions which should file statements of economic interests; and

WHEREAS, that as a result of the review mandated by Government Code Section 87300 et seq. it has been determined that the current list of designated positions and disclosure categories should be updated:

NOW THEREFORE, BE IT RESOLVED, that Resolution No. 10527, which established the prior list of designated filers and disclosure categories is hereby repealed; and

BE IT FURTHER RESOLVED, that all public officials, officials, elected and appointed officers, persons holding designated positions and consultants that are subject to the filing and disclosure requirements pursuant to Exhibit "A" in accordance to the disclosure categories as set forth in Exhibit "B" shall file their statements of economic interests with the city clerk.

PASSED AND ADOPTED this 23rd day of August 2022, by the following roll-call vote:

AYES:	Councilmember(s):	Kozlowski, Rodriguez, Aquino, Chalamcherla, Howell
NOES:	Councilmember(s):	None
ABSENT:	Councilmember(s):	None
ABSTAIN:	Councilmember(s):	None

Kerri M. Howell, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

EXHIBIT "A"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
APPENDIX OF DESIGNATED OFFICIALS/EMPLOYEES

I. Designated Positions.

The positions listed below constitute the list of designated positions required by the City of Folsom's conflict of interest code (Folsom Municipal Code Chapter 2.34). Individuals holding these positions as designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any financial interest. The individuals occupying the designated positions shall disclose their economic interests in accordance with the corresponding disclosure categories, defined in Exhibit B.

Appendix of Designated Positions	
Appointed Officials/Positions Title	**Disclosure Categories**
City Attorney's Department	
Assistant City Attorney	1
City Attorney	87200 filer*
Legal Analyst	2, 4
City Clerk's Department	
City Clerk	1
Deputy City Clerk	2
City Council Members	87200 filers*
(City Council Members also file as Public Financing Authority Members)	
City Council Candidates	87200 filers*
City Manager's Department	
City Manager	87200 filer*
Communications Director	2

Commission/Committee Members	
Arts and Culture Commission	3, 4
Historic District Commission	3, 4
Landscaping & Lighting District Advisory Committee	3, 4
Library Commission	3, 4
Parks and Recreation Commission	3, 4
Traffic Safety Committee	3, 4
Utility Commission	3, 4
Community Development Department	
Arborist	3, 4
Assistant Planner	2, 3
Associate Civil Engineer	2, 3
Associate Planner	3
Building Inspector I/II	3, 4
Building Inspector Supervisor	3, 4
Building Official / Building Services Supervisor	1
Code Enforcement Officer I/II	2, 3
Code Enforcement Supervisor	3, 4
Community Development Director	1
Construction Inspector I/II	3, 4
Plan Check Engineer	3, 4
Planning Manager	1
Principal Civil Engineer	1
Principal Planner	3, 4
Senior Building Inspector	3, 4
Senior Civil Engineer	2, 3
Senior Code Enforcement Officer	2, 3
Senior Engineering Technician I/II	1
Senior Planner	3, 4
Environmental and Water Resources Department	
Associate Civil Engineer	2, 3
Director of Environmental/Water Resources	1
PW / Utilities Section Manager	2, 3, 4
Senior Civil Engineer	2, 3
Utility maintenance Supervisor	2, 4
Water Distribution Supervisor	2, 4
Water Management Coordinator	2
Water Treatment Plant Supervisor	2, 4
Wastewater Collection Supervisor	2, 4

Finance Department	
Chief Financial Officer / Finance Director	87200 filer*
Deputy Treasurer	2
Senior Financial Analyst	2
Financial Services Manager	1
Information Systems Manager	2
Revenue Supervisor	1
Fire Department	
Administrative Assistant	2
Administrative Technician	2
Deputy Fire Marshal	2
Fire Battalion Chief	2
Fire Chief	1
Fire Division Chief	2
Fire Prevention Officer	2
Human Resources Department	
Human Resources Director	1
Senior Management Analyst	2
Library Services	
Library Manager	2
Parks and Recreation Department	
Community and Cultural Services Manager	2, 3
Facilities Maintenance Supervisor	2, 3
Municipal Landscape Services Manager	2, 3
Municipal Landscape Services Supervisor	2, 3
Parks and Recreation Director	1
Parks / Facilities Maintenance Manager	2, 3
Parks Maintenance Supervisor	2, 3
Recreation Supervisor	2, 3
Senior Management Analyst	2, 3
Senior Parks Planner	2, 3
Senior Trails Planner	2, 3
Zoo Manager	2, 3

Planning Commission Members	87200 filers*
Police Department	
Animal Control Officer	2, 4
Police Chief	1
Police Commander	2
Police Lieutenant	4
Public Works Department	
Associate Civil Engineer	2, 3
Construction Inspector I/II	2, 3
Public Works Director	1
Environmental Specialist Supervisor	2, 4
Management Analyst	2
PW / Utilities Section Manager	2, 3, 4
Public Works Section Manager (Engineer)	2, 3, 4
Senior Civil Engineer	2, 3
Senior Management Analyst	2, 4
Streets Operations Supervisor	2, 3
Solid Waste / Fleet Manager	2, 4
Traffic Control / Lighting Supervisor	2, 4

* "87200 Filer(s)" refers to filers identified within Government Code section 87200 et seq, This section establishes certain requirements for members of planning commissions, mayors, city managers, city attorneys, city treasurers, members of city councils, other public officials who manage public investments, and candidates for any of these offices to file statements of economic interest disclosing investments, interests in real property (excluding principal or personal residence) and any income received.

EXHIBIT "B"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES

Disclosure Categories

Category 1 – Officials and employees whose duties are broad and indefinable:

Investments and business positions in business entities, and income including loans, gifts, and travel payments from sources located in or doing business in the jurisdiction.

Interests in real property located in the jurisdiction, including property located within a two-mile radius of any property owned or used by the City or within two miles of the boundaries of the City.

Category 2 – Officials and employees whose duties involve contracting or purchasing:

Investments and business positions in business entities and sources of income including those that provide services, supplies, materials, machinery or equipment of the type utilized by the City.

Category 3 – Officials and employees whose decisions may affect real property interests:

Investments and business positions in business entities and income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the City.

Engage in land development, construction or the acquisition or sale of real property.

Interests in real property located within the jurisdiction, including property located within a two-mile radius of any property owned or used by the City.

Category 4 – Officials and employees with regulatory powers:

Investments and business positions in business entities and sources of income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the department or division to which the filer is assigned.

Regulations Regarding Gifts

Gifts from outside the agency's jurisdiction shall not be required to be reported if the purpose of disclosure of the gift does not have some connection with or bearing upon the duties of the position. (18730.1, Title 2, Div 6, CA Code of Regulations)

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11261 — A Resolution Authorizing the City Manager to Execute a Contract Renewal/Extension with Dell for the Microsoft Enterprise Agreement
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

The Office of Management and Budget respectfully requests the City Council approve Resolution No. 11261 – A Resolution Authorizing the City Manager to Execute a Contract Renewal/Extension with Dell for the Microsoft Enterprise Agreement

BACKGROUND / ISSUE

The City has contracted with Dell through the Microsoft Enterprise Agreement for office365 software and services for the past 13 years. The current contract with Dell was awarded for 3 years, starting in September 2021 based on price, service, and technology needs. We are constantly striving to find better, more effective ways to increase employee efficiencies while providing stable, consistent, industry leading software. Microsoft Enterprise Agreement has been instrumental in assisting City Information Technology staff with that task. Staff would like to extend our current software contract for 36 months to continue to take advantage of Microsoft's software and services.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

Renewing the Microsoft Enterprise Agreement allows us a wide range of benefits that enhance productivity, collaboration, and security, along with key advantages: access to Premium apps, cloud storage, collaboration tools, security, flexibility to use multiple devices, business continuity with cloud services, cost optimization, remote working for field crews, all on a common IT platform across the city organization. This allows staff to consistently, and dynamically manage our software licensing program. Microsoft's stable, consistent, industry leading software has worked well for the City for the past 13 years and IT staff recommends that we continue with this service. A three-year agreement helps us to lock in the pricing. The cost for the Agreement is $376,940.67 annually for the three-year period.

FINANCIAL IMPACT

Sufficient funds for Year 1 of this contract are budgeted and available in the FY 2024-25 Budget in the Information Technology Department of the General Fund (Fund 010). Funds for Year 2 and Year 3 will be included in subsequent budgets. There is an increase in pricing over the current contract related to an industry standard software price increase, expanded security services, expanded discovery services for public request, as well an enhanced support contract. The yearly cost for the Microsoft contract is $376,940.67 for the next three years, for a total contract amount of $1,130,822.01.

ATTACHMENTS

1. Resolution No. 11261 – A Resolution Authorizing the City Manager to Execute a Contract Renewal/Extension with Dell for the Microsoft Enterprise Agreement.

2. Dell Quote Microsoft Enterprise Agreement for 3 Years of Service.

Submitted,

Stacey Tamagni
Chief Financial Officer

Attachment 1

RESOLUTION NO. 11261

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT RENEWAL/EXTENSION WITH DELL FOR THE MICROSOFT ENTERPRISE AGREEMENT

WHEREAS, the City's contract with Dell for the Microsoft Enterprise Agreement is up for renewal; and

WHEREAS, a renewal of the Microsoft Enterprise Agreement will allow the City to maintain software standards while improving compatibility, future upgrades, and providing more robust anti-virus/intrusion detection, E-Discovery, product support; and

WHEREAS, the cost to implement the contract is $376,940.67 per year for a 3-year period, for a total contract amount of $1,130,822.01 and

WHEREAS, sufficient funds for Year 1 of this contract are budgeted and available in the FY 2024-25 Budget in the Information Technology Department of the General Fund (Fund 010), and funds for Year 2 and Year 3 will be included in subsequent budgets; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a contract renewal/extension with Dell for the Microsoft Enterprise Agreement in the amount of $1,130,822.01.

PASSED AND ADOPTED this 24 day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Attachment 2

Dell Customer Confidential

Quotation

Sam Andrews
sam.andrews@dell.com
512.720.4469

Microsoft Enterprise Agreement (EA) #: (8976944, estimate of renewal term effective 10/1/2024)
Customer: City of Folsom

Date of Issue: 9/13/2024
Quote Expires: 10/10/2024

PLEASE SEE IMPORTANT TERMS AND CONDITIONS AT THE BOTTOM OF THIS QUOTATION

Product Description	Mfg#	Quantity	Months	Unit Price	Ext. Price
Enterprise Products / Online Services					
M365 G3 Unified FUSL GCC Sub Per User	AAD-34704	638	12	$31.50	$241,164.00
M365 F3 Unified GCC Sub Per User	AAD-63092	20	12	$6.80	$1,632.00
Exchange Online P1 GCC SU Exchange Online Kiosk Per User *(this upgrades the 2gb limit of the F3 plan to 50gb)*	3MS-00002	20	12	$1.22	$292.80
Additional Products					
SQL Server Standard Core ALng SA 2L	7NQ-00292	6		$634.22	$3,805.32
Win Remote Desktop Services CAL ALng SA UCAL	6VC-01254	7		$23.30	$163.10
Win Server DC Core ALng SA 16L *(quantity 8 of this 16-core SKU gives you 128 cores)*	9EA-00273	8		$989.92	$7,919.36
Win Server Standard Core ALng SA 16L *(quantity 29 of this 16-core SKU gives you 464 cores)*	9EM-00267	29		$150.55	$4,365.95
Exchange Server Standard ALng SA	312-02257	1		$125.22	$125.22
Additional Online Services					
M365 G5 Security GCC Sub Per User	8ZZ-00001	638	12	$10.51	$80,464.56
M365 G5 eDiscovery & Audit GCC Sub Add-on	8RI-00005	638	12	$4.47	$34,222.32
M365 F5 Security + Compliance GCC Sub Add-on *(covers both F5 security + Adv eDiscovery & more for the 20 F3 users)*	91C-00004	20	12	$11.05	$2,652.00
Visio P2 GCC Sub Per User	P3U-00001	1	12	$11.17	$134.04
Teams AC with Dial-Out US/CA GCC Sub Per User ($0.00 add-on)	NYH-00001	658	12	$0.00	$0.00
Win OLS Activation User GCC Sub Per User	VRM-00001	658	12	$0.00	$0.00

Notes:

Total Annual Payment Yr 1	$376,940.67
Total Annual Payment Yr 2	$376,940.67
Total Annual Payment Yr 3	$376,940.67
Grand Total	$1,130,822.01

Notes:

1) Customer's purchase is subject to Dell's Terms and Conditions of Sale found at www.dell.com, unless Customer has a separate purchase agreement with Dell.

2) Sales/use tax is based on the "ship to" address on your invoice. Please indicate your taxability status on your purchase order.If exempt, Customer must have an Exemption Certificate on file.

3) If you have a question re: your tax status, please contact your Dell | ASAP Software inside sales representative listed above.Shipments to California: for certain products, a State Environmental Fee of up to $10 per item may be applied to your invoice. Prices do not reflect this fee unless noted. For more information, refer to www.dell.com/environmentalfee.

4) All product descriptions and prices are based on latest information available and are subject to change without notice or obligation.

5) All prices are based on Net 30 Terms. If not shown, shipping, handling, taxes, and other fees will be added at the time of order, where applicable.

6) Customer understands and acknowledges that all warranties, representations and returns are subject to the manufacturer, publisher or distributor guidelines.

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11262 – A Resolution Authorizing the City Manager to Execute an Agreement with Environmental Systems Research Institute, Inc (ESRI) to Renew/Extend Contract for Geographic Information System (GIS) Software
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

The Office of Management and Budget respectfully request the City Council approve Resolution No. 11262 – A Resolution Authorizing the City Manager to Execute an Agreement with Environmental Systems Research Institute, Inc (ESRI) to Renew/Extend Contract for Geographic Information System (GIS) Software.

BACKGROUND / ISSUE

The City has contracted with ESRI for Enterprise GIS software for the past ten years. The current contract with ESRI was awarded for three years, starting in September 2021 based on price, service, technology. The City's Information Technology staff is constantly striving to find better, more efficient ways to increase employee productivity within a constrained budget environment. ESRI software has been instrumental in assisting City Information Technology staff with providing GIS services to the City and its staff. Staff would like to extend our current software contract for an additional 36 months.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

ESRI's Enterprise GIS Software is used on a daily basis to provide vital mapping services, along with data collection services, to every department throughout the city. This includes Public Safety (Police and Fire), EWR (Environmental Water Resources), Public Works, Community Development, Finance, Library, City Council, City Manager's Office, and Parks and Recreation. Without ESRI software the City would not be able to provide subdivision maps, utility maps such as sewer pipes, water pipes, hydrants, valves, new streets, utility poles, etc. It would not allow us to provide district maps, park maps, surveys, to the general public. ESRI's Enterprise GIS Software has become an essential aspect of day-to-day operations and staff recommends renewing/extending the ESRI contract.

FINANCIAL IMPACT

Sufficient funds for Year 1 of this contract are budgeted and available in the FY 2024-25 General Fund (Fund 010) budget. Funds for Year 2 and Year 3 will be included in subsequent budgets. The annual cost for the ESRI contract is $64,400 for the next three years, for a total contract amount of $193,200.

ATTACHMENTS

1. Resolution No. 11262 – A Resolution Authorizing the City Manager to Execute an Agreement with Environmental Systems Research Institute, Inc (ESRI) to Renew/Extend Contract for Geographic Information System (GIS) Software

2. ESRI (GIS Service) Quote for 3 yrs of service

Submitted,

Stacey Tamagni
Chief Financial Officer

Attachment 1

RESOLUTION NO. 11262

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC (ESRI) TO RENEW/EXTEND CONTRACT FOR GEOGRAPHIC INFORMATION SYSTEM (GIS) SOFTWARE

WHEREAS, the City's contract with ESRI for GIS Software is up for renewal; and

WHEREAS, a renewal of the contract with ESRI allows the city to continue to standardize GIS software services while improving compatibility, future upgrades, and city staff efficiencies while reducing overall cost; and

WHEREAS, the cost to implement the contract is $64,400 annually for a 3-year period, for a total contract amount of $193,200; and

WHEREAS, sufficient funds for Year 1 of this contract are budgeted and available in the FY 2024-25 General Fund (Fund 010) budget and funds for Year 2 and Year 3 will be included in subsequent budgets; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a contract with Environmental Systems Research Institute, Inc (ESRI) to Renew/Extend Contract for Geographic Information System (GIS) Software in the amount of $193,200.

PASSED AND ADOPTED this 24 day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

Quotation # Q-501185

Date: July 2, 2024

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 275022 Contract # ENTERPRISE AGREEMENT

City of Folsom
GIS/IT
50 Natoma St
Folsom, CA 95630-2614

ATTENTION: Kate Cassera
PHONE: 916-461-6915
EMAIL: kcassera@folsom.ca.us

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 7/2/2024 To: 9/30/2024

Material	Qty	Term	Unit Price	Total
168179	1	Year 1	$58,500.00	$58,500.00
Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
168179	1	Year 2	$58,500.00	$58,500.00
Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
168179	1	Year 3	$58,500.00	$58,500.00
Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
168441	1	Year 1	$5,900.00	$5,900.00
ArcGIS GeoEvent Server Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
168441	1	Year 2	$5,900.00	$5,900.00
ArcGIS GeoEvent Server Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				
168441	1	Year 3	$5,900.00	$5,900.00
ArcGIS GeoEvent Server Populations of 50,001 to 100,000 Small Government Enterprise Agreement Annual Subscription				

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact:	**Email:**	**Phone:**
Michael Arias	marias@esri.com	(909) 793-2853

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

ARIASM **This offer is limited to the terms and condit orated and attached herein.**

Quotation # Q-501185

Date: July 2, 2024

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 275022 Contract # ENTERPRISE AGREEMENT

City of Folsom
GIS/IT
50 Natoma St
Folsom, CA 95630-2614

ATTENTION: Kate Cassera
PHONE: 916-461-6915
EMAIL: kcassera@folsom.ca.us

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 7/2/2024 To: 9/30/2024

Subtotal:	$193,200.00
Sales Tax:	$0.00
Estimated Shipping and Handling (2 Day Delivery):	$0.00
Contract Price Adjust:	$0.00
Total:	$193,200.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact:	**Email:**	**Phone:**
Michael Arias	marias@esri.com	(909) 793-2853

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

Quotation # Q-501185

Date: July 2, 2024

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: (909) 793-2853
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 275022 Contract # ENTERPRISE AGREEMENT

City of Folsom
GIS/IT
50 Natoma St
Folsom, CA 95630-2614

ATTENTION: Kate Cassera
PHONE: 916-461-6915
EMAIL: kcassera@folsom.ca.us

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 7/2/2024 To: 9/30/2024

If you have made ANY alterations to the line items included in this quote and have chosen to sign the quote to indicate your acceptance, you must fax Esri the signed quote in its entirety in order for the quote to be accepted. You will be contacted by your Customer Service Representative if additional information is required to complete your request.

If your organization is a US Federal, state, or local government agency; an educational facility; or a company that will not pay an invoice without having issued a formal purchase order, a signed quotation will not be accepted unless it is accompanied by your purchase order.

In order to expedite processing, please reference the quotation number and any/all applicable Esri contract number(s) (e.g. MPA, ELA, SmartBuy, GSA, BPA) on your ordering document.

BY SIGNING BELOW, YOU CONFIRM THAT YOU ARE AUTHORIZED TO OBLIGATE FUNDS FOR YOUR ORGANIZATION, AND YOU ARE AUTHORIZING ESRI TO ISSUE AN INVOICE FOR THE ITEMS INCLUDED IN THE ABOVE QUOTE IN THE AMOUNT OF $_____, PLUS SALES TAXES IF APPLICABLE. DO NOT USE THIS FORM IF YOUR ORGANIZATION WILL NOT HONOR AND PAY ESRI'S INVOICE WITHOUT ADDITIONAL AUTHORIZING PAPERWORK.

Please check one of the following:

___ I agree to pay any applicable sales tax.

___ I am tax exempt, please contact me if exempt information is not currently on file with Esri.

Signature of Authorized Representative **Date**

Name (Please Print)

Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact:	**Email:**	**Phone:**
Michael Arias	marias@esri.com	(909) 793-2853

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. If any item is quoted with a multi-year payment schedule, then unless otherwise stated in this quotation, Customer is required to make all payments without right of cancellation. Third-party data sets included in a quotation as separately licensed items will only be provided and invoiced if Esri is able to provide such data and will be subject to the applicable third-party's terms and conditions. If Esri is unable to provide any such data set, Customer will not be responsible for any further payments for the data set. US Federal government entities and US government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some US state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin for customers located in the USA.

Esri Use Only:
Cust. Name _____
Cust. # _____
PO # _____
Esri Agreement # _____

SMALL ENTERPRISE AGREEMENT
COUNTY AND MUNICIPALITY GOVERNMENT
(E214-3)

This Agreement is by and between the organization identified in the Quotation (**"Customer"**) and **Environmental Systems Research Institute, Inc.** (**"Esri"**).

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

Table A
List of Products

Uncapped Quantities

Desktop Software and Extensions (Single Use)
ArcGIS Desktop Advanced
ArcGIS Desktop Standard
ArcGIS Desktop Basic
ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions
ArcGIS Enterprise (Advanced and Standard)
ArcGIS Monitor
ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Additional Capability Servers
ArcGIS Image Server

Developer Tools
ArcGIS Runtime Standard
ArcGIS Runtime Analysis Extension

Limited Quantities
One (1) Professional subscription to ArcGIS Developer
Two (2) ArcGIS CityEngine Single Use Licenses
250 ArcGIS Online Viewers
250 ArcGIS Online Creators
37,500 ArcGIS Online Service Credits
250 ArcGIS Enterprise Creators
5 ArcGIS Insights in ArcGIS Enterprise
5 ArcGIS Insights in ArcGIS Online
50 ArcGIS Location Sharing User Type Extension (Enterprise)
50 ArcGIS Location Sharing User Type Extension (Online)
12 ArcGIS Advanced Editing User Type Extension (Enterprise)

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	**4**
Number of Tier 1 Help Desk individuals authorized to call Esri	**4**
Maximum number of sets of backup media, if requested*	**2**
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement	

*Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

_____
(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Address: _____

City, State, Postal Code: _____

Country: _____

Quotation Number (if applicable): _____

Telephone: _____

Fax: _____

E-mail: _____

1.0—Additional Definitions

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at https://www.esri.com/en-us/legal/terms/full-master-agreement and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—Additional Grant of License

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—Term, Termination, and Expiration

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-

owned entities, either party may terminate this Agreement before any subsequent year if Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—Product Updates

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at https://support.esri.com/en/other-resources/product-life-cycle. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—Maintenance

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at https://www.esri.com/en-us/legal/terms/maintenance). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.
2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.
5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to

supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.

4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.

5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—Endorsement and Publicity

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—Administrative Requirements

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—Ordering, Administrative Procedures, Delivery, and Deployment

8.1 Orders, Delivery, and Deployment

a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee up to thirty (30) calendar days before the annual anniversary date for each year.

b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri reserves the right to suspend Customer's access to and use of Products if Customer fails to pay any undisputed amount owed on or before its due date. Esri may charge Customer interest at a monthly rate equal to the lesser of one percent (1.0%) per month or the maximum rate permitted by applicable law on any overdue fees plus all expenses of collection for any overdue balance that remains unpaid ten (10) days after Esri has notified Customer of the past-due balance.

c. Esri's federal ID number is 95-2775-732.

d. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.

b. The following information will be included in each Ordering Document:

(1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
(2) Order number
(3) Applicable annual payment due

9.0—Mergers, Acquisitions, or Divestitures

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "**Ownership Change**"). There will be no decrease in Fee as a result of any Ownership Change.

9.1 If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.

9.2 If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.

9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.

CITY OF FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11264– A Resolution Authorizing the City Manager to Execute a Construction Agreement with Central Valley Engineering, Inc., for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area and Appropriation of Funds
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

The Parks and Recreation Department recommends that the City Council pass and adopt Resolution No. 11264- A Resolution Authorizing the City Manager to Execute a Construction Agreement with Central Valley Engineering, Inc., for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area and Appropriation of Funds

BACKGROUND / ISSUE

Subdivision street improvements for Mangini Ranch Phase II in the Folsom Plan Area did not include sidewalks along Old Ranch Way and Savannah Parkway at the location of the future Neighborhood Park 2 site. These sidewalks were intended to be installed at the time of development of Neighborhood Park 2, which is anticipated to begin the design phase in Fiscal Year 2025-26.

Directly to the east of the Neighborhood Park 2 site, and sharing a property line, is Alder Creek Elementary School, which recently opened in August 2024. It became apparent that sidewalks needed to be installed along Old Ranch Way and Savannah Parkway to provide safe routes to school prior to the development of Neighborhood Park 2, which, as mentioned above, is anticipated to start the design process in Fiscal Year 2025-26. The Public Works Department requested bids from qualified contractors for the construction of approximately seven-hundred sixty (760) linear feet of six (6) foot wide concrete sidewalk.

POLICY / RULE

Section 2.36.080, Award of Contracts of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

Public Works staff requested bids from three contractors and those bids were received on August 14, 15, and 21, 2024.

The three bids received, are as follows:

- Central Valley Engineering & Asphalt, Inc. $101,869.00
- B&M Builders, Inc. $104,283.00
- All American Construction, Inc. $106,800.00

The Engineer's Estimate for the project was $100,000. The Public Works Department found the bids to be in order and recommends that the contract be awarded to the low bidder, Central Valley Engineering & Asphalt, Inc. Staff will use the City's standard agreement in a form acceptable to the City Attorney

FINANCIAL IMPACT

The contract with Central Valley Engineering & Asphalt, Inc. would be authorized for $101,869.00, with a total not to exceed amount of $112,056.00. This includes a ten percent contingency in the amount of $10,187.00.

Sufficient funds for this contract are available in the Folsom Specific Plan Area Capital Improvement Fund (Fund 472).

ENVIRONMENTAL REVIEW

This project has been deemed Categorically Exempt from California Environmental Quality Act (CEQA) environmental review based on Class 1: Minor Alteration of Existing Facilities.

ATTACHMENTS

Resolution No.11264– A Resolution Authorizing the City Manager to Execute a Construction Agreement with Central Valley Engineering, Inc., for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area and Appropriation of Funds

Submitted,

Kelly Gonzalez, Parks and Recreation Director

RESOLUTION NO. 11264

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT WITH CENTRAL VALLEY ENGINEERING, INC., FOR THE CONSTRUCTION OF SIDEWALKS ON OLD RANCH WAY AND SAVANNAH PARKWAY AT NEIGHBORHOOD PARK 2 IN THE FOLSOM PLAN AREA AND APPROPRIATION OF FUNDS

WHEREAS, the City of Folsom desires to provide safe routes to schools; and

WHEREAS, sidewalks along Old Ranch Way and Savannah Parkway, at the future Neighborhood Park 2 site, which is adjacent to the recently opened Alder Creek Elementary School, were not installed with Mangini Ranch Phase 2 Street Improvements; and

WHEREAS, bids were requested from three contractors, with Central Valley Engineering & Asphalt being the lowest responsive and responsible bidder; and

WHEREAS, sufficient funds are available in the Folsom Specific Plan Area Capital Improvement Fund (Fund 472); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Construction Agreement with Central Valley Engineering & Asphalt, Inc. for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area in the amount of $101,869.00 with the budgeted amount to include a 10% contingency of $10,187, for a total not to exceed amount of $112,056.00.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $112,056 in the Folsom Specific Plan Area Capital Improvement Fund (Fund 472) for this agreement.

PASSED AND ADOPTED this 24th day of September, 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11265 - A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 20-031) with HydroScience Engineers, Inc. for Design Services for the Ashland Water Rehabilitation Project No. 1 (Project WA 2101) and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11265 - A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 20-031) with HydroScience Engineers, Inc. for Design Services for the Ashland Water Rehabilitation Project No. 1 (Project WA 2101) and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources (EWR) Department identifies water infrastructure rehabilitation and replacement projects through water master plans, ongoing water condition assessment programs, and regulatory changes. Through these efforts, portions of the water system have been identified as needing rehabilitation or replacement in order to improve the water distribution system reliability. EWR staff identified the Ashland Water Rehabilitation Project No. 1 as a priority project.

The Ashland Water Rehabilitation Project No. 1, which serves as an emergency intertie between the City of Folsom and the San Juan Water District, involves the rehabilitation of an existing water transmission pipeline, Supervisory Control and Data Acquisition (SCADA) upgrades to an existing Pressure Reducing Valve (PRV) station, and miscellaneous upgrades

to various water appurtenances. Amendment No. 3 is for additional engineering services related to construction administration.

This resolution will authorize the City Manager to execute Amendment No. 3 to the Agreement (Contract No. 173-21 20-032) with HydroScience Engineers, Inc. for Design Services for the Ashland Water Rehabilitation Project No. 1 (Project WA 2101) and appropriation of funds.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

In October 2018, the EWR Department completed a pre-qualification process for consultants for design and construction administration services for water and wastewater projects. The consulting firm HydroScience Engineers, Inc. was one of the firms selected to provide these services for this type of project through this pre-qualification process. HydroScience Engineers, Inc. is currently providing engineering design and bid phase support services for this project. HydroScience Engineers, Inc. was determined to provide the best value to the City based on their knowledge and familiarity with the project, understanding of the background and requirements of the project, and qualifications and experience of the project team.

A previous amendment to the design contract for HydroScience Engineers, Inc. included construction administration services for the Ashland Water Rehabilitation Project No. 1. The construction administration services included project coordination, attending weekly construction meetings, responses to Requests for Information (RFI's), reviewing technical submittals, and design modifications as needed during construction.

Due to material procurement delays and weather delays, the Ashland Water Rehabilitation Project No.1 was unexpectedly extended. Additionally, a significant number of unknown, unexpected underground utilities that were in conflict with the Ashland Water Rehabilitation Project No.1 pipe alignment resulted in multiple design changes and design modifications that were unanticipated. Lastly, the condition of the existing welded steel pipe required HydroScience Engineers, Inc. to respond to additional RFI's, submittal reviews, and design modifications that were beyond the original construction administration scope. Amendment No. 3 will allow HydroScience Engineers, Inc. to provide the additional construction administration services required to finalize the Ashland Water Rehabilitation Project No. 1 (Project WA 2101).

This resolution will authorize the City Manager to execute Amendment No. 3 to the Agreement (Contractor No. 173-21 20-032) with HydroScience Engineers, Inc. for Additional Design Services for the Ashland Water Rehabilitation Project No. 1 (Project WA 2101) and Appropriation of Funds for a new not-to-exceed amount of $34,104.

FINANCIAL IMPACT

The Ashland Water Rehabilitation Project No. 1 is included in the Capital Improvement Plan with a Fiscal Year 2024-25 project budget of $3,341,888. The Environmental and Water Resources Department recommends that Amendment No. 3 to the agreement (Contract No. 173-21 20-031) (Project WA 2101) for design services be awarded to HydroScience Engineers, Inc. for an additional $34,104 for a not to exceed total of $452,389. The project budget will require an appropriation in the amount of $34,104 for this amendment. This will bring the total project budget to $3,363,509 and a new contract amount with HydroScience Engineers, Inc. to $452,389. Sufficient funds are available in the Water Operating Fund (Fund 520) for the appropriation.

ENVIRONMENTAL REVIEW

A review previously performed as part of the HydroScience Engineers, Inc. design contract found that this project is replacement and/or reconstruction of existing infrastructure with negligible or no expansion of use and therefore is categorically exempt from environmental review under California Environmental Quality act as noted in Title 14 – California Code of Regulations, Chapter 3 – Guidelines for Implementation of the California Environmental Quality Act, Article 19 – Categorical Exemptions, 15302 (c) (Replacement or Reconstruction).

ATTACHMENT

Resolution No. 11265 - A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 20-031) with HydroScience Engineers, Inc. for Design Services for the Ashland Water Rehabilitation Project No. 1 (Project WA 2101) and Appropriation of Funds.

Submitted,

_____

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11265

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 3 TO THE AGREEMENT (CONTRACT NO. 173-21 20-031) WITH HYDROSCIENCE ENGINEERS, INC. FOR DESIGN SERVICES FOR THE ASHLAND WATER REHABILITATION PROJECT NO. 1 (PROJECT WA 2101) AND APPROPRIATION OF FUNDS

WHEREAS, the City has identified this project as a priority to maintain integrity and operation of the water distribution system; and

WHEREAS, the rehabilitation work identified to enhance the City's water distribution system includes rehabilitating the existing water transmission pipeline, Supervisory Control and Data Acquisition (SCADA) upgrades associated with the existing pressure reducing station, and upgrades to various water appurtenances; and

WHEREAS, HydroScience Engineers, Inc. by reason of their experience and abilities for performing these types of services, are qualified to perform the required consulting services for the project; and

WHEREAS, the Ashland Water Rehabilitation Project No.1 (Project WA 2101) was included in the FY 2024-25 Capital Improvement Plan with a project budget of $3,341,888; and

WHEREAS, an additional appropriation of funds in the amount of $34,104 is needed for a revised project budget of $3,363,509 and sufficient funds are available in the Water Operating Fund (Fund 520) for this appropriation; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute Amendment No. 3 to the Agreement (Contract No. 173-21 20-031) with HydroScience Engineers, Inc. for Design Services for the Ashland Water Rehabilitation Project No. 1 (Project WA 2101) in the amount of $34,104 and the contract not-to-exceed amount, including Amendment No. 3 is $452,389.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate an additional $34,104 to the Fiscal Year 2024-25 Water Operating Fund (Fund 520) for the Ashland Water Rehabilitation Project No.1 (Project WA 2101) for a total project budget of $3,363,509.

PASSED AND ADOPTED this 24th day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11267 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with Martin General Engineering, Inc. for the Folsom High School Iron Point Road Median Fence Project, Project No. 8023, and Appropriation of Funds
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11267 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with Martin General Engineering, Inc. for the Folsom High School Iron Point Road Median Fence Project, Project No. 8023, and Appropriation of Funds.

BACKGROUND / ISSUE

The City of Folsom Traffic Safety Committee meets on a monthly basis to address traffic safety issues identified by members of the public and to provide recommendations to the city council on traffic safety issues based on sound technical and practical criteria.

One of the traffic safety issues identified is the jaywalking along Iron Point Road, predominantly in front of and near Folsom High School. It has been observed by both members of the public and city staff that students being released from Folsom High School consistently jaywalk across the street, crossing over the median to access cars parked in the bike lane or U-turn lane along westbound Iron Point Road.

This project seeks to mitigate the jaywalking issue by installing a 5½-foot tall black iron fence in the median island. The fence will be installed from the Prairie Oaks Apartment complex to the Treehouse Plaza Retail Center in order to block jaywalking along the entire pickup area.

This item was considered by the Traffic Safety Committee at its April 4, 2024 meeting, and the Committee voted in favor (six ayes and one absent) to recommend that the Public Works Department find funding to support the project to protect pedestrians.

This project is expected to begin in early November 2024 and be completed by December 2024.

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of $73,209 or greater shall be awarded by the City Council.

ANALYSIS

Public Works staff prepared the bid package, and the project was publicly advertised on August 1, 2024. On August 21, 2024, the Public Works Department received the following bids:

- Martin General Engineering, Inc. $ 166,725.00
- Central Valley Engineering & Asphalt, Inc. $ 177,269.00
- B&M Builders, Inc. $ 210,500.00
- Arrow Fence Company $ 237,487.50

The engineer's estimate for this project was $140,000.00. The Public Works Department has evaluated the bids received and recommends that the contract be awarded to the low-bidder, Martin General Engineering, Inc.

Staff will use the City's standard Construction Agreement in a form acceptable to the City Attorney.

FINANCIAL IMPACT

The contract with Martin General Engineering, Inc. would be authorized for $166,725.00 with the project budgeted for a total of $183,397.50 which will include a ten percent contingency amount of $16,672.50 for potential change orders.

Traffic Safety Projects, Project No. 8023, is included in the FY 2024-25 Capital Improvement Plan with a total project budget of $150,000 funded through Measure A Fund (Fund 276). Project encumbrances to date total $35,000, with a remaining project budget of $115,000. An appropriation in the amount of $68,397.50 is needed for construction costs.

Additionally, staff is requesting an appropriation in the amount of $115,000 to replenish the project budget in anticipation of expenditures that will be made throughout the year to implement traffic safety improvements. The Traffic Safety Projects provides funding for traffic safety improvements identified by the City Council, Traffic Safety Committee, and Public Safety and Public Works staff and historically, the Traffic Safety Projects budget has been fully expended each year to implement the identified improvements.

Staff is requesting an appropriation of $183,397.50 in the Measure A Fund (Fund 276) for an updated total project budget of $333,397.50. Sufficient funds are available in the Measure A Fund (Fund 276) for the appropriation.

ENVIRONMENTAL REVIEW

This project is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301.

ATTACHMENT

Resolution No. 11267 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with Martin General Engineering, Inc. for the Folsom High School Iron Point Road Median Fence Project, Project No. 8023, and Appropriation of Funds

Submitted,

_____

Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 11267

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT WITH MARTIN GENERAL ENGINEERING, INC. FOR THE FOLSOM HIGH SCHOOL IRON POINT ROAD MEDIAN FENCE PROJECT, PROJECT NO. 8023, AND APPROPRIATION OF FUNDS

WHEREAS, the Traffic Safety Committee reviewed a request for the installation of a fence along Iron Point Road near Folsom High School at its April 4, 2024 meeting and voted in favor to recommend that the Public Works Department find funding to support the project and protect pedestrians; and

WHEREAS, the project was publicly advertised on August 1, 2024, and four bids were received on August 21, 2024, with Martin General Engineering, Inc. being the lowest responsible bidder; and

WHEREAS, Traffic Safety Projects, Project No. 8023, is included in the FY 2024-25 Capital Improvement Plan with an available project budget of $115,000 funded through Measure A Fund (Fund 276); and

WHEREAS, an appropriation in the amount of $68,397.50 is needed for construction costs; and

WHEREAS, staff is requesting an additional appropriation in the amount of $115,000 to replenish the project budget in anticipation of expenditures that will be made throughout the year to implement traffic safety improvements; and

WHEREAS, staff is requesting an appropriation of $183,397.50 in the Measure A Fund (Fund 276) for a total project budget of $333,397.50; and

WHEREAS, sufficient funds are available in the Measure A Fund (Fund 276) for the appropriation; and

WHEREAS, the contract will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Construction Agreement with Martin General Engineering, Inc. for the Folsom High School Iron Point Road Median Fence Project, Project No. 8023, in the amount of $166,725, with the budgeted amount to include a ten percent contingency for a total not-to-exceed amount of $183,397.50.

BE IT FURTHER RESOLVED that the Chief Financial Officer is authorized to appropriate $183,397.50 for this project from the Measure A Fund (Fund 276).

PASSED AND ADOPTED on this 24th day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11268- A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and Addition of $15,000 from the City's Housing Fund to Complete the Mixed-Use and Multifamily Objective Design and Development Standards Project, and Appropriation of Funds
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council Move to approve Resolution No.11268– A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and Addition of $15,000 from the City's Housing Fund to Complete the Mixed-Use and Multifamily Objective Design and Development Standards Project, and Appropriation of Funds.

BACKGROUND / ISSUE

The Sacramento Area Council of Governments (SACOG) Green Means Go grant program is designed to fund non-transportation infrastructure and planning that accelerates infill housing within locally adopted Green Zones and supports housing affordability. Eligible project sponsors (i.e., lead applicants) are the 22 cities and six counties within the SACOG region. For the 2022 funding round, the grant program included one early activation grant and three competitive grant categories. The city was successful in obtaining four grant awards under several categories and on April 25, 2023, the City Council approved Resolution 11027 accepting the four awarded Green Means Go grants. None of the grant awards required a city match.

One of the grants awarded by SACOG was a Green Means Go Planning Grant in the amount of $243,000 for the development of Objective Design and Developments Standards for Mixed-

use and Multifamily Housing, and on July 5, 2023, the city entered in a consultant and professional services with Opticos Design. Inc to carry out this work.

In January of this year, the Governor released a draft state budget which proposed rescinding $300 million (half of the original $600 million) for the statewide Regional Early Action Planning (REAP) 2.0 grant program, which is the funding source for the SACOG Green Means Go program awards. In response to this unprecedented retraction in fully committed funding for the REAP 2.0 grant program, SACOG and other regional agencies began a campaign to urge the Legislature to reject the $300 million cut to the REAP 2.0, highlighting that these funds have already been fully committed and are important to achieve the region's climate and affordable housing goals. As a result of these advocacy efforts, the Governor and the Legislature agreed to save most of the original REAP 2.0 budget, and the Governor signed the state budget with $560 million of the original $600 million.

The state budget cuts resulted in a six percent reduction in Green Means Go funds creating a gap of approximately $2 million for regional projects funded by the program. Consequently, on August 14, 2024, the SACOG Board adopted a revised Green Means Go program budget that implements an across-the board 6.2% reduction in all REAP 2.0 expenditures categories. This action reduces the City's $243,000 Planning Grant to $228,000, thus leaving a gap of $15,000 in funding. To make up this funding gap for the development of Objective Design and Developments Standards for Mixed-use and Multifamily Housing, staff recommends that the City Council authorize $15,000 from the City's housing funds for this qualifying project.

POLICY / RULE

The City Council Adopted Resolution No. 7332 - Financial Policies of the City of Folsom on May 25, 2004. Section D - Intergovernmental Revenues, Paragraph C - Grant Project Resolutions states, "All grants received from the Federal or State government for operating or capital purposes shall be recognized in separate grant project resolutions. A balanced grant project resolution must be adopted prior to beginning the project."

ANALYSIS

State legislation, including Senate Bill 330 (2019) and Senate Bill 8 (2021) require that jurisdictions conduct design review for all residential projects, especially for multi-family development, using objective design standards. To ensure high quality design for new residential development, the City executed a Professional Services Agreement with Opticos for the development of the Objective Design and Development Standards.

Additionally, the development of Objective Design and Development Standards (ODDS) for multi-family and mixed-use development is consistent with the following Housing Element Policies and Implementation Programs:

Policy H-2.5 Objective Standards

The City shall endeavor through its development and design standards and decision making to provide consistent and predictable policy direction based on objective standards for multi-family residential project applicants.

Implementation Program H-3: Standards for Transit Oriented Development

The City shall establish development standards for transit-oriented development located within SACOG Transit Priority Areas as part of the comprehensive zoning code update. Development standards should promote sustainable land use practices that reduce vehicle trips and should allow for mixed-use developments as well as stand-alone residential. In addition, the City shall provide for CEQA streamlining consistent with the provisions of SB 375.

Implementation Program H-8: Objective Design Standards for Multifamily Housing

The City shall rescind the Design Guidelines for Multifamily Development upon adoption of the Housing Element and shall adopt objective design standards for multifamily development, as part of the comprehensive zoning code update.

Furthermore, development of the ODDS implements the August 27, 2024-adopted General Plan and Folsom Plan Area Specific Plan amendments (Resolution No. 11251 and Resolution No. 11252) for increased residential capacity and is consistent with City Council direction.

Currently the consultant team has completed the majority of work associated with the ODDS project. However, in order to complete the final tasks (release of public review draft, public meetings/hearing, ODDS adoption, and implementation) staff anticipates that the full contract amount of $243,000 will be necessary. And, given that adoption the ODDS is consistent with general plan housing element policies and programs, staff is requesting that City Council approve up to $15,000 from the City's housing funds to make up the project funding gap and an appropriation of funds. In addition, staff is recommending that the City Council authorize the City Manager to execute a memorandum of understanding agreement amendment with SACOG for the Green Means Go Program that reflects the reduced grant amount of $228,000 and includes the addition of $15,000 from the City's housing funds for the development of objective design and development standards.

FINANCIAL IMPACT

Funds are currently available in the Folsom Housing Fund (Fund 238) in an amount of $15,000 to cover the funding gap created as a result of the Green Means Go Planning Grant award reduction from $243,000 to $228,000, however an appropriation will be required to ensure that the project does not impact the City's General Fund.

ENVIRONMENTAL REVIEW

Implementation of the grant does not meet the CEQA definition of a project and as a result this action is exempt from environmental review. The adoption of the associated objective design and development standards will be required to include environmental review and thus prior to their adoption an environmental review will be conducted

ATTACHMENT

Resolution No.11268– A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and Addition of $15,000 from the City's Housing Fund to Complete the Mixed-Use and Multifamily Objective Design and Development Standards Project, and Appropriation of Funds

Submitted,



Pam Johns, Community Development Director

RESOLUTION NO. 11268

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING GRANT REDUCTION AMENDMENT WITH SACOG FOR THE GREEN MEANS GO PROGRAM AND ADDITION OF $15,000 FROM THE CITY'S HOUSING FUND TO COMPLETE THE MIXED-USE AND MULTIFAMILY OBJECTIVE DESIGN AND DEVELOPMENT STANDARDS PROJECT, AND APPROPRIATION OF FUNDS

WHEREAS, the Sacramento Area Council of Governments (SACOG) 2022 Green Means Go grant program is designed to fund non-transportation infrastructure and planning that accelerates infill housing within locally adopted Green Zones and supports housing affordability; and

WHEREAS, eligible project sponsors (i.e., lead applicants) are the 22 cities and six counties within the SACOG region; and

WHEREAS, for the 2022 funding round, the grant program included three competitive grant categories associated with this funding: Early Activation, Planning, and Capital; and

WHEREAS, on October 25, 2022, the City Council approved Resolution No. 10937 authorizing Green Means Go grant applications under the Planning and Capital categories including a $243,000 Planning Category Grant for the development of Multi-Family and Mixed-Use Objective Design and Development Standards; and

WHEREAS, under Resolution No. 11027, the City Council approved the acceptance of four grant awards from the SACOG Green Means Go Grant including a grant in the amount of $243,000 for the Multi-Family and Mixed-Use Objective Design and Development Standards project; and

WHEREAS, in 2024 state budget cuts resulted in a six percent reduction in Green Means Go funds creating a gap of approximately $2 million for regional projects funded by the program; and

WHEREAS, on August 14, 2024, the SACOG Board responded to the state budget cuts and adopted a revised Green Means Go program budget that implements an across-the board 6.2% reduction in all REAP 2 expenditures categories; and

WHEREAS, the revised Green Means Go program budget, reduces the City's $243,000 Green Means Go Planning Grant to $228,000, thus leaving a gap of $15,000 in funding for the of Multi-Family and Mixed-Use Objective Design and Development Standards project; and

WHEREAS, State legislation, requires that jurisdictions conduct design review for all residential projects, especially for multi-family development, using objective design standards; and

WHEREAS, the development of multi-family and mixed-use objective design and development standards is consistent with Housing Element policies and program; and

WHEREAS, funding for the $15,000 funding gap for the Multi-Family and Mixed-Use Objective Design and Development Standards project is available from the City's Housing Fund (Fund 238).

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Folsom that the City Council does hereby approve the use of housing funds for the of Multi-Family and Mixed-Use Objective Design and Development Standards project to cover the $15,000 funding gap resulting from the SACOG board action that reduced the City's $243,000 Green Means Go Planning Grant to $228,000.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute a Memorandum of Understanding Grant Reduction Amendment with SACOG for the Green Means Go Program and other related documents, consistent with and in furtherance of this Resolution.

BE IT FURTHER RESOLVED that the Finance Director is directed to appropriate up to $15,000 from the City's Housing Fund (Fund 238) to complete the Multi-Family and Mixed-Use Objective Design and Development Standards project.

PASSED AND ADOPTED this 24th day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11269 – A Resolution Authorizing the City Manager to Execute an Agreement with the 50 Corridor Transportation Management Association to Provide Transportation Demand Management Services in the Folsom Specific Plan Area
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11269 – A Resolution Authorizing the City Manager to Execute an Agreement with the 50 Corridor Transportation Management Association to Provide Transportation Demand Management Services in the Folsom Specific Plan Area.

BACKGROUND / ISSUE

Adopted in 2018, the Folsom Plan Area Specific Plan includes Circulation Element Policy 7.3, which requires the City to provide and fund Transportation Demand Management (TDM) services. TDM measures are generally considered to be alternative forms of transportation that are designed to reduce the number of single-occupant vehicles on the transportation system and mitigate potential regional air quality impacts associated with development. Some examples of TDM measures include programs that promote walking or cycling, rideshare, vanpools, and guaranteed rides home.

The administration of a TDM program is typically managed either by in-house staff or by a transportation management authority (TMA); there are several TMAs throughout the Sacramento region. In our area, the 50 Corridor TMA, which was founded in 1994 as the Greater Folsom Area TMA, is the sole TMA that oversees TDM programs geared primarily towards reducing traffic on US Highway 50.

The Final Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the Folsom Plan Area Specific Plan included Mitigation Measure 3A.15-2c, which requires "the project applicant(s) for all project phases of any particular discretionary development application shall join and participate with the 50 Corridor Transportation Management Association to reduce the number of single-occupant automobile travel on area roadways and intersections." In order to comply with Mitigation Measure 3A.15-2c, the City opted to approve Resolution No. 10209 in November 2018 to amend the Rate and Method of Apportionment for Community Facilities District No. 18 (CFD No. 18) to add a category of special tax to fund the annual costs associated with certain transportation demand management and air quality services. This special tax has been and will continue to be collected through Community Facilities District No. 18.

The City requested a proposal from the 50 Corridor TMA to provide TDM services in the Folsom Specific Plan (see attached).

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of $73,209 or greater shall be awarded by the City Council.

FINANCIAL IMPACT

Funding for the Folsom Specific Plan TDM Program would be paid by allocating the aforementioned TDM special tax from CFD No. 18 to the 50 Corridor TMA. In Fiscal Year 2024-25, $138,000 of CFD No.18 TDM special tax would be paid to the TMA. Over the entire 5-year plan, an estimated total of $779,000 of CFD No. 18 TDM special tax would be paid to the TMA.

ENVIRONMENTAL REVIEW

This project has been deemed Categorically Exempt from California Environmental Quality Act (CEQA) environmental review based on Class 1: Existing Facilities.

ATTACHMENT

Resolution No. 11269 – A Resolution Authorizing the City Manager to Execute an Agreement with the 50 Corridor Transportation Management Association to Provide Transportation Demand Management Services in the Folsom Specific Plan Area

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 11269

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE 50 CORRIDOR TRANSPORTATION MANAGEMENT ASSOCIATION TO PROVIDE TRANSPORTATION DEMAND MANAGEMENT SERVICES IN THE FOLSOM SPECIFIC PLAN AREA

WHEREAS, the City of Folsom is required to provide Transportation Demand Management (TDM) Services to the Folsom Specific Plan Area; and

WHEREAS, TDM services are programs and policies that are designed to reduce single-occupant vehicle trips and mitigate the air quality impacts of development; and

WHEREAS, the 50 Corridor Transportation Management Association (TMA) administers TDM services for the Highway 50 corridor; and

WHEREAS, a TDM special tax is collected in the Folsom Plan Area through Community Facilities District No. 18 (CFD No. 18); and

WHEREAS, the 50 Corridor TMA submitted a 5-year plan to utilize TDM special tax from CFD No. 18 to provide the required TDM services; and

WHEREAS, the City desires to execute a Memorandum of Agreement with the 50 Corridor TMA to perform said services in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby authorizes the City Manager to execute an agreement with the 50 Corridor Transportation Management Association to provide Transportation Demand Management Services in the Folsom Specific Plan Area.

PASSED AND ADOPTED on this 24th day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Public Hearing
SUBJECT:	Ordinance No. 1348 – An Ordinance of the City of Folsom Amending Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code Pertaining to Parking in Alleys in the Historic District (Introduction and First Reading)
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council introduce and conduct the first reading of Ordinance No. 1348 - An Ordinance of the City of Folsom Amending Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code Pertaining to Parking in Alleys in the Historic District.

BACKGROUND / ISSUE

The purpose of this Ordinance is to amend Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code (FMC) to prohibit parking in public alleys in the Historic District. FMC Section 10.20.220 currently pertains to parking on Folsom Dam Road, and Section 10.20.230 currently addresses the removal of illegally parked vehicles on Folsom Dam Road. These sections have not been valid since 2003 when public access to Folsom Dam Road was restricted by the Federal Government. Staff therefore proposes to replace Section 10.20.220 in its entirety and the title of Section 10.20.230 with the proposed, new parking regulations.

The proliferation of new Accessory Dwelling Units (ADUs) in the Historic District has resulted in an increase in vehicles parking in the alleys. Most of these alleys are used for weekly waste collection by the Public Works Department and also serve as secondary emergency access routes for the Fire Department. The alleys are not sufficiently wide enough to allow parking to continue without impeding both waste collection and emergency access; therefore, staff has prepared this amendment to the FMC to make it a violation to park in a Historic District

alleyway if such regulations have been posted.

POLICY / RULE

Amendments and revisions to the Folsom Municipal Code must be reviewed and approved by the City Council.

ANALYSIS

If approved, residents living in Historic District ADUs would need to park their vehicles on nearby public streets; staff has determined that there is adequate parking available for the displaced vehicles.

Staff initially considered posting "No Parking on Waste Collection Days" or similar regulations, but such signs would only address the impact to waste collection. Emergency vehicle access is required at all times, on all days, and therefore requires a blanket parking prohibition.

FINANCIAL IMPACT

Approving this FMC amendment has no direct financial impact on the City; in order to implement the new ordinance, the Public Works Department will need to manufacture and install appropriate signage to notify the public of the new regulation and enable enforcement. There is sufficient funding in the Public Works Department Fiscal Year 24-25 operating budget to implement the sign program.

ENVIRONMENTAL REVIEW

This project has been deemed Categorically Exempt from California Environmental Quality Act (CEQA) environmental review based on Class 1: Existing Facilities.

ATTACHMENT

Ordinance No. 1348 – An Ordinance of the City of Folsom Amending Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code Pertaining to Parking in Alleys in the Historic District

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

ORDINANCE NO. 1348

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTIONS 10.20.220 AND 10.20.230 OF THE FOLSOM MUNICIPAL CODE PERTAINING TO PARKING IN ALLEYS IN THE HISTORIC DISTRICT

The City Council of the City of Folsom does hereby ordain as follows:

SECTION 1 PURPOSE

The purpose of this ordinance is to amend Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code to remove references to parking on Folsom Dam Road and replace them with regulations that prohibit parking on alleys in the Historic District.

SECTION 2 AMENDMENT TO CODE

Section 10.20.220 of the Folsom Municipal Code is hereby replaced and amended in its entirety as follows:

10.20.220 Historic District Alleys.

When signs are erected giving notice thereof, no person shall stop, park, or leave standing any vehicle on the public portion of public alleyways within the Folsom Historic District. Vehicles parked on private property adjacent to the public alleyway are not subject to this regulation.

SECTION 3 AMENDMENT TO CODE

Section 10.20.230 of the Folsom Municipal Code is hereby amended as follows:

10.20.230 Historic District Alleys – Vehicle Removal.

When signs are erected giving notice thereof, any vehicle parked in violation of Section 10.20.220 may be removed at the owner's expense.

SECTION 4 SCOPE

Except as set forth in this Ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

SECTION 5 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase

be declared unconstitutional, invalid, or ineffective.

SECTION 6 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided that it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on September 24, 2024 and the second reading occurred at the regular meeting of the City Council on October 8, 2024.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 8th day of October 2024 by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Public Hearing
SUBJECT:	Folsom Heights Small-Lot Vesting Tentative Subdivision Map Amendment Resolution No. 11263 – A Resolution to Approve a Small-Lot Vesting Tentative Subdivision Map Amendment for the Folsom Heights Subdivision Project
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff forwards the Planning Commission's recommendation that the City Council take the following action:

1. Approve Resolution No. 11263 for a Small-Lot Vesting Tentative Subdivision Map Amendment for the Folsom Heights Subdivision Project

BACKGROUND / ISSUE

The applicant, Price Walker (of Elliott Homes, Inc.), is requesting approval to remove two conditions of approval from the Small-Lot Vesting Tentative Subdivision Map entitlement (SLVTSM) for the Folsom Heights Subdivision project. The request includes the removal of the following conditions of approval from the most recent Small-Lot Vesting Tentative Subdivision Map project (PN 21-233):

> **174. Prima Drive Improvements**: The owner/applicant shall construct Prima Drive to its ultimate horizontal and vertical alignment from the project site to the intersection of Stonebriar Drive and Prima Drive as shown on the approved Small-Lot Vesting Tentative Subdivision Map. The aforementioned improvements shall be constructed with the Phase 1 portion of the Folsom Heights Subdivision project to the satisfaction of the Community Development Department and through coordination with El Dorado County. The owner/applicant shall screen Prima Drive

to minimize potential lighting impacts to nearby residences to the satisfaction of the Community Development Department. Prima Drive Roadway shall be limited to 27 feet in width. In addition, no construction-related traffic shall be permitted to utilize Prima Drive to access the project site.

182. Per direction provided by the City Council at its October 24, 2017 meeting, the owner/applicant shall construct the Prima Drive Extension as a paved and gated/bollard-controlled Emergency Vehicle Access (EVA) Route only, consistent with the requirements stated in Condition of Approval No. 174. The owner/applicant shall also work with the City of Folsom Fire Chief and the El Dorado Hills Fire Chief to establish the appropriate location(s) for the gates/bollards associated with the EVA. The final design, installation, and operation of the gates/bollards shall be in accordance with the Sacramento County Emergency Access Gates and Barriers Standard, as required by the City of Folsom Fire Code. The final design and location of the gates/bollards shall be subject to review and approval by the City of Folsom. In addition, the EVA shall accommodate pedestrian and bicycle access to the satisfaction of the City of Folsom.

In their project narrative provided in Attachment 6, the applicant states that the secondary access/EVA is no longer needed due to significant changes in circumstances within the Folsom Plan Area since the original approval of the SLVTSM and additional access points into Folsom Heights. The narrative states since the first approval of the project and addition of Conditions 174 and 182, many new through-streets are now completed that provide adequate access points into Folsom Heights. Additionally, Fire Station #34, slated to be open on September 26, 2024, will be fully operational to provide fire protection to the subdivision. Upon review of the initial requests and discussions with the applicant, Community Development reached out to the Fire Department and Fire Chief Cusano provided a letter of support to remove conditions for Prima Drive stating that an EVA at that location is no longer needed due to the extensive amount of public access and improvements within the area. Please see Attachment 7 of this staff report for Chief Cusano's letter.

As such, the applicant proposes that the Conditions of Approval be amended to remove existing Prima Drive as a required EVA, thereby only operating as an easement dedicated to El Dorado Irrigation District (EID). EID is providing water and sewer to the majority of the subdivision and indicated that construction of a gravel road only is sufficient to serve EID's access and operational needs for the future water and sewer facilities, as shown in Attachment 5.

EID will provide water and a majority of the sewer service to the Folsom Heights subdivision based on pre-existing arrangements that were known to the Council at the time of map approval in 2017. The gravel service road will have manual gates at each end, allowing vehicle access to EID vehicles only. With the proposed request to remove Conditions 174 and 182, no sidewalk, bicycle lane, curb, gutter, or asphalt paving will be present on this road. Community Development Staff has coordinated with the Folsom Fire Department, EID, El Dorado County, and the Rolling Hills Community Services District in El Dorado Hills, which owns the land where the EID access

easement is located. All parties are in agreement to support the removal of these two conditions, subject to Planning Commission approval of a recommendation to the City Council for the purposes of eliminating conditions 174 and 182. Planning Commission made that recommendation after considering the item at its August 28, 2024 meeting.

POLICY / RULE

Folsom Municipal Code (FMC) Section 16.16.130 requires that applications for Tentative Subdivision Map Amendments that waive or amend conditions of approval of the tentative map be presented to the Planning Commission for its approval. Processing of the amendment is subject to the requirements of FMC Section 16.16.070, which requires Planning Commission recommendation, and FMC Section 16.16.080, which requires City Council action.

ANALYSIS

BACKGROUND

On June 28, 2016, the City Council approved a General Plan Amendment and Specific Plan Amendment for development of the Folsom Heights Subdivision project. The approved General Plan Amendment and Specific Plan Amendment resulted in an increase in the amount of land designated for single-family development, a decrease in the amount of land designated for multi-family development, a reduction in the amount of land designated for commercial development, and an increase in the amount of open space within the 189.7-acre Folsom Heights Subdivision project area.

On July 11, 2017, the City Council approved a Large-Lot Vesting Tentative Subdivision Map, Small-Lot Vesting Tentative Subdivision Map, Project Design Guidelines, and an Inclusionary Housing Plan for the development of a 530-unit residential and commercial development (Folsom Heights Subdivision) on a 189.7-acre site located in the northeast corner of the Folsom Plan Area.

On August 27, 2019, the City Council approved a three-year extension in time for the previously approved Small-Lot Vesting Tentative Subdivision Map associated with the Folsom Heights Subdivision project. On December 14, 2021, the City Council approved another three-year extension for the Small-Lot Vesting Tentative Subdivision Map. The approved Folsom Heights Small-Lot Vesting Tentative Subdivision Map is provided in Attachment 4. At the time this staff report was published, the conditions of approval for the 2021 entitlement are located at the following link located here.

GENERAL PLAN DESIGNATIONS	SF (Single Family) SFHD (Single Family High Density) MLD (Multifamily Low Density) GC (General Commercial) P-QP (Public /Quasi Public) OS (Open Space)
SPECIFIC PLAN DESIGNATIONS	SP-SF (Single Family) SP-SFHD (Single Family High Density) SP-MLD (Multifamily Low Density)

SP-GC (General Commercial)
SP-P/QP (Public /Quasi Public)
SP-OS1 (Preserve Open Space)
SP-OS2 (Passive Open Space)

ADJACENT LAND USES/ZONING	North:	U.S. Highway 50 with undeveloped Commercial Property (SP 92-3) Beyond
	South:	Undeveloped Single-Family Residential Property (SP-SF PD) with White Rock Road Beyond
	East:	El Dorado County Line with Single-Family Residential Development Beyond
	West:	Empire Ranch Road with Undeveloped Single-Family Residential (SP-SF PD) and Commercial Property (SP-GC PD) Beyond
SITE CHARACTERISTICS		The project site is situated near the base of the Sierra Nevada foothills. The topography is characterized by gently rolling hills covered in non-native and naturalized grasslands
APPLICABLE CODES		FPASP (Folsom Plan Area Specific Plan) FMC Chapter 16.16, Tentative Subdivision Maps

Small-Lot Vesting Tentative Subdivision Map Amendment

As described in the background section of this report, the City Council approved a Large-Lot Vesting Tentative Subdivision Map (LLVTSM), Small-Lot Vesting Tentative Subdivision Map (SLVTSM), Development Agreement Amendment, Project Design Guidelines, and Inclusionary Housing Plan for development of the 530-unit Folsom Heights Subdivision project on July 11, 2017 (PN 15-303). The City Council granted three-year extensions in time for Folsom Heights Small-Lot Vesting Tentative Subdivision Map on August 27, 2019 (PN 19-111) and December 14, 2021 (PN 21-233). The Small-Lot Vesting Tentative Subdivision Map is provided in Attachment 4.

At their regularly scheduled meeting held on October 24, 2017, Council directed staff that the Prima Drive Extension associated with the Folsom Heights Subdivision project should be constructed as a paved and gated/bollard-controlled Emergency Vehicle Access (EVA) Route only with gates and bicycle and pedestrian access to the satisfaction of the City of Folsom. Members of the community to the east of the approved EVA in El Dorado Hills (primarily from the Stonebriar subdivision) expressed concern regarding increased connectivity between the Folsom Heights neighborhood and their neighborhood, including aesthetic, safety and liability issues.

The Folsom Fire Department, which originally requested the EVA, reviewed the Folsom Heights project in 2024 in consultation with the City Engineer after significant construction had occurred in the Folsom Plan Area. In this review, they determined that, based on current infrastructure and changes in layout of the area, emergency vehicle access concerns have now been sufficiently addressed without the necessity for the Prima Drive EVA (see Attachment 7).

Condition 174 of PN 21-233 states that Prima Drive shall be connected to Stonebriar Drive in coordination with El Dorado County. Condition 182 states that this extension shall be constructed as a paved and gated/bollard-controlled EVA Route only and shall accommodate pedestrian and bicycle access to the satisfaction of the City of Folsom. Given that the need for emergency vehicle access is no longer needed at this location, staff is supportive of modifying the conditions of approval of PN 21-233 to remove these conditions, as proposed by the applicant. Additionally, staff attended the regularly scheduled meeting for the Rolling Hills Community Services District on May 21, 2024, and noted the support of the residents and board to eliminate the EVA connection from Folsom Heights to Stonebriar and the use of the easement exclusively for EID operations.

Staff notes that the Prima Drive extension area is located entirely outside of the City of Folsom and will continue to contain a public utility easement with storm drainage, sanitary sewer lines located underground. It will be used only as a barricaded 18-foot aggregate-base gravel utility service road with a one-foot shoulder on each side, as shown in Attachment 5. The gravel service road will have manual gates at each end allowing vehicle access to EID vehicles. No sidewalk, bicycle lane, curb, or gutter will be present on this road. As such, staff supports the proposed deletion of Conditions 174 and 182.

No other changes to the conditions of approval or the map itself are proposed.

ENVIRONMENTAL REVIEW

An Addendum to the Folsom Plan Area Environmental Impact Report was previously approved for the Folsom Heights Subdivision project (PN 15-303) on July 25, 2017 in accordance with the California Environmental Quality Act (CEQA). The proposed Small-Lot Vesting Tentative Subdivision Map Amendment to remove the two conditions of approval noted above would not constitute a substantial change to the approved project for purposes of CEQA, and therefore does not require further CEQA review under CEQA Guidelines Sections 15162(a), 15163(a) or 15164(a).

In addition, none of the conditions described in Section 21166 of the Public Resources Code or Section 15162 of the CEQA Guidelines calling for the preparation of a subsequent EIR have occurred. Therefore, no additional environmental review is required.

PLANNING COMMISSION HEARING

The Planning Commission held a hearing for the proposed project at its August 28, 2024 meeting. After deliberation, the Commission unanimously voted (7-0) to recommend that City Council approve the project as conditioned.

ATTACHMENTS

1. Resolution No. 11263 – A Resolution to Approve a Small-Lot Vesting Tentative Subdivision Map Amendment for the Folsom Heights Subdivision Project
2. Conditions of Approval
3. Vicinity Map
4. Approved Folsom Heights Small-Lot Vesting Tentative Subdivision Map and Improvement Plans, dated April 13, 2017
5. Proposed Folsom Heights Improvements at Prima Drive
6. Applicant's Project Narrative
7. Letter from Folsom Fire Department, dated April 15, 2024

Submitted,

PAM JOHNS
Community Development Director

ATTACHMENT 1

RESOLUTION NO. 11263 – A RESOLUTION TO APPROVE A SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP AMENDMENT FOR THE FOLSOM HEIGHTS SUBDIVISION PROJECT

RESOLUTION NO. 11263

A RESOLUTION TO APPROVE A SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP AMENDMENT FOR THE FOLSOM HEIGHTS SUBDIVISION PROJECT

WHEREAS, the Planning Commission on August 28, 2024, held a public hearing on the proposed Small Lot Vesting Tentative Subdivision Map Amendment to remove Conditions of Approval 174 and 182, considered public comment and determined the proposed amendments comply with all City requirements, as well as with the requirements of the State Subdivision Map Act; and

WHEREAS notice has been given at the time and in the manner required by State Law and City Code; and

WHEREAS an Addendum to the Folsom Plan Area Environmental Impact Report was previously approved for the Folsom Heights Subdivision project (PN 15-303) on July 25, 2017 in accordance with the California Environmental Quality Act (CEQA); and

WHEREAS the Planning Commission determined that the proposed Small-Lot Vesting Tentative Subdivision Map Amendment would not constitute a substantial change to the approved project for purposes of CEQA, and therefore does not require further CEQA review under CEQA Guidelines Sections 15162(a), 15163(a) and 15164(a);

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby approves a Small Lot Vesting Tentative Subdivision Map Amendment to remove Conditions of Approval 174 and 182.

This approval is subject to the conditions of approval attached as Exhibit "B" and this Resolution is based on the following findings:

GENERAL FINDINGS

A. NOTICE OF HEARING HAS BEEN GIVEN AT THE TIME AND IN THE MANNER REQUIRED BY STATE LAW AND CITY CODE.

B. THE PROJECT IS CONSISTENT WITH THE GENERAL PLAN AND THE FOLSOM PLAN AREA SPECIFIC PLAN AS AMENDED.

CEQA FINDINGS

C. THE CITY, AS LEAD AGENCY, PREVIOUSLY CERTIFIED AN ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT FOR THE FOLSOM PLAN AREA SPECIFIC PLAN AND ALSO APPROVED AN ADDENDUM FOR THE FOLSOM HEIGHTS SUBDIVISION PROJECT.

D. THE PROPOSED PROJECT IS CONSISTENT WITH THE FOLSOM PLAN AREA SPECIFIC PLAN.

E. THE FEASIBLE MITIGATION MEASURES SPECIFIED IN THE FOLSOM PLAN AREA SPECIFIC PLAN ENVIRONMENTAL IMPACT REPORT AND FOLSOM HEIGHTS SUBDIVISION CERTIFIED ADDENDUM WILL BE IMPLEMENTED FOR THE PROPOSED SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP, CONSISTENT WITH CEQA GUIDELINES SECTION 15183(e).

F. NONE OF THE EVENTS SPECIFIED IN SECTION 21166 OF THE PUBLIC RESOURCES CODE OR SECTION 15162 OF THE CEQA GUIDELINES REQUIRING SUBSEQUENT ENVIRONMENTAL REVIEW HAVE OCCURRED.

VESTING TENTATIVE SUBDIVISION MAP AMENDMENT FINDINGS

G. THE PROPOSED SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP AMENDMENT IS CONSISTENT WITH THE CITY'S SUBDIVISION ORDINANCE AND THE SUBDIVISION MAP ACT IN THAT THE PROJECT REMAINS SUBJECT TO CONDITIONS OF APPROVAL THAT WILL ENSURE THAT THE PROJECT IS DEVELOPED IN COMPLIANCE WITH CITY STANDARDS.

H. THE PROPOSED AMENDMENT DOES NOT AFFECT THE PROVISIONS FOR THE DESIGN OR IMPROVEMENTS OF THE SUBDIVISION, WITH THE EXCEPTION OF REMOVAL OF THE EVA. THIS PROPOSED AMENDMENT TO THE EXISTING SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP IS CONSISTENT WITH THE GENERAL PLAN, THE FOLSOM PLAN AREA SPECIFIC PLAN, AND ALL APPLICABLE PROVISIONS OF THE FOLSOM MUNICIPAL CODE, GIVEN SUBSEQUENT DEVELOPMENT IN THE AREA.

I. THE PROJECT SITE REMAINS PHYSICALLY SUITABLE FOR THE TYPE OF DEVELOPMENT PROPOSED.

J. AS CONDITIONED, THE PROPOSED MODIFCATIONS TO THE DESIGN OF THE SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP AND THE PROPOSED IMPROVEMENTS ARE NOT LIKELY TO CAUSE ENVIRONMENTAL DAMAGE OR SUBSTANTIALLY AND AVOIDABLY INJURE FISH OR WILDLIFE OR THEIR HABITAT.

K. THE DESIGN OF THE PROPOSED SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP MODIFICATIONS AND THE PROPOSED IMPROVEMENTS ARE NOT LIKELY TO CAUSE SERIOUS PUBLIC HEALTH OR SAFETY PROBLEMS.

L. THE DESIGN OF THE PROPOSED SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP MODIFICATIONS AND THE TYPE OF IMPROVEMENTS

WILL NOT CONFLICT WITH EASEMENTS FOR ACCESS THROUGH OR USE OF PROPERTY WITHIN THE PROPOSED SUBDIVISION.

M. SUBJECT TO SECTION 66474.4 OF THE SUBDIVISION MAP ACT, THE LAND IS NOT SUBJECT TO A CONTRACT ENTERED INTO PURSUANT TO THE CALIFORNIA LAND CONSERVATION ACT OF 1965 (COMMENCING WITH SECTION 51200 OF THE GOVERNMENT CODE).

PASSED AND ADOPTED this 24th day of September 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Exhibit A

Proposed Folsom Heights Improvements at Prima Drive

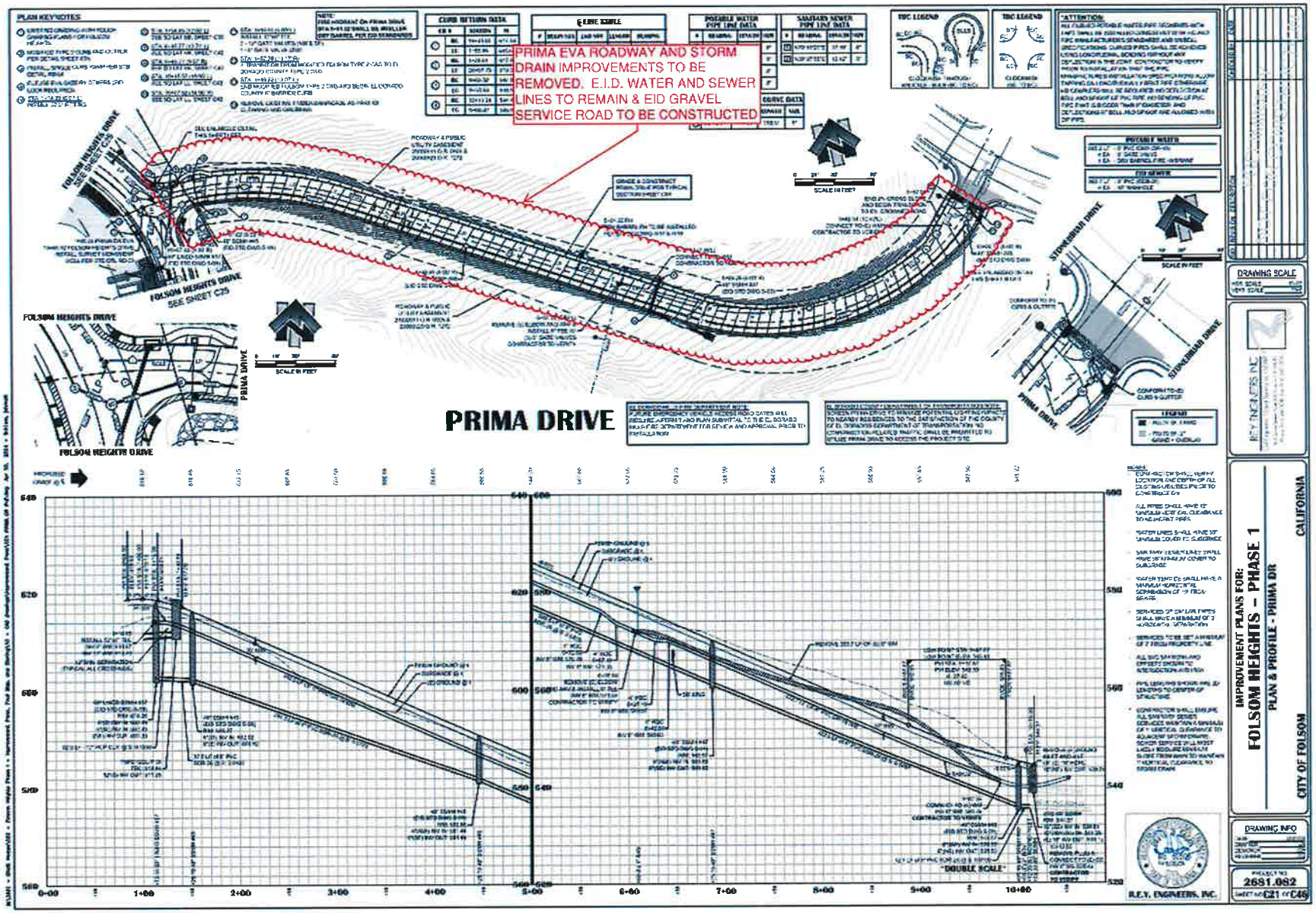

PRIMA EVA ROADWAY AND STORM DRAIN IMPROVEMENTS TO BE REMOVED. E.I.D. WATER AND SEWER LINES TO REMAIN & EID GRAVEL SERVICE ROAD TO BE CONSTRUCTED
PRIMA DRIVE
FOLSOM HEIGHTS DRIVE
SEE SHEET C25
STONEBRAE DRIVE
DRAWING SCALE
IMPROVEMENT PLANS FOR:
FOLSOM HEIGHTS – PHASE 1
PLAN & PROFILE - PRIMA DR
CITY OF FOLSOM
CALIFORNIA
DRAWING INFO
2681.082
C21 OF C46
R.E.V. ENGINEERS, INC.

Exhibit B

Conditions of Approval

CONDITIONS OF APPROVAL FOR THE FOLSOM HEIGHTS SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP AMENDMENT (SUBPM24-00139)				
	Mitigation Measure	**Condition/Mitigation Measure**	**When Required**	**Responsible Department**
1.		The owner/applicant shall submit final site development plans to the Community Development Department that shall substantially conform to the exhibit referenced below: • Proposed Folsom Heights Improvements at Prima Drive (included in Attachment 6 of this staff report) The Small-Lot Vesting Tentative Subdivision Map Amendment is approved for the Folsom Heights Subdivision project. Implementation of the project shall be consistent with the above referenced items and these conditions of approval.	G, I, M, B	CD (P)(E)
2.		Per FMC Section 16.16.130(B), any approved amendment shall not alter the expiration date of the tentative map. As such, project approval shall remain in effect throughout the validity period of the approved Vesting Small Lot Tentative Subdivision Map (expires July 11, 2025). If after approval of this project, a lawsuit is filed which seeks to invalidate any approval, or other permit or entitlement required in connection with any of the activities authorized by the project approvals, or to enjoin the activities contemplated herein, or to challenge the issuance by any governmental agency of any environmental document or exemption determination, the project approvals shall be tolled during the time that any litigation is pending, including any appeals.	OG	CD (P)(E)
3.		The conditions of approval for the Folsom Heights Subdivision Project Small-Lot Vesting Tentative Subdivision Map Extension (PN 21-233), with Conditions 174 and 182 removed, and as modified by the conditions of approval in this staff report, are hereby incorporated by reference.	OG	CD (P)(E)

CONDITIONS KEY

RESPONSIBLE DEPARTMENT		WHEN REQUIRED	
CD (P) (E) (B) (A)	Community Development Department Planning Division Engineering Division Building Division City Arborist	I	Prior to approval of Improvement Plans
PW	Public Works Department	M	Prior to approval of Final Map
PR	Park and Recreation Department	B	Prior to issuance of first Building Permit
PD	Police Department	O	Prior to approval of Occupancy Permit
FD	Fire Department	G	Prior to issuance of Grading Permit
EWR	Environmental & Water Resources Department	DC	During construction
		OG	On-going requirement

ATTACHMENT 2

CONDITIONS OF APPROVAL

CONDITIONS OF APPROVAL FOR THE FOLSOM HEIGHTS SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP AMENDMENT (SUBPM24-00139)				
	Mitigation Measure	**Condition/Mitigation Measure**	**When Required**	**Responsible Department**
1.		The owner/applicant shall submit final site development plans to the Community Development Department that shall substantially conform to the exhibit referenced below: • Proposed Folsom Heights Improvements at Prima Drive (included in Attachment 5 of this staff report) The Small-Lot Vesting Tentative Subdivision Map Amendment is approved for the Folsom Heights Subdivision project. Implementation of the project shall be consistent with the above referenced items and these conditions of approval.	G, I, M, B	CD (P)(E)
2.		Per FMC Section 16.16.130(B), any approved amendment shall not alter the expiration date of the tentative map. As such, project approval shall remain in effect throughout the validity period of the approved Vesting Small Lot Tentative Subdivision Map (expires July 11, 2025). If after approval of this project, a lawsuit is filed which seeks to invalidate any approval, or other permit or entitlement required in connection with any of the activities authorized by the project approvals, or to enjoin the activities contemplated herein, or to challenge the issuance by any governmental agency of any environmental document or exemption determination, the project approvals shall be tolled during the time that any litigation is pending, including any appeals.	OG	CD (P)(E)
3.		The conditions of approval for the Folsom Heights Subdivision Project Small-Lot Vesting Tentative Subdivision Map Extension (PN 21-233), with Conditions 174 and 182 removed, and as modified by the conditions of approval in this staff report, are hereby incorporated by reference.	OG	CD (P)(E)

CONDITIONS

RESPONSIBLE DEPARTMENT		**WHEN REQUIRED**	
CD (P) (E) (B) (A)	Community Development Department Planning Division Engineering Division Building Division City Arborist	I	Prior to approval of Improvement Plans
PW	Public Works Department	M	Prior to approval of Final Map
PR	Park and Recreation Department	B	Prior to issuance of first Building Permit
PD	Police Department	O	Prior to approval of Occupancy Permit
FD	Fire Department	G	Prior to issuance of Grading Permit
EWR	Environmental & Water Resources Department	DC	During construction
		OG	On-going requirement

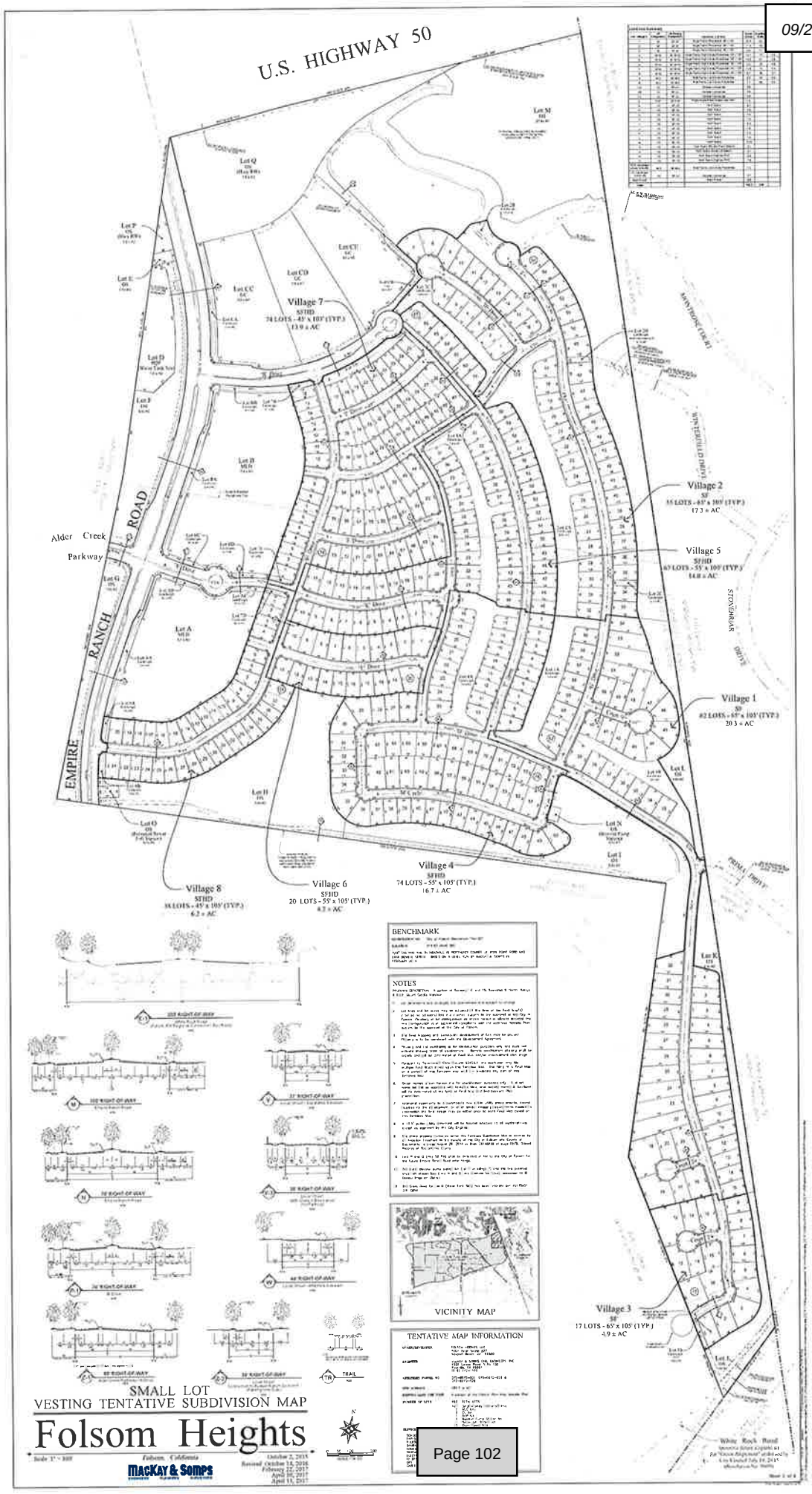
ATTACHMENT 3

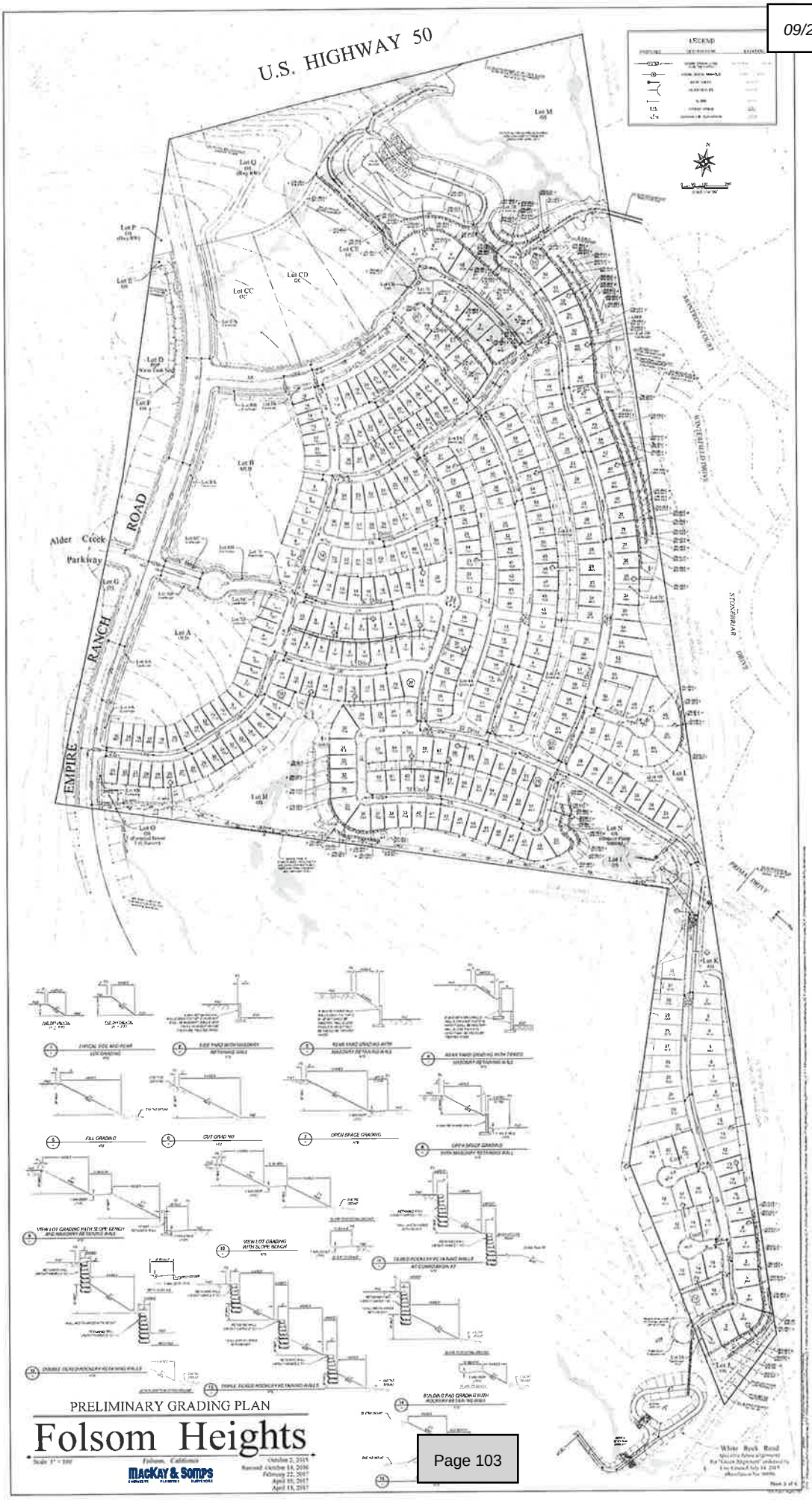
VICINITY MAP

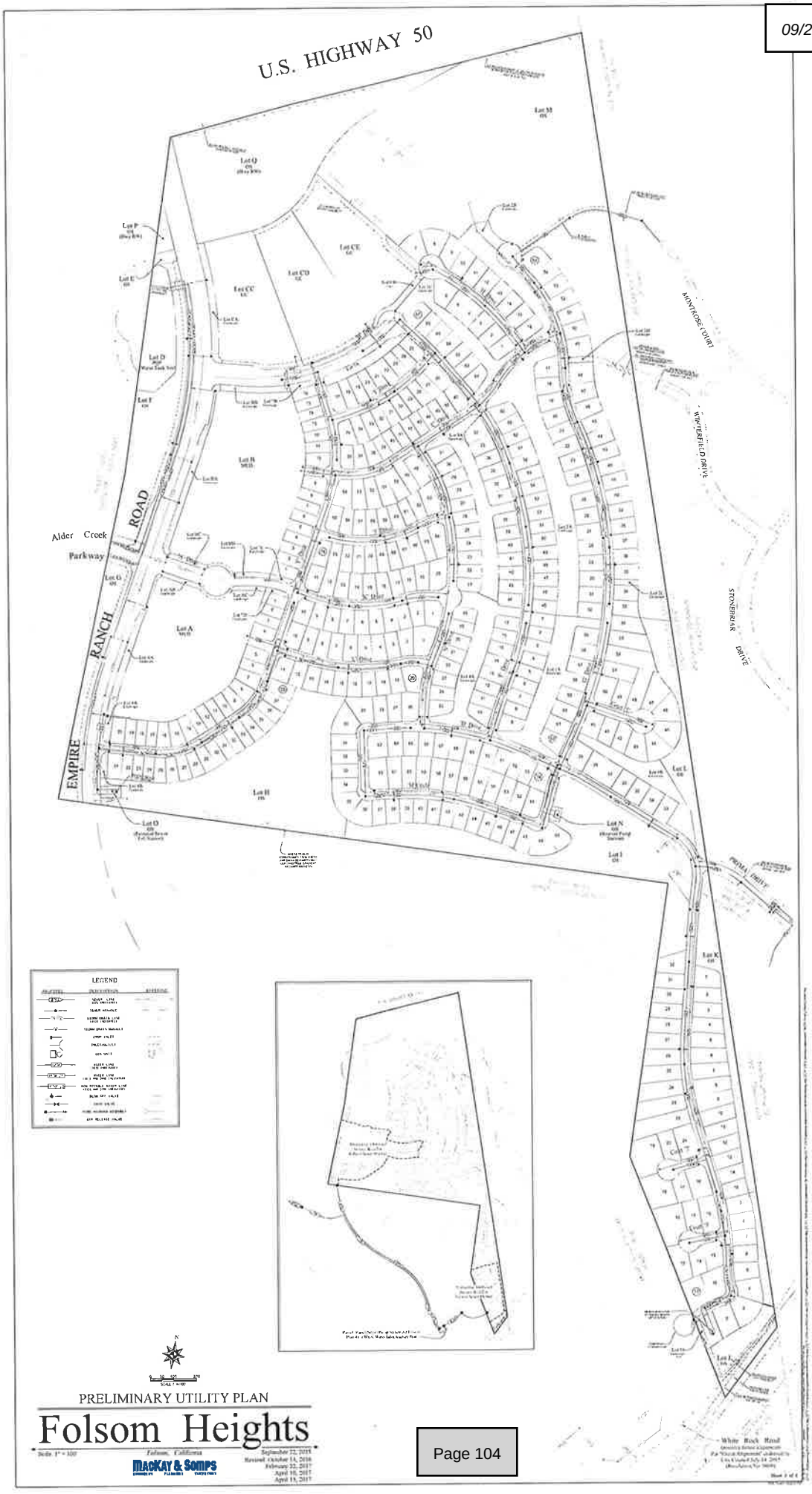

Starbucks
CRESCENT RIDGE VILLAGE
Empire Ranch Rd
50
El Dorado
Latrobe Rd
Sienna Restaurant
Stonebriar Subdivision
Prima EVA Location
Folsom Heights
White Rock Rd
Latrobe Rd
White Rock Rd
Sacramento/El Dorado County Line
White Rock
Prima EVA Vicinity Map
Google Earth
Image © 2024 Airbus
4000 ft
N

ATTACHMENT 4

APPROVED FOLSOM HEIGHTS SMALL-LOT VESTING TENTATIVE SUBDIVISION MAP AND IMPROVEMENT PLANS, DATED APRIL 13, 2017


U.S. HIGHWAY 50
Village 7
SFHD
74 LOTS - 45' x 105' (TYP.)
13.9 ± AC
Village 2
SF
55 LOTS - 65' x 105' (TYP.)
17.3 ± AC
Village 5
SFHD
67 LOTS - 55' x 105' (TYP.)
14.8 ± AC
Village 1
SF
82 LOTS - 65' x 105' (TYP.)
20.3 ± AC
Village 4
SFHD
74 LOTS - 55' x 105' (TYP.)
16.7 ± AC
Village 8
SFHD
36 LOTS - 45' x 105' (TYP.)
6.2 ± AC
Village 6
SFHD
20 LOTS - 55' x 105' (TYP.)
4.2 ± AC
Village 3
SF
17 LOTS - 65' x 105' (TYP.)
4.9 ± AC
Alder Creek Parkway
EMPIRE RANCH ROAD
MONTEROSE DRIVE
WHITEHILL DRIVE
STONEHAVEN DRIVE
BENCHMARK
NOTES
VICINITY MAP
TENTATIVE MAP INFORMATION
TRAIL
SMALL LOT
VESTING TENTATIVE SUBDIVISION MAP
Folsom Heights
Folsom, California
MacKAY & SOMPS


U.S. HIGHWAY 50
EMPIRE RANCH ROAD
Alder Creek Parkway
STONEBRIAR DRIVE
LEGEND
PRELIMINARY GRADING PLAN
Folsom Heights
MacKay & Somps

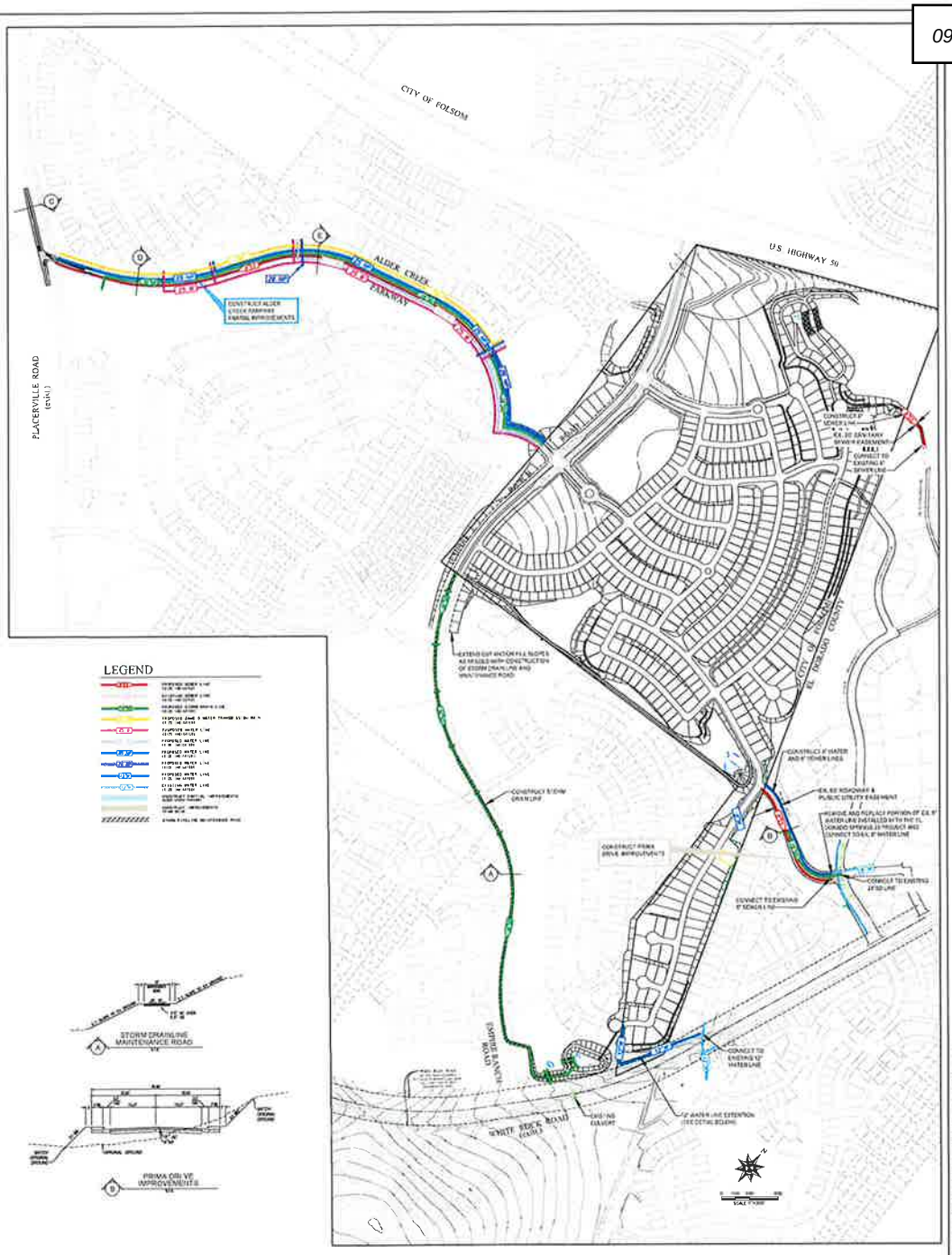


PRELIMINARY UTILITY PLAN

Folsom Heights

Folsom, California

MacKAY & SOMPS



OFFSITE IMPROVEMENTS

Folsom Heights

Folsom, California

October 2, 2015
Revised October 14, 2016
February 22, 2017
April 10, 2017
April 13, 2017

MacKAY & SOMPS

ATTACHMENT 5

PROPOSED FOLSOM HEIGHTS IMPROVEMENTS AT PRIMA DRIVE

09/24/2024 Item No.11.

PRIMA EVA ROADWAY AND STORM DRAIN IMPROVEMENTS TO BE REMOVED. E.I.D. WATER AND SEWER LINES TO REMAIN & EID GRAVEL SERVICE ROAD TO BE CONSTRUCTED

PRIMA DRIVE

PLAN KEYNOTES

1. EXISTING GRADING WITH ROUGH GRADING PLANS FOR FOLSOM HEIGHTS.
2. MODIFIED TYPE 3 CURB AND GUTTER PER DETAIL SHEET C05.
3. INSTALL SINGLE CURB RAMP PER STD DETAIL RD-04.
4. FUTURE EVA GATE BY OTHERS (EID LOCK REQUIRED)
5. STA 1+14.22 (6.67 L) INSTALL 22.5° FITTING
6. STA 1+34.45 (12.00' L) SEE SD LAT RR, SHEET C39
7. STA 9+45.77 (13.74 L) SEE SD LAT KK, SHEET C42
8. STA 9+45.77 (6.67 R) SEE SD LAT KK, SHEET C42
9. STA 10+15.57 (18.98 L) SEE SD LAT LL, SHEET C42
10. STA 10+07.82 (14.96 R) SEE SD LAT LL, SHEET C42
11. STA 1+10.99 (5.00 L) INSTALL 12"x8" TEE; 2 - 12" GATE VALVES (NW & SE); 1 - 8" GATE VALVE (SW)
12. STA 1+57.38 (11.17 R) 3" TRANSITION FROM MODIFIED FOLSOM TYPE 2 C&G TO EL DORADO COUNTY TYPE 2 C&G
13. STA 1+40.22 (13.07 L) END MODIFIED FOLSOM TYPE 2 C&G AND BEGIN EL DORADO COUNTY 6" BARRIER CURB
14. REMOVE EXISTING TIMBER BARRICADE AS PART OF CLEARING AND GRUBBING

NOTE: FIRE HYDRANT ON PRIMA DRIVE STA 5+61.32 SHALL BE MUELLER CAY BARREL PER EID STANDARDS

CURB RETURN DATA

CR #		STATION	EL
1	BC	10+43.00	617.54
	EC	1+56.46	615.92
2	BC	1+29.61	617.80
	EC	20+27.78	619.33
3	BC	9+45.32	547.84
	EC	9+53.84	548.10
4	BC	10+11.24	548.64
	EC	9+49.42	548.50

℄ LINE TABLE

#	BEGIN STA	END STA	LENGTH	BEARING

POTABLE WATER PIPE LINE DATA

#	BEARING	LENGTH	SIZE
			8"
			8"
			8"
			8"

SANITARY SEWER PIPE LINE DATA

#	BEARING	LENGTH	SIZE
1	N70°40'20"E	37.49	8"
2	N39°27'56"E	12.12	8"

CURVE DATA

LENGTH	SIZE
268.8'	8"

TBC LEGEND — CLOCKWISE THROUGH KNUCKLE (BULB BC TO EC)

TBC LEGEND — CLOCKWISE (BC TO EC)

*ATTENTION:
ALL CURVED POTABLE WATER PIPE SEGMENTS WITH TAPS SHALL BE INSTALLED CONSISTENT WITH EID AND PIPE MANUFACTURER'S STANDARDS AND UNIBELL SPECIFICATIONS. CURVED PIPES SHALL BE ACHIEVED USING LONGITUDINAL BENDING WITHOUT ANY DEFLECTION IN THE JOINT. CONTRACTOR TO VERIFY PRIOR TO INSTALLATION THAT THE PIPE MANUFACTURER'S INSTALLATION SPECIFICATIONS ALLOW TAPPING ON LONGITUDINALLY BENT PIPE OTHERWISE HD COUPLERS WILL BE REQUIRED. NO DEFLECTION AT BELL AND SPIGOT OF PVC PIPE. NO BENDING OF PVC PIPE THAT IS BIGGER THAN 8" DIAMETER, AND DEFLECTIONS AT BELL AND SPIGOT ARE ALLOWED WITH DIP PIPE.

POTABLE WATER
- 885.2 LF - 8" PVC C900 (DR-18)
- 4 EA - 8" GATE VALVE
- 1 EA - DRY BARREL FIRE HYDRANT

EID SEWER
- 903.7 LF - 8" PVC (SDR-26)
- 4 EA - 48" MANHOLE

SEE ENLARGED DETAIL THIS SHEET LEFT

SEE ENLARGED DETAIL THIS SHEET RIGHT

FOLSOM HEIGHTS DRIVE SEE SHEET C25

ROADWAY & PUBLIC UTILITY EASEMENT 2000091 O.R. 0529 & 20060329 O.R. 1272

GRADE & CONSTRUCT PRIMA DRIVE PER TYPICAL SECTION SHEET C04.

REMOVE (E) ELBOW AND ARV & INSTALL 8" TEE W/ (3) 8" GATE VALVES CONTRACTOR TO VERIFY

CONNECT TO (E) WM CONTRACTOR TO VERIFY

END 2% CROSS SLOPE AND BEGIN TRANSITION TO EX. CROWNED ROAD

CONNECT TO (E) WM CONTRACTOR TO VERIFY

CONFORM TO (E) CURB & GUTTER

STONEBRIAR DRIVE

PRIMA DRIVE

SCALE IN FEET

EL DORADO HILLS FIRE DEPARTMENT NOTE:
FUTURE EMERGENCY VEHICLE ACCESS ROAD GATES WILL REQUIRE A PERMIT AND PLAN SUBMITTAL TO THE EL DORADO HILLS FIRE DEPARTMENT FOR REVIEW AND APPROVAL PRIOR TO INSTALLATION.

EL DORADO COUNTY DEPARTMENT OF TRANSPORTATION NOTE:
SCREEN PRIMA DRIVE TO MINIMIZE POTENTIAL LIGHTING IMPACTS TO NEARBY RESIDENCES TO THE SATISFACTION OF THE COUNTY OF EL DORADO'S DEPARTMENT OF TRANSPORTATION. NO CONSTRUCTION-RELATED TRAFFIC SHALL BE PERMITTED TO UTILIZE PRIMA DRIVE TO ACCESS THE PROJECT SITE.

LEGEND
- ▨ - 163.27 SF, DEMO
- ▩ - 750.75 SF, 2" GRIND + OVERLAY

PROPOSED GRADE @ ℄

"DOUBLE SCALE"

NOTES:
- CONTRACTOR SHALL VERIFY LOCATION AND DEPTH OF ALL EXISTING UTILITIES PRIOR TO CONSTRUCTION.
- ALL PIPES SHALL HAVE 12" MINIMUM VERTICAL CLEARANCE TO ADJACENT PIPES.
- WATER LINES SHALL HAVE 30" MINIMUM COVER TO SUBGRADE
- SANITARY SEWER LINES SHALL HAVE 36" MINIMUM COVER TO SUBGRADE.
- WATER SERVICE SHALL HAVE A MINIMUM HORIZONTAL SEPARATION OF 10' FROM SEWER.
- SERVICES OF SIMILAR TYPES SHALL HAVE A MINIMUM OF 3' HORIZONTAL SEPARATION
- SERVICES TO BE SET A MINIMUM OF 7' FROM PROPERTY LINE
- ALL SVC STATIONS AND OFFSETS SHOWN TO INTERSECTION WITH R/W.
- PIPE LENGTHS SHOWN ARE 3D LENGTHS TO CENTER OF STRUCTURE.
- CONTRACTOR SHALL ENSURE ALL SANITARY SEWER SERVICES MAINTAIN A MINIMUM OF 1' VERTICAL CLEARANCE TO ADJACENT STORM DRAINS. SEWER SERVICE WILL MOST LIKELY REQUIRE MINIMUM SLOPE FROM MAIN TO MAINTAIN 1' VERTICAL CLEARANCE TO STORM DRAIN.

R.E.Y. ENGINEERS, INC.

DRAWING SCALE
HOR. SCALE: 1"=40'
VERT. SCALE: 1"=4'

REY ENGINEERS INC.

Page 107

IMPROVEMENT PLANS FOR:
FOLSOM HEIGHTS – PHASE 1
PLAN & PROFILE - PRIMA DR
CITY OF FOLSOM CALIFORNIA

DRAWING INFO
DATE:
DRAWN BY:
DESIGNER:
REVIEWER:

PROJECT NO.
2681.082
SHEET NO C21 OF C46

NO. REVISION DESCRIPTION DATE CHECKED BY

M:\2681 - Civil Work\202 - Folsom Heights Phase I - Improvement Plans, Final Map, and Site\16 - CAD Drawings\Improvement Plans\C21 Prima pln n-p.dwg Jul 30, 2024 - 8:41am, jmchan

ATTACHMENT 6

APPLICANT'S PROJECT NARRATIVE

PROJECT NARRATIVE

Elliott Homes is requesting a Tentative Map amendment to delete two Conditions of Approval for our Folsom Heights project.

Specifically, we are requesting the deletion of Conditions #174 and #182 of the approved Tentative Subdivision Map (see Elliott letter dated April 25, 2024). Both Conditions require and describe an emergency vehicle access (EVA) at Prima Drive from the adjacent El Dorado Hills subdivision of Stonebriar into our Folsom Heights project.

The secondary access, or EVA, is no longer needed due to significant changes to the immediate areas and additional access points into Folsom Heights. Since the Folsom Heights approval in 2017, much has changed in the vicinity of the Folsom Plan Area. Many new through streets are now completed that provide adequate access points into Folsom Heights.

In addition, Fire Station #34 is about to open in the Summer of 2024, providing fire protection to Folsom Heights.

The existing Prima Drive easement will be completed only to serve the El Dorado County Irrigation District (EID) wet utility facilities and will prohibit all vehicular access.

ATTACHMENT 7

LETTER FROM FOLSOM FIRE DEPARTMENT, DATED APRIL 15, 2024

Folsom Fire Department

Office of the Fire Chief, Ken Cusano

535 Glenn Drive · Folsom, CA 95630 · Phone (916) 461-6300

April 15, 2024

Price Walker
Vice President, Project Development
Elliot Homes, Inc.
340 Palladio Parkway, Suite 521
Folsom, CA 95630-8775

Subject: Update on Prima Drive - Emergency Vehicle Access in Folsom Heights

Mr. Walker,

The Fire Department wanted to take a moment to inform you about an update regarding the proposed Prima Drive - Emergency Vehicle Access (EVA) in the Folsom Heights development.

There has been significant progress in construction within and surrounding the Folsom Heights development. This progress has led to changes in the infrastructure and layout of the area, prompting a review of the original conditions set forth regarding the Emergency Vehicle Access (EVA), Prima Drive, that proposed connecting Folsom Heights with the Stonebriar community in El Dorado Hills.

After careful consideration and consultation with the City of Folsom City Engineer, it has been determined that the ongoing construction developments have sufficiently addressed concerns related to emergency vehicle access. Therefore, the Fire Department has concluded that the Emergency Vehicle Access (EVA) previously required as part of the development construction conditions is no longer deemed necessary.

Please be assured that despite this adjustment, the safety and well-being of ou remain our utmost priority. The decision was made following thorough evaluations and assessments to ensure that emergency services will continue to have efficient access to all areas within the Folsom Heights development, even without the designated Emergency Vehicle Access.

Please do not hesitate to reach out to us if you require further clarification or information regarding this matter.

Sincerely,



Ken Cusano
Fire Chief

Cc Rebecca Neves
City Engineer, City of Folsom

Daniel Wolfe
Senior Civil Engineer, City of Folsom

Dave Sagan
Principal, R.E.Y. Engineers, Inc.

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Joint Meeting Consent Calendar
SUBJECT:	Receive and File the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Monthly Investment Reports for the Month of June 2024
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

The Finance Department recommends that the City Council receive and file the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority monthly Investment Reports for the month of June 2024.

BACKGROUND / ISSUE

Under the Charter of the City of Folsom and the authority granted by the City Council, the Finance Director is responsible for investing the unexpended cash of the City Treasury. The primary objectives of the City's investment policy are to maintain the safety of investment principal, provide liquidity to meet the short and long-term cash flow needs of the City, and earn a market-average yield on investments. The City's portfolio is managed in a manner responsive to the public trust and is consistent with state and local laws and the City's investment policy. The Finance Department hereby submits the investment reports for the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority for the month of June 2024.

POLICY / RULE

1. Section 3.30.010(a) of the Folsom Municipal Code states "the term 'city' shall encompass the city of Folsom, the Folsom community *redevelopment agency*, and all other agencies and instrumentalities of the city under either the direct or indirect control of the city council, and this chapter regulates the investment of all moneys of those agencies."

2. Section 3.30.030(f) of the Folsom Municipal Code states that "the city's chief investment officer shall each month submit an investment report to the city council, which report shall include all required elements as prescribed by California Government code section 53646."

3. California Government Code, Sections 53601 through 53659 sets forth the state law governing investments for municipal governments in California.

4. Section 3.30.020(g) of the Folsom Municipal Code states that "all city cash shall be consolidated into one general bank account as set out in this code and invested on a pooled concept basis. Interest earnings shall be allocated to all city funds and subfunds according to fund and subfund cash and investment balance on at least a quarterly basis."

ANALYSIS

Overview

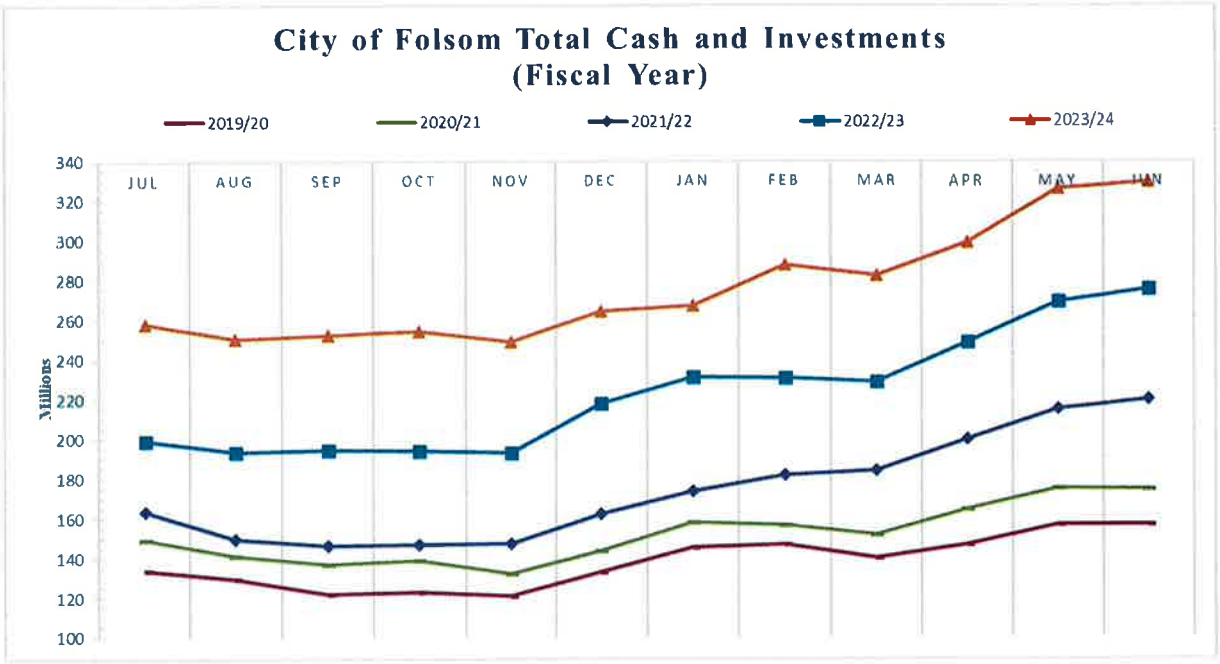
The City has diversified investments in accordance with the City Investment Policy and Government Code. The City of Folsom's total cash and investments are invested on a pooled basis as required by the Folsom Municipal Code.

The Portfolio Summary of the City's current report includes a "Pooled Equity Section" identifying the Redevelopment Successor Agency's (RDSA) and Folsom Public Financing Authority's (FPFA) portion of the investment pool. The RDSA and FPFA list these amounts under "Cash" in their respective sections. Currently, the Folsom Ranch Financing Authority (FRFA) has no funds invested in Pooled Equity.

City of Folsom

Total Cash and Investments

The following graph illustrates the City's monthly cash and investment balances for fiscal years 2020 through 2024. Monthly fluctuations in cash and investments are the result of typical receipt of revenues less expenditures for operations, debt service, and capital improvements. As of June 30, 2024, the City's cash and investments totaled $329,091,856; an increase of $53,666,314 (19%) from June 30, 2023.

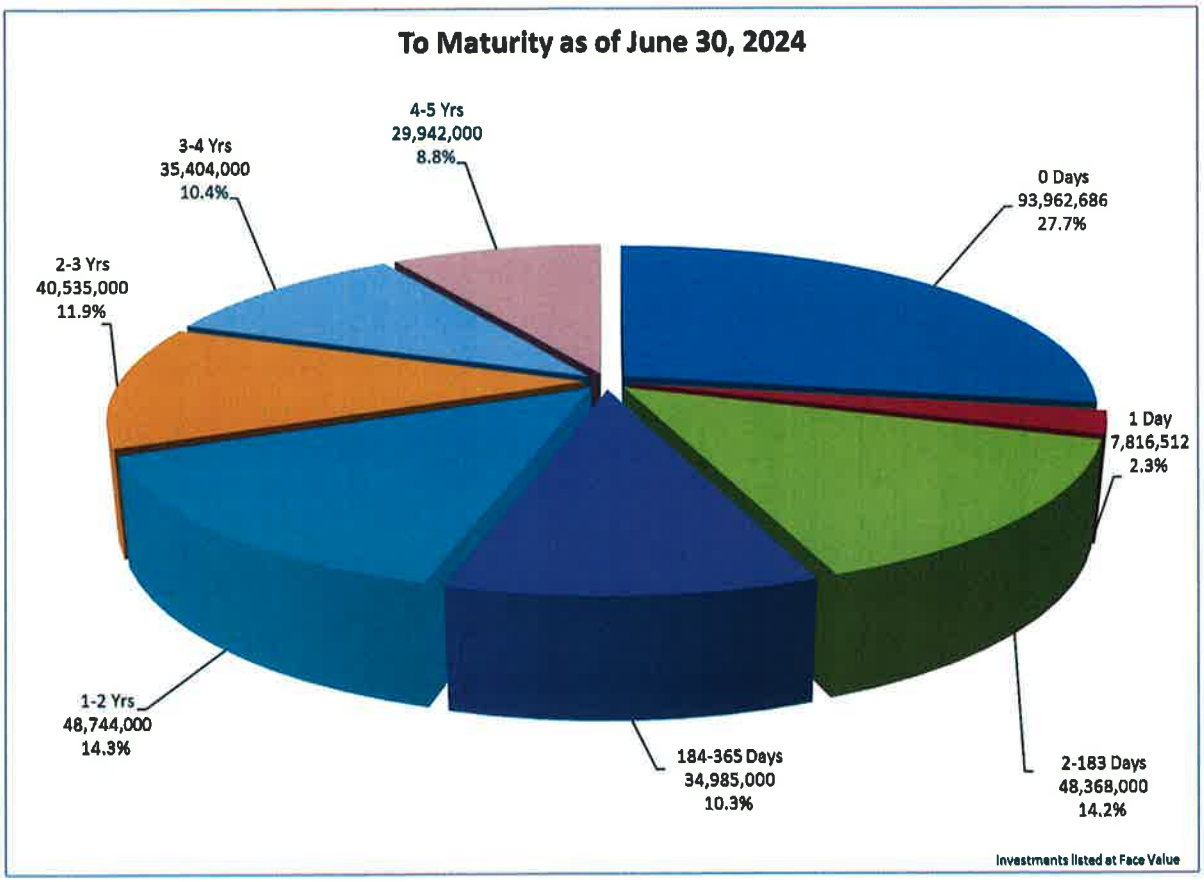


The following chart shows the City's monthly cash and investment balances and percentage change for Fiscal Year 2023-24 along with the yearly dollar and percentage changes.

Total City Cash and Investments

	2023-24	Monthly Change	2022-23	Monthly Change	Yearly $ Change	Yearly % Change
Jul	$ 257,726,288		$ 199,093,877		$ 58,632,411	29%
Aug	$ 250,130,252	-3%	$ 193,398,740	-3%	$ 56,731,511	29%
Sep	$ 251,882,783	1%	$ 194,536,119	1%	$ 57,346,664	29%
Oct	$ 253,833,708	1%	$ 193,738,060	0%	$ 60,095,648	31%
Nov	$ 248,964,786	-2%	$ 192,831,915	0%	$ 56,132,871	29%
Dec	$ 264,087,886	6%	$ 217,911,237	13%	$ 46,176,650	21%
Jan	$ 267,073,315	1%	$ 230,947,900	6%	$ 36,125,415	16%
Feb	$ 287,472,996	8%	$ 230,595,523	0%	$ 56,877,473	25%
Mar	$ 282,092,738	-2%	$ 228,839,192	-1%	$ 53,253,546	23%
Apr	$ 298,850,328	6%	$ 248,738,017	9%	$ 50,112,311	20%
May	$ 325,954,230	9%	$ 269,132,444	8%	$ 56,821,786	21%
Jun	$ 329,091,856	1%	$ 275,425,542	2%	$ 53,666,314	19%

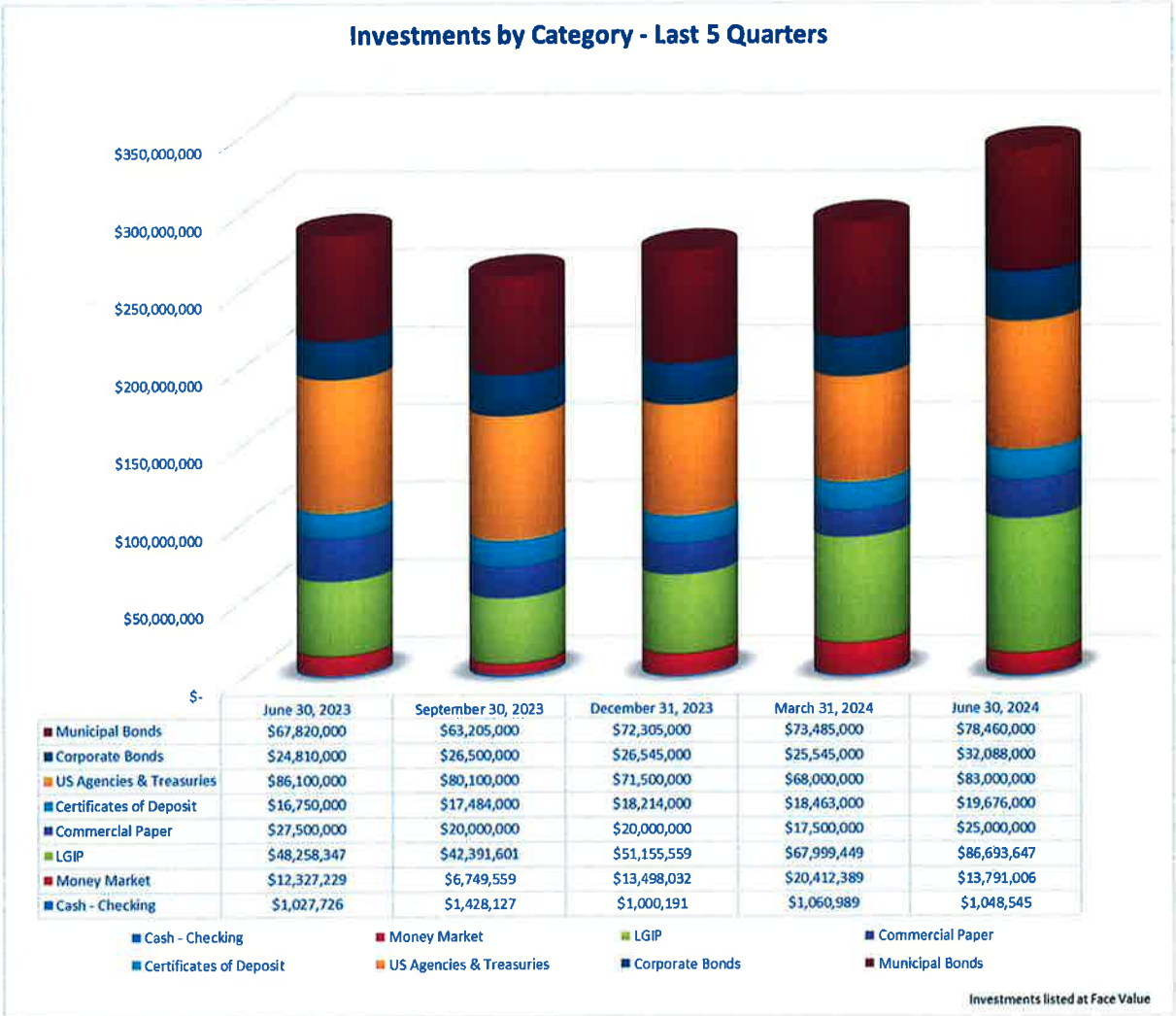
The City's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments. In addition, in accordance with Section 3.30.020(c) of the Municipal Code, less than 50% of the City's total cash is invested for a period longer than one year.



Investment Performance

The City's Portfolio Management Summary report for the month of June 2024 is presented in Attachment 1 to this report. Portfolio investment earnings (including pooled equity earnings for the RDSA and FPFA) for the three-month quarter ended June 30, 2024 totaled $3,349,129. The total rate of return of the investment portfolio for the same period was 4.34%.

The following graph illustrates the total dollar amount and breakdown by investment category for June 30, 2023 and June 30, 2024. This graph lists the investments by face value.



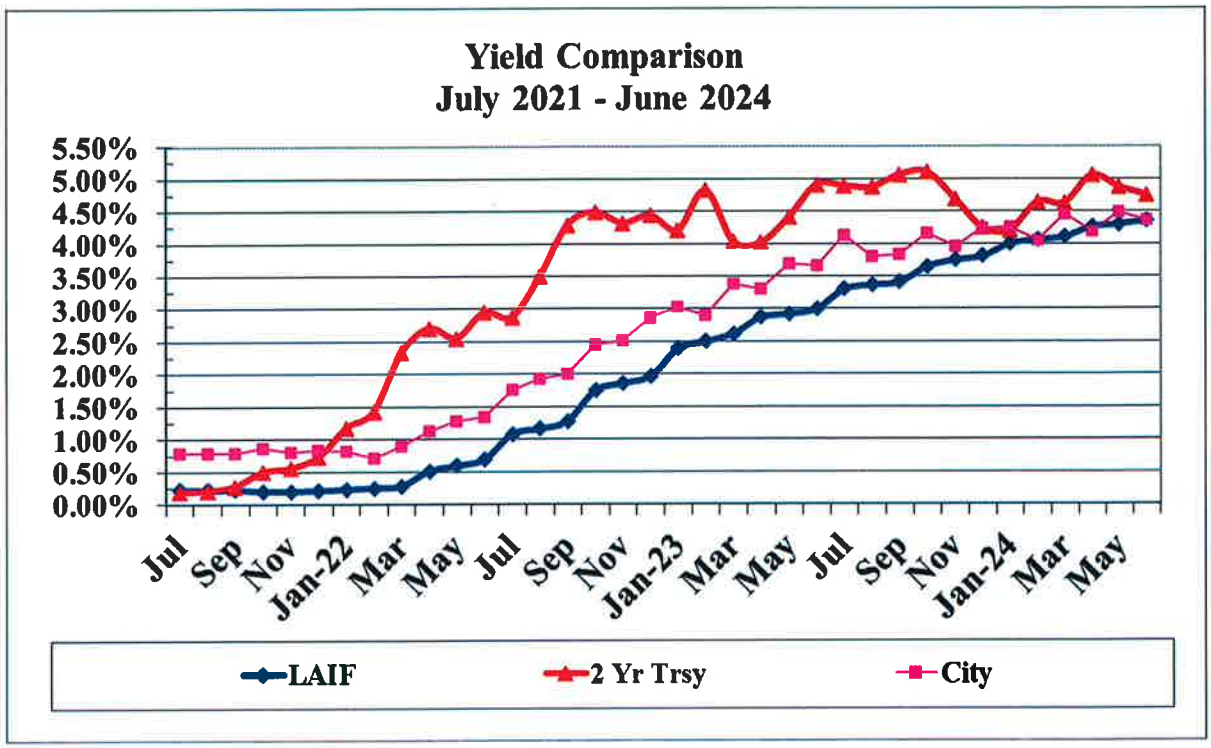
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
Municipal Bonds	$67,820,000	$63,205,000	$72,305,000	$73,485,000	$78,460,000
Corporate Bonds	$24,810,000	$26,500,000	$26,545,000	$25,545,000	$32,088,000
US Agencies & Treasuries	$86,100,000	$80,100,000	$71,500,000	$68,000,000	$83,000,000
Certificates of Deposit	$16,750,000	$17,484,000	$18,214,000	$18,463,000	$19,676,000
Commercial Paper	$27,500,000	$20,000,000	$20,000,000	$17,500,000	$25,000,000
LGIP	$48,258,347	$42,391,601	$51,155,559	$67,999,449	$86,693,647
Money Market	$12,327,229	$6,749,559	$13,498,032	$20,412,389	$13,791,006
Cash - Checking	$1,027,726	$1,428,127	$1,000,191	$1,060,989	$1,048,545

A detailed listing of the portfolio holdings as of June 30, 2024 is included in Attachment 2 to this report.

The Local Government Investment Pool (LAIF) yield typically moves in the same direction as market yields, but is less volatile, lagging somewhat behind market moves. This can be seen in the chart on the next page, illustrating the historical monthly change in yield from July 2021 through June 2024 for LAIF and two-year US Treasury securities. The effective rate of return for the City Portfolio is also included.

Beginning March 17, 2022 the Federal Open Market Committee (FOMC) has increased the Federal Funds Rate eleven times, most recently on July 26, 2023 to a rate of 5.25%-5.50%, up from 0.00%-0.25% at the start of 2022. Since that rapid rise, there was a pause of almost 14 months which ended September 18 with a rate cut of 50 basis points. August CPI was 2.50% year over year while the jobless rate continues to tick upward at 4.2% in August, causing optimism for rates to finally be eased. The forecast for easing was pronounced early in 2024, waned considerably as inflation continued to linger through the first half of the year, to now

three months later a rate cut has occurred and more are predicted. This is despite the fact that inflation has only been below 3.00% for the last two months, and still has not reached the FOMC's stated goal of 2.00%. The FOMC stated in its September 18 meeting that another 50 basis point of cuts are likely before the end of the calendar year. By year end, the Fed Forecast is for rates to be 4.25%-4.50%, a full percentage point lower than current rates.



A listing of transactions for the fourth quarter of fiscal year 2024 is included in Attachment 3 to this report.

Folsom Redevelopment Successor Agency

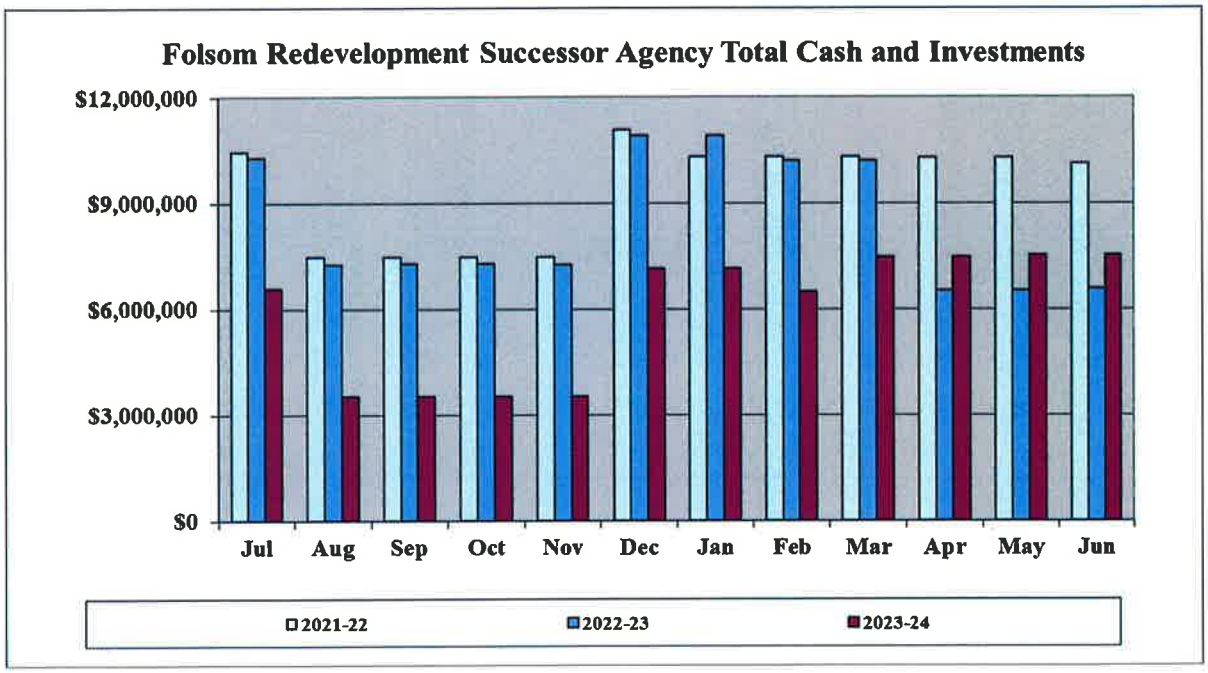
Total Cash and Investments

The RDSA had total cash and investments of $7,525,063 as of June 30, 2024. This is an increase of $937,608 (14%) since June 30, 2023. The cash held by the RDSA is comprised of city-held funds, as well as 2011 bond proceeds to be utilized for housing and non-housing projects. These proceeds held by the Agency are broken out individually in the Portfolio Management Summary in Attachment 1.

The following table and graph illustrate the monthly balances and their respective percentage changes for the reporting period. Monthly fluctuations in cash and investments are the result of typical receipt of revenues less expenditures for operations, debt service, and capital improvements.

Folsom Redevelopment Successor Agency

	2023-24	Monthly Change	2022-23	Monthly Change	Yearly $ Change	Yearly % Change
Jul	$ 6,587,646		$ 10,299,687		$ (3,712,041)	-36%
Aug	$ 3,529,550	-46%	$ 7,276,599	-29%	$ (3,747,049)	-51%
Sep	$ 3,529,766	0%	$ 7,276,790	0%	$ (3,747,024)	-51%
Oct	$ 3,529,966	0%	$ 7,276,981	0%	$ (3,747,015)	-51%
Nov	$ 3,527,169	0%	$ 7,269,091	0%	$ (3,741,922)	-51%
Dec	$ 7,153,995	103%	$ 10,926,348	50%	$ (3,772,353)	-35%
Jan	$ 7,154,218	0%	$ 10,926,540	0%	$ (3,772,322)	-35%
Feb	$ 6,489,128	-9%	$ 10,221,311	-6%	$ (3,732,183)	-37%
Mar	$ 7,494,550	15%	$ 10,221,502	0%	$ (2,726,952)	-27%
Apr	$ 7,494,717	0%	$ 6,521,693	-36%	$ 973,024	15%
May	$ 7,524,607	0%	$ 6,517,964	0%	$ 1,006,643	15%
Jun	$ 7,525,063	0%	$ 6,587,454	1%	$ 937,608	14%



The RDSA's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance

The RDSA's Portfolio Management Summary report for the month of June 2024 is presented in Attachment 1. The RDSA's investment earnings for the three-month quarter ended June 30, 2024 totaled $81,409. The effective rate of return for the RDSA investment portfolio for the same time period is 4.42%.

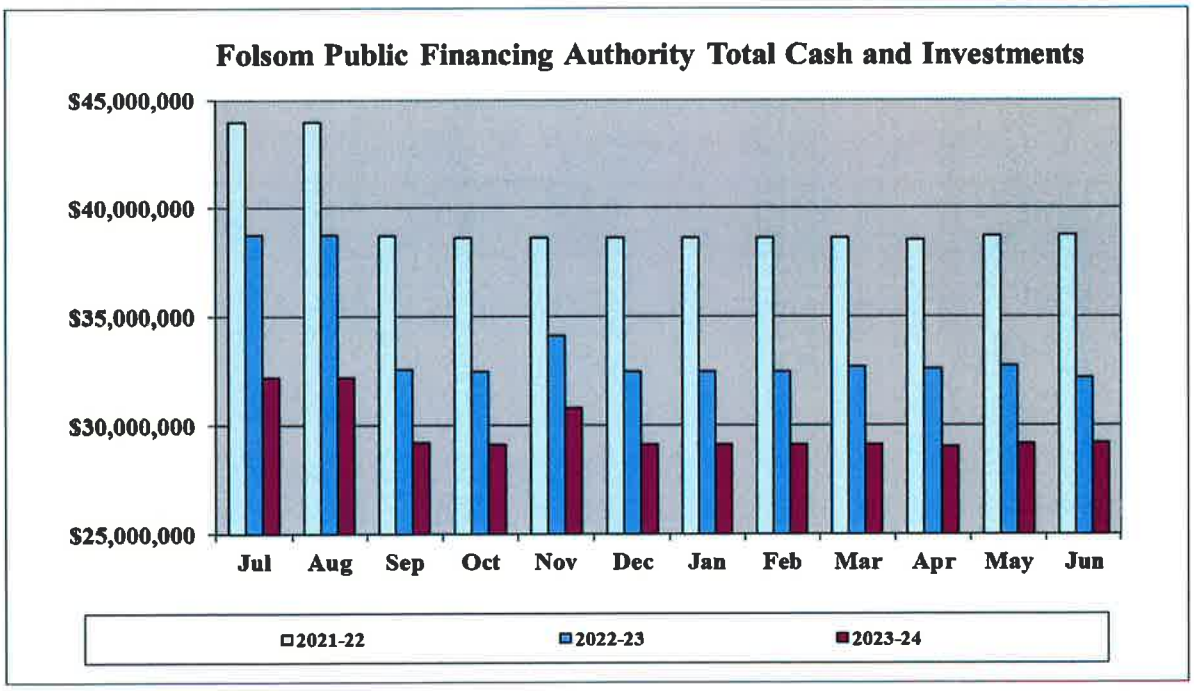
Folsom Public Financing Authority

Total Cash and Investments

The FPFA cash and investments totaled $29,229,453 as of June 30, 2024. This is a decrease of $2,984,994 (9%) from June 30, 2023. Monthly fluctuations in cash and investments are the result of typical receipt of debt service repayment revenues and the subsequent debt service expenditures. The following table and graph illustrate the monthly balances and their respective percentage changes for the reporting period.

Folsom Public Financing Authority

	2023-24	Monthly Change	2022-23	Monthly Change	Yearly $ Change	Yearly % Change
Jul	$ 32,214,456		$ 38,743,267		$ (6,528,812)	-17%
Aug	$ 32,214,464	0%	$ 38,743,274	0%	$ (6,528,810)	-17%
Sep	$ 29,229,473	-9%	$ 32,593,924	-16%	$ (3,364,450)	-10%
Oct	$ 29,120,340	0%	$ 32,484,402	0%	$ (3,364,063)	-10%
Nov	$ 30,794,030	6%	$ 34,139,626	5%	$ (3,345,596)	-10%
Dec	$ 29,126,761	-5%	$ 32,489,147	-5%	$ (3,362,386)	-10%
Jan	$ 29,126,798	0%	$ 32,489,166	0%	$ (3,362,368)	-10%
Feb	$ 29,126,836	0%	$ 32,489,187	0%	$ (3,362,351)	-10%
Mar	$ 29,126,871	0%	$ 32,708,255	1%	$ (3,581,384)	-11%
Apr	$ 29,017,767	0%	$ 32,598,755	0%	$ (3,580,988)	-11%
May	$ 29,168,431	1%	$ 32,774,373	1%	$ (3,605,942)	-11%
Jun	$ 29,229,453	0%	$ 32,214,448	-2%	$ (2,984,994)	-9%



The FPFA's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance
The FPFA's Portfolio Management Summary report for the month of June 2024 is presented in attachment 1. The FPFA's investment earnings for the three-month quarter ended June 30, 2024 totaled $199,723. The effective rate of return for the FPFA investment portfolio for the same time period is 2.77%.

Folsom Ranch Financing Authority

Total Cash and Investments
The FRFA cash and investments totaled $136,705,000 as of June 30, 2024, an increase $9,750,000 from the prior year. This increase is due to the issuance and purchase of $10,760,000 Community Facilities District No. 23 IA2 (Folsom Ranch) Local Obligations less the maturing of $1,010,000 of local obligations held by FRFA on September 1, 2023.

The Authority's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance
The FRFA's Portfolio Management Summary report for the month of June 2024 is presented in attachment 1. The FRFA's investment earnings for the three-month quarter ended June 30, 2024 totaled $1,568,485. The effective rate of return for the FRFA investment portfolio for the same time period is 4.77%.

South of 50 Parking Authority

Total Cash and Investments
The South of 50 Parking Authority cash and investments totaled $0 as of June 30, 2024.

The Authority's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments.

Investment Performance
There is no investment activity for the South of 50 Parking Authority.

ATTACHMENTS

1. City of Folsom, Folsom Redevelopment Successor Agency, Folsom Public Financing Authority, and Folsom Ranch Financing Authority Portfolio Management Summary June 2024
2. City of Folsom Portfolio Holdings as of June 30, 2024
3. City of Folsom Transaction Summary, Fourth Quarter of Fiscal Year 2024

Submitted,

Stacey Tamagni, Finance Director
Agency Finance Officer
Folsom Public Financing Authority Treasurer
Folsom Ranch Financing Authority Treasurer
South of 50 Parking Authority Treasurer

ATTACHMENT 1

CITY OF FOLSOM
DISTINCTIVE BY NATURE

50 Natoma St.
Folsom, CA 95630
(916) 461-6080

City of Folsom
Combined City of Folsom, Redevelopment Successor Agency, FPFA & FRFA
Portfolio Summaries
June 30, 2024

City of Folsom	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	5.007%	1,048,545.00	1,048,545.00	1,048,545.00	1,048,545.00	1	-	0.31
Certificate Of Deposit	4.063%	19,676,000.00	19,653,640.43	19,661,249.98	19,429,953.25	791	106,423.90	5.79
Commercial Paper	5.563%	25,000,000.00	24,300,630.56	24,727,748.61	24,722,500.00	75	-	7.36
Corporate Bond	3.960%	32,088,000.00	31,788,464.20	31,866,357.98	31,216,145.35	683	213,855.11	9.44
Local Government Investment Pool	5.234%	86,693,647.25	86,693,647.25	86,693,647.25	86,693,647.25	1	146,843.40	25.52
Money Market	5.300%	13,791,006.26	13,791,006.26	13,791,006.26	13,791,006.26	1	-	4.06
Municipal Bond	3.358%	78,460,000.00	75,496,729.65	76,227,200.93	74,841,320.25	805	618,016.86	23.09
US Agencies	4.214%	77,000,000.00	76,614,780.65	76,801,210.39	75,879,754.00	763	701,898.47	22.66
US Treasuries	4.570%	6,000,000.00	5,932,001.25	5,936,792.26	5,937,660.00	884	20,512.91	1.77
	4.385%	**$ 339,757,198.51**	**$ 335,319,445.25**	**$ 336,753,758.66**	**$ 333,560,531.36**	**490**	**$ 1,807,550.65**	**100.00**

Pooled Equity	Book Value	% of Portfolio	Interest Earnings (FY)	Total Rate of Return (FY)
City of Folsom Cash and Investments (excluding RDSA, FPFA & FRFA amounts)	$ 329,091,855.98	97.72%	$ 11,411,613.85	4.13%
Redevelopment Sucessor Agency (included in RDSA Investment Report)	7,524,456.21	2.23%	241,737.83	4.30%
Public Financing Authority (included in PFA Investment Report)	137,446.47	0.04%	827,336.42	2.78%
Folsom Ranch Financing Authority (included in FRFA Investment Report)	-	0.00%	6,057,299.93	4.73%
Total Pooled Equity	**$ 336,753,758.66**	**100.00%**		

Redevelopment Successor Agency	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	4.360%	4,120,284.04	4,120,284.04	4,120,284.04	4,120,284.04	1	-	54.75
Non-Housing 2011A Proceeds	4.360%	2,591,295.00	2,591,295.00	2,591,295.00	2,591,295.00	1	-	34.44
Housing 2011B Proceeds	4.360%	812,877.17	812,877.17	812,877.17	812,877.17	1	-	10.80
Money Market	5.190%	606.47	606.47	606.47	606.47	1	-	0.01
Total / Average	**4.360%**	**$ 7,525,062.68**	**$ 7,525,062.68**	**$ 7,525,062.68**	**$ 7,525,062.68**	**1**	**$ -**	**100.00**

Folsom Public Financing Authority	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	4.360%	137,446.47	137,446.47	137,446.47	137,446.47	1	-	0.47
Money Market	5.187%	2,006.92	2,006.92	2,006.92	2,006.92	1	-	0.01
Municipal Bond	2.760%	29,090,000.00	29,090,000.00	29,090,000.00	29,090,000.00	2001	265,359.10	99.52
Total / Average	**2.767%**	**$ 29,229,453.39**	**$ 29,229,453.39**	**$ 29,229,453.39**	**$ 29,229,453.39**	**1991**	**$ 265,359.10**	**100.00**

Folsom Ranch Financing Authority	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Municipal Bond	4.746%	136,705,000.00	136,705,000.00	136,705,000.00	136,705,000.00	7098	2,064,675.58	100.00
Total / Average	**4.746%**	**$ 136,705,000.00**	**$ 136,705,000.00**	**$ 136,705,000.00**	**$ 136,705,000.00**	**7098**	**$ 2,064,675.58**	**100.00**

Stacey Tamagni, Finance Director

September 9, 2024
Date

ATTACHMENT 2

City of Folsom
Portfolio Holdings

Portfolio Holdings for Inv. Report
Report Format: By Transaction
Portfolio / Report Group: City of Folsom

Group By: Security Type
Average By: Face Amount / Shares
As of 6/30/2024

Description	Issuer	Coupon Rate	Face Amt/Shares	% of Portfolio
Cash				
Wells Fargo Cash	Wells Fargo	0.000	48,545.00	0.01
Wells Fargo Cash	Wells Fargo	5.250	1,000,000.00	0.29
Sub Total / Average Cash		5.007	1,048,545.00	0.31
Certificate Of Deposit				
Advia CU 5.25 9/8/2026	Advia CU	5.250	243,000.00	0.07
Alaska USA FCH 4.6 3/8/2028	Alaska USA FCH	4.600	249,000.00	0.07
Alliant 4.95 12/30/2027	Alliant	4.950	249,000.00	0.07
Ally Bank 2.95 12/9/2025	Ally Bank	2.950	246,000.00	0.07
American Express National Bank 3.15 5/11/2027	American Express National Bank	3.150	246,000.00	0.07
Austin Telco 5.05 11/27/2026	Austin Telco	5.050	248,000.00	0.07
Bank of America NA 5.15 12/29/2025	Bank of America NA	5.150	243,000.00	0.07
Bank of Hope 5.25 9/16/2024	Bank of Hope	5.250	243,000.00	0.07
Bankers' Bank of the West 5 3/30/2026	Bankers' Bank of the West	5.000	248,000.00	0.07
Barclays Bank 1.95 2/23/2027	Barclays Bank	1.950	247,000.00	0.07
Beal Bank 4.7 5/30/2029	Beal Bank	4.700	244,000.00	0.07
Beal Bank USA 4.7 5/30/2029	Beal Bank USA	4.700	244,000.00	0.07
Blue Ridge Bank NA 4.2 2/28/2028	Blue Ridge Bank NA	4.200	244,000.00	0.07
BMO Harris Bank NA 4.6 5/8/2026	BMO Harris Bank NA	4.600	244,000.00	0.07
BMW Bank of North America 2.5 4/25/2025	BMW Bank of North America	2.500	246,000.00	0.07
California CU 5.65 10/27/2025	California CU	5.650	243,000.00	0.07
Capital One Bank (USA) NA 3.5 7/27/2027	Capital One Bank (USA) NA	3.500	245,000.00	0.07
Capital One NA 3.5 7/27/2027	Capital One NA	3.500	245,000.00	0.07
Celtic Bank 4 10/7/2026	Celtic Bank	4.000	245,000.00	0.07
CFSBank 4.7 5/31/2027	CFSBank	4.700	244,000.00	0.07
Charter Oak CU 5.4 2/18/2025	Charter Oak CU	5.400	243,000.00	0.07
Chartway CU 5.25 7/14/2025	Chartway CU	5.250	248,000.00	0.07
CIBC Bank USA 4.75 3/24/2028	CIBC Bank USA	4.750	244,000.00	0.07
Comenity Capital Bank 2.6 4/14/2026	Comenity Capital Bank	2.600	249,000.00	0.07
Connexus 3.4 8/15/2025	Connexus	3.400	249,000.00	0.07
Customers Bank 4.5 6/14/2028	Customers Bank	4.500	244,000.00	0.07
Direct FCU 5.7 5/20/2025	Direct FCU	5.700	248,000.00	0.07
Discover Bank 3.2 5/19/2027	Discover Bank	3.200	246,000.00	0.07
Dort Financial 4.5 12/16/2027	Dort Financial	4.500	247,000.00	0.07
Eaglebank 4.5 7/21/2025	Eaglebank	4.500	249,000.00	0.07
Eaglemark Savings Bank 2.9 6/13/2025	Eaglemark Savings Bank	2.900	246,000.00	0.07
Enterprise Bank 4.35 3/3/2028	Enterprise Bank	4.350	244,000.00	0.07
First Bank Richmond 5.25 7/29/2024	First Bank Richmond	5.250	243,000.00	0.07
First Family FCU 4.85 1/17/2025	First Family FCU	4.850	244,000.00	0.07
First Federal Savings Bank 4.7 10/22/2026	First Federal Savings Bank	4.700	249,000.00	0.07
First Foundation Bank 4.7 11/4/2027	First Foundation Bank	4.700	244,000.00	0.07
First National Bank of Middle Tennessee 4.5 5/11/2	First National Bank of Middle Tennesse	4.500	244,000.00	0.07
GreenState CU 3.1 5/14/2027	GreenState CU	3.100	249,000.00	0.07
Harborstone CU 5.15 7/26/2024	Harborstone CU	5.150	248,000.00	0.07
I.H. Mississippi Valley 5.5 9/16/2024	I.H. Mississippi Valley	5.500	243,000.00	0.07
Jonesboro State Bank 1.1 12/8/2026	Jonesboro State Bank	1.100	249,000.00	0.07
JPMorgan Chase Bank NA 4.3 12/29/2028-24	JPMorgan Chase Bank NA	4.300	244,000.00	0.07
Lafayette FCU 3.2 5/26/2026	Lafayette FCU	3.200	249,000.00	0.07
LCA Bank Corp 4.35 11/18/2026	LCA Bank Corp	4.350	244,000.00	0.07
Leader Bank NA 2.55 4/22/2025	Leader Bank NA	2.550	246,000.00	0.07
Leaders CU 5 8/30/2028	Leaders CU	5.000	248,000.00	0.07
Liberty First CU 4.35 2/3/2028	Liberty First CU	4.350	249,000.00	0.07
Monticello Banking Co. 5.2 11/6/2026	Monticello Banking Co.	5.200	243,000.00	0.07
Morgan Stanley Bank, NA 2.2 7/25/2024	Morgan Stanley Bank, NA	2.200	247,000.00	0.07
Morgan Stanley Private Bank, NA 2.2 7/18/2024	Morgan Stanley Private Bank, NA	2.200	247,000.00	0.07
New York Community Bank 0.65 9/10/2024	New York Community Bank	0.650	249,000.00	0.07
Numerica CU 5.65 11/10/2025	Numerica CU	5.650	248,000.00	0.07

Oceanfirst Bank NA 3.25 7/1/2024	Oceanfirst Bank NA	3.250	246,000.00	0.07
Optum Bank, Inc. 5 11/15/2028	Optum Bank, Inc.	5.000	243,000.00	0.07
Pentagon FCU 1.4 2/18/2025	Pentagon FCU	1.400	249,000.00	0.07
Pinnacle Bank 4.6 5/8/2026	Pinnacle Bank	4.600	244,000.00	0.07
Popular Bank 4.5 5/6/2026	Popular Bank	4.500	247,000.00	0.07
Preferred Bank 4 9/30/2027	Preferred Bank	4.000	249,000.00	0.07
ProGrowth Bank 1.2 8/22/2024	ProGrowth Bank	1.200	249,000.00	0.07
Raiz FCU 4.65 5/11/2026	Raiz FCU	4.650	249,000.00	0.07
Red Crown CU 5.4 10/13/2026	Red Crown CU	5.400	248,000.00	0.07
Renasant Bank 5 11/24/2025-23	Renasant Bank	5.000	243,000.00	0.07
Saco & Biddeford Svg 4.5 8/28/2028	Saco & Biddeford Svg	4.500	244,000.00	0.07
Safra National Bank of NY 2 3/24/2025-22	Safra National Bank of NY	2.000	247,000.00	0.07
Sandy Spring Bank 4.9 3/16/2026	Sandy Spring Bank	4.900	244,000.00	0.07
Sharonview FCU 3.4 8/15/2025	Sharonview FCU	3.400	249,000.00	0.07
Simmons Bank 5.1 11/14/2025	Simmons Bank	5.100	243,000.00	0.07
Spokane Teachers CU 4.75 3/25/2027	Spokane Teachers CU	4.750	248,000.00	0.07
State Bank of India Chicago 3.85 9/23/2027	State Bank of India Chicago	3.850	245,000.00	0.07
State Bank of India NY 3.35 6/1/2027	State Bank of India NY	3.350	245,000.00	0.07
State Employees CU 4.8 5/24/2027	State Employees CU	4.800	248,000.00	0.07
Synchrony Bank 5 3/24/2028	Synchrony Bank	5.000	243,000.00	0.07
Texas Exchange Bank, SSB 1.25 12/10/2026	Texas Exchange Bank, SSB	1.250	249,000.00	0.07
The Pitney Bowes Bank, Inc. 4.4 5/17/2028	The Pitney Bowes Bank, Inc.	4.400	244,000.00	0.07
Third Federal S&L of Cleveland 3.5 6/28/2027	Third Federal S&L of Cleveland	3.500	245,000.00	0.07
Toyota Financial Savings Bank 0.65 9/9/2024	Toyota Financial Savings Bank	0.650	249,000.00	0.07
UniBank 4.75 11/30/2027	UniBank	4.750	244,000.00	0.07
USAlliance Financial 3.45 8/26/2027	USAlliance Financial	3.450	245,000.00	0.07
Valley National Bank 4.6 3/5/2027	Valley National Bank	4.600	244,000.00	0.07
Western Alliance Bank 5.05 6/13/2025	Western Alliance Bank	5.050	243,000.00	0.07
Sub Total / Average Certificate Of Deposit		4.035	19,676,000.00	5.79
Commercial Paper				
BofA Securities Inc. 0 7/2/2024	BofA Securities Inc.	0.000	2,500,000.00	0.74
Credit Agricole CIB NY 0 12/3/2024	Credit Agricole CIB NY	0.000	2,500,000.00	0.74
Credit Agricole CIB NY 0 7/17/2024	Credit Agricole CIB NY	0.000	2,500,000.00	0.74
Met Life Short Term Funding 0 7/23/2024	Met Life Short Term Funding	0.000	5,000,000.00	1.47
MUFG Bank Ltd/NY 0 9/18/2024	MUFG Bank Ltd/NY	0.000	2,500,000.00	0.74
MUFG Bank Ltd/NY 0 9/3/2024	MUFG Bank Ltd/NY	0.000	2,500,000.00	0.74
Natixis NY 0 1/16/2025	Natixis NY	0.000	2,500,000.00	0.74
Natixis NY 0 1/2/2025	Natixis NY	0.000	2,500,000.00	0.74
Natixis NY 0 7/2/2024	Natixis NY	0.000	2,500,000.00	0.74
Sub Total / Average Commercial Paper		0.000	25,000,000.00	7.36
Corporate Bond				
Bank of America Corp 0.8 2/24/2026-22	Bank of America Corp	0.800	2,000,000.00	0.59
Bank of America Corp 4 5/5/2026-22	Bank of America Corp	4.000	2,000,000.00	0.59
Bank of America Corp 5.5 5/16/2025-24	Bank of America Corp	5.500	1,000,000.00	0.29
Bank of Montreal 1.22 3/17/2026-22	Bank of Montreal	1.220	2,000,000.00	0.59
Bank of Montreal 1.22 3/17/2026-22	Bank of Montreal	1.220	1,000,000.00	0.29
Bank of Montreal Step 7/30/2025-21	Bank of Montreal	1.250	2,000,000.00	0.59
CitigroupGlobalMarkets 4 8/15/2024-23	CitigroupGlobalMarkets	4.000	2,000,000.00	0.59
Inter-American Devel Bk 4.3 6/15/2028-26	Inter-American Devel Bk	4.300	1,000,000.00	0.29
Intl. Finance Corp. 4.5 7/13/2028	Intl. Finance Corp.	4.500	1,045,000.00	0.31
JP Morgan Chase & Co 2.95 10/1/2026	JP Morgan Chase & Co	2.950	1,000,000.00	0.29
MassMutual Global Funding 5.05 12/7/2027	MassMutual Global Funding	5.050	1,000,000.00	0.29
Morgan Stanley Bank NA 4.754 4/21/2026	Morgan Stanley Bank NA	4.754	1,000,000.00	0.29
Pacific Life GF II 1.2 6/24/2025	Pacific Life GF II	1.200	1,500,000.00	0.44
PNC Bank NA 3.25 1/22/2028-27	PNC Bank NA	3.250	1,000,000.00	0.29
Royal Bank of Canada Var. Corp 3/18/2025	Royal Bank of Canada	4.728	3,000,000.00	0.88
State Street Corp 3.3 12/16/2024	State Street Corp	3.300	865,000.00	0.25
State Street Corp Var. Corp 5/18/2026 -25	State Street Corp	5.104	1,000,000.00	0.29
Toyota Motor Credit Corp. 3.4 4/14/2025	Toyota Motor Credit Corp.	3.400	2,678,000.00	0.79
Toyota Motor Credit Corp. 4.65 1/5/2029	Toyota Motor Credit Corp.	4.650	2,000,000.00	0.59
USAA Capital Corp 5.25 6/1/2027	USAA Capital Corp	5.250	2,000,000.00	0.59
Wells Fargo Bank NA 5.254 12/11/2026	Wells Fargo Bank NA	5.254	1,000,000.00	0.29
Sub Total / Average Corporate Bond		3.502	32,088,000.00	9.44
FFCB Bond				
FFCB 1.75 2/25/2025	FFCB	1.750	2,000,000.00	0.59
FFCB 2.8 11/25/2025	FFCB	2.800	2,000,000.00	0.59
FFCB 3.875 2/14/2028	FFCB	3.875	2,000,000.00	0.59
FFCB 4 5/9/2025	FFCB	4.000	2,000,000.00	0.59

FFCB 4.25 8/7/2028	FFCB	4.250	2,000,000.00	0.59
FFCB 4.875 11/1/2028	FFCB	4.875	2,000,000.00	0.59
FFCB 5.08 3/18/2027-25	FFCB	5.080	2,000,000.00	0.59
FFCB 5.33 7/24/2025-24	FFCB	5.330	1,000,000.00	0.29
FFCB 5.5 11/25/2024	FFCB	5.500	2,000,000.00	0.59
FFCB 5.51 5/14/2029-25	FFCB	5.510	2,000,000.00	0.59
FFCB 5.62 3/20/2028-24	FFCB	5.620	3,000,000.00	0.88
Sub Total / Average FFCB Bond		4.430	22,000,000.00	6.48
FHLB Bond				
FHLB 0.6 12/17/2024-21	FHLB	0.600	2,000,000.00	0.59
FHLB 0.7 4/24/2025-22	FHLB	0.700	500,000.00	0.15
FHLB 1.375 8/26/2026-22	FHLB	1.375	2,000,000.00	0.59
FHLB 2.97 7/27/2026-23	FHLB	2.970	2,000,000.00	0.59
FHLB 3 7/22/2026-22	FHLB	3.000	2,000,000.00	0.59
FHLB 3.2 4/21/2027-23	FHLB	3.200	1,000,000.00	0.29
FHLB 3.5 4/17/2026-25	FHLB	3.500	1,000,000.00	0.29
FHLB 4 7/24/2025-22	FHLB	4.000	1,250,000.00	0.37
FHLB 4.7 3/22/2029-27	FHLB	4.700	3,000,000.00	0.88
FHLB 5.08 7/9/2024	FHLB	5.080	3,000,000.00	0.88
FHLB 5.25 5/28/2026-25	FHLB	5.250	3,000,000.00	0.88
FHLB 5.3 7/23/2027-25	FHLB	5.300	3,000,000.00	0.88
FHLB 5.34 6/13/2025-24	FHLB	5.340	3,000,000.00	0.88
FHLB 5.4 5/9/2025-24	FHLB	5.400	3,000,000.00	0.88
FHLB Step 1/27/2027-23	FHLB	2.000	2,000,000.00	0.59
FHLB Step 2/18/2025-22	FHLB	3.000	1,350,000.00	0.40
FHLB Step 7/29/2026-21	FHLB	1.100	2,000,000.00	0.59
FHLB Step 8/28/2024-22	FHLB	4.000	2,000,000.00	0.59
Sub Total / Average FHLB Bond		3.757	37,100,000.00	10.92
FHLMC Bond				
FHLMC 3.45 8/25/2025-23	FHLMC	3.450	1,000,000.00	0.29
FHLMC 3.75 10/23/2026-24	FHLMC	3.750	1,500,000.00	0.44
FHLMC 4 2/28/2025-23	FHLMC	4.000	2,400,000.00	0.71
FHLMC 4 6/7/2027-23	FHLMC	4.000	1,500,000.00	0.44
FHLMC 4.3 12/30/2027-25	FHLMC	4.300	1,000,000.00	0.29
FHLMC 5.05 7/26/2024-23	FHLMC	5.050	1,500,000.00	0.44
FHLMC 5.35 1/27/2026-23	FHLMC	5.350	2,000,000.00	0.59
FHLMC 5.4 6/23/2026-24	FHLMC	5.400	2,000,000.00	0.59
Sub Total / Average FHLMC Bond		4.500	12,900,000.00	3.80
FNMA Bond				
FNMA 0.375 8/25/2025	FNMA	0.375	2,000,000.00	0.59
FNMA 5 4/17/2029-25	FNMA	5.000	2,000,000.00	0.59
FNMA 5.65 11/27/2028-24	FNMA	5.650	1,000,000.00	0.29
Sub Total / Average FNMA Bond		3.280	5,000,000.00	1.47
Local Government Investment Pool				
California CLASS LGIP	California CLASS	5.401	69,678,412.31	20.51
Sub Total / Average Local Government Investment Pool		5.401	69,678,412.31	20.51
Local Government Investment Pool - Quarterly				
LAIF-City LGIP-Quarterly	LAIF-City	4.550	11,795,627.94	3.47
LAIF-FPFA LGIP-Quarterly	LAIF-FPFA	4.550	5,219,607.00	1.54
Sub Total / Average Local Government Investment Pool - Qua		4.550	17,015,234.94	5.01
Money Market				
Wells Fargo MM	Wells Fargo	5.300	4,774,884.13	1.41
Wells Fargo MM	Wells Fargo	5.300	9,016,122.13	2.65
Sub Total / Average Money Market		5.300	13,791,006.26	4.06
Municipal Bond				
Alameda County GOBs 3.46 8/1/2027	Alameda County GOBs	3.460	500,000.00	0.15
Alvord USD GOBs 1.062 8/1/2025	Alvord USD GOBs	1.062	1,280,000.00	0.38
Antelope Valley CCD 2.016 8/1/2027	Antelope Valley CCD	2.016	1,000,000.00	0.29
Atascadero Comm. RDA-SA 5 10/1/2026	Atascadero Comm. RDA-SA	5.000	300,000.00	0.09
Belmont-Redwood Shores SD 0.638 8/1/2024	Belmont-Redwood Shores SD	0.638	250,000.00	0.07
Beverly Hills USD 2.45 8/1/2024	Beverly Hills USD	2.450	1,000,000.00	0.29
Beverly Hills USD 2.65 8/1/2025	Beverly Hills USD	2.650	780,000.00	0.23
Beverly Hills USD 2.7 8/1/2026	Beverly Hills USD	2.700	1,000,000.00	0.29
CA St DWR Cent Val Proj 0.751 12/1/2025	CA St DWR Cent Val Proj	0.751	1,865,000.00	0.55
CA St DWR Cent Val Proj 1.051 12/1/2026-21	CA St DWR Cent Val Proj	1.051	1,625,000.00	0.48
Carson RDASA TABs 1.188 8/1/2024	Carson RDASA TABs	1.188	400,000.00	0.12

Carson RDASA TABs 1.288 8/1/2025	Carson RDASA TABs	1.288	300,000.00	0.09
Citrus CCD GOBs 0.669 8/1/2024	Citrus CCD GOBs	0.669	400,000.00	0.12
Citrus CCD GOBs 0.819 8/1/2025	Citrus CCD GOBs	0.819	400,000.00	0.12
Colton USD 0.882 8/1/2024	Colton USD	0.882	1,000,000.00	0.29
CSU Revenue Bonds 0.563 11/1/2024	CSU Revenue Bonds	0.563	615,000.00	0.18
CSU Revenue Bonds 0.685 11/1/2024	CSU Revenue Bonds	0.685	500,000.00	0.15
CSU Revenue Bonds 1.521 11/1/2028	CSU Revenue Bonds	1.521	2,000,000.00	0.59
CSU Revenue Bonds 2.084 11/1/2028	CSU Revenue Bonds	2.084	1,650,000.00	0.49
Cupertino USD 2.25 8/1/2027	Cupertino USD	2.250	1,315,000.00	0.39
Davis RDA-SA TABs 2 9/1/2025	Davis RDA-SA TABs	2.000	435,000.00	0.13
Dixon USD 0.953 8/1/2025	Dixon USD	0.953	100,000.00	0.03
Folsom Cordova USD Imp Dist 2 2 10/1/2024	Folsom Cordova USD Imp Dist 2	2.000	1,000,000.00	0.29
Folsom Cordova USD Imp Dist 2 2 10/1/2025	Folsom Cordova USD Imp Dist 2	2.000	1,040,000.00	0.31
Hope ESD 0.97 8/1/2025	Hope ESD	0.970	300,000.00	0.09
Hope ESD 1.17 8/1/2026	Hope ESD	1.170	285,000.00	0.08
Livermore Valley Joint USD 1.766 8/1/2028	Livermore Valley Joint USD	1.766	1,690,000.00	0.50
Los Altos SD 1 10/1/2024	Los Altos SD	1.000	2,000,000.00	0.59
Marin CCD GOs 0.679 8/1/2026	Marin CCD GOs	0.679	900,000.00	0.26
Marin CCD GOs 3.372 8/1/2028-23	Marin CCD GOs	3.372	1,000,000.00	0.29
Moreno Valley USD 1.941 8/1/2024	Moreno Valley USD	1.941	195,000.00	0.06
Moreno Valley USD 2.203 8/1/2025	Moreno Valley USD	2.203	100,000.00	0.03
Moreno Valley USD 2.328 8/1/2026	Moreno Valley USD	2.328	110,000.00	0.03
Morgan Hill RDA-SA 0.961 9/1/2025	Morgan Hill RDA-SA	0.961	1,425,000.00	0.42
Novato RDA-SA 2.42 9/1/2027	Novato RDA-SA	2.420	1,545,000.00	0.45
Oak Grove SD 0.561 8/1/2024	Oak Grove SD	0.561	600,000.00	0.18
Oxnard SD GOBs 0.82 8/1/2024	Oxnard SD GOBs	0.820	345,000.00	0.10
Oxnard UHSD 1.256 8/1/2025	Oxnard UHSD	1.256	500,000.00	0.15
Palomar CCD 0.881 8/1/2025	Palomar CCD	0.881	300,000.00	0.09
Pasadena Area CCD GOBs 5.3 8/1/2024	Pasadena Area CCD GOBs	5.300	1,000,000.00	0.29
Pittsburg USD 0.67 8/1/2024	Pittsburg USD	0.670	680,000.00	0.20
Rancho Santiago CCD GOBs 0.634 9/1/2024	Rancho Santiago CCD GOBs	0.634	1,000,000.00	0.29
Sacramento Reg. Sanitation District 1.042 12/1/202	Sacramento Reg. Sanitation District	1.042	2,305,000.00	0.68
San Bernadino City USD 6.5 8/1/2025	San Bernadino City USD	6.500	500,000.00	0.15
San Bernadino City USD 6.5 8/1/2026	San Bernadino City USD	6.500	300,000.00	0.09
San Bernardino CCD 0.605 8/1/2024	San Bernardino CCD	0.605	1,000,000.00	0.29
San Jose Evergreen CCD 0.921 9/1/2025	San Jose Evergreen CCD	0.921	1,000,000.00	0.29
San Jose Evergreen CCD 5.07 9/1/2028	San Jose Evergreen CCD	5.070	1,500,000.00	0.44
San Jose RDA-SA 3.076 8/1/2025	San Jose RDA-SA	3.076	1,170,000.00	0.34
San Jose RDA-SA 3.176 8/1/2026	San Jose RDA-SA	3.176	2,170,000.00	0.64
San Jose RDA-SA 3.226 8/1/2027	San Jose RDA-SA	3.226	1,500,000.00	0.44
San Jose RDA-SA 3.226 8/1/2027	San Jose RDA-SA	3.226	1,000,000.00	0.29
San Jose USD 1.014 8/1/2027	San Jose USD	1.014	700,000.00	0.21
Santa Ana Comm RDA-SA 3.967 9/1/2027	Santa Ana Comm RDA-SA	3.967	1,485,000.00	0.44
Santa Clarita PFA Lease Rev 1.176 6/1/2025-20	Santa Clarita PFA Lease Rev	1.176	360,000.00	0.11
St. of Texas GOB's 3.011 10/1/2026-25	St. of Texas GOB's	3.011	2,000,000.00	0.59
St. of Texas GOBs 5 10/1/2027	St. of Texas GOBs	5.000	785,000.00	0.23
State of California GO 1.7 2/1/2028	State of California GO	1.700	2,000,000.00	0.59
State of California GO 2.375 10/1/2026	State of California GO	2.375	1,600,000.00	0.47
State of California GO 2.375 10/1/2026	State of California GO	2.375	815,000.00	0.24
State of California GO 3.05 4/1/2029	State of California GO	3.050	2,000,000.00	0.59
State of California GO 3.375 4/1/2025	State of California GO	3.375	2,000,000.00	0.59
State of California GO 4.846 3/1/2027	State of California GO	4.846	1,000,000.00	0.29
State of California GO 5.1 3/1/2029	State of California GO	5.100	1,410,000.00	0.42
State of Delaware GOB's 4.45 7/1/2028	State of Delaware GOB's	4.450	1,500,000.00	0.44
Sulphur Springs USD 5.285 9/1/2025	Sulphur Springs USD	5.285	265,000.00	0.08
UC Regents GRBs Ser AX 3.063 7/1/2025	UC Regents GRBs Ser AX	3.063	985,000.00	0.29
UC Regents GRBs Ser AX 3.063 7/1/2025	UC Regents GRBs Ser AX	3.063	2,000,000.00	0.59
UC Regents GRBs Ser BG 1.316 5/15/2027	UC Regents GRBs Ser BG	1.316	1,000,000.00	0.29
UC Regents GRBs Ser BG 1.316 5/15/2027	UC Regents GRBs Ser BG	1.316	1,000,000.00	0.29
UC Regents MCPRBs Ser M 2.659 5/15/2028	UC Regents MCPRBs Ser M	2.659	900,000.00	0.26
Ventura CCD 2.317 8/1/2028	Ventura CCD	2.317	2,180,000.00	0.64
Yosemite CCD 0.804 8/1/2024	Yosemite CCD	0.804	500,000.00	0.15
Yosemite CCD 1.35 8/1/2026	Yosemite CCD	1.350	680,000.00	0.20
Yosemite CCD 1.35 8/1/2026	Yosemite CCD	1.350	820,000.00	0.24
Yosemite CCD 1.44 8/1/2024	Yosemite CCD	1.440	300,000.00	0.09
Yosemite CCD 1.689 8/1/2025	Yosemite CCD	1.689	750,000.00	0.22
Yosemite CCD 1.912 8/1/2026	Yosemite CCD	1.912	250,000.00	0.07
Yosemite CCD 2.082 8/1/2027	Yosemite CCD	2.082	2,000,000.00	0.59
Sub Total / Average Municipal Bond		2.299	78,460,000.00	23.09

Treasury Note				
T-Note 4.125 10/31/2027	Treasury	4.125	3,000,000.00	0.88
T-Note 4.25 12/31/2025	Treasury	4.250	3,000,000.00	0.88
Sub Total / Average Treasury Note		4.188	6,000,000.00	1.77
Total / Average		3.652	339,757,198.51	100

ATTACHMENT 3

City of Folsom
Transactions Summary

Transaction Summary - Investment Report
Portfolio / Report Group: City of Folsom

Group By: Action
Begin Date: 04/01/2024, End Date: 06/30/2024

Description	Security Type	Settlement Date	Maturity Date	Face Amt/Shares	Principal	YTM @ Cost
Buy						
Atascadero Comm. RDA-SA 5 10/1/2026	Municipal Bond	4/18/2024	10/1/2026	300,000.00	298,965.00	5.152
Bank of America Corp 5.5 5/16/2025-24	Corporate Bond	5/16/2024	5/16/2025	1,000,000.00	1,000,000.00	5.500
Bank of America NA 5.15 12/29/2025	Certificate Of Deposit	6/27/2024	12/29/2025	243,000.00	243,000.00	5.150
Beal Bank 4.7 5/30/2029	Certificate Of Deposit	6/5/2024	5/30/2029	244,000.00	244,000.00	4.700
Beal Bank USA 4.7 5/30/2029	Certificate Of Deposit	6/5/2024	5/30/2029	244,000.00	244,000.00	4.700
CFSBank 4.7 5/31/2027	Certificate Of Deposit	5/30/2024	5/31/2027	244,000.00	244,000.00	4.700
FFCB 5.51 5/14/2029-25	FFCB Bond	5/22/2024	5/14/2029	2,000,000.00	1,997,500.00	5.539
FHLB 5.25 5/28/2026-25	FHLB Bond	5/28/2024	5/28/2026	3,000,000.00	3,000,000.00	5.250
FHLB 5.3 7/23/2027-25	FHLB Bond	4/24/2024	7/23/2027	3,000,000.00	3,000,000.00	5.300
FHLB 5.34 6/13/2025-24	FHLB Bond	6/13/2024	6/13/2025	3,000,000.00	3,000,000.00	5.340
FHLB 5.4 5/9/2025-24	FHLB Bond	5/10/2024	5/9/2025	3,000,000.00	3,000,000.00	5.400
FHLMC 5.4 6/23/2026-24	FHLMC Bond	6/28/2024	6/23/2026	2,000,000.00	2,000,000.00	5.400
FNMA 5 4/17/2029-25	FNMA Bond	4/17/2024	4/17/2029	2,000,000.00	1,980,000.00	5.230
JPMorgan Chase Bank NA 4.3 12/29/2028-24	Certificate Of Deposit	6/24/2024	12/29/2028	244,000.00	238,083.00	4.905
MassMutual Global Funding 5.05 12/7/2027	Corporate Bond	5/23/2024	12/7/2027	1,000,000.00	1,000,000.00	5.050
Met Life Short Term Funding 0 7/23/2024	Commercial Paper	5/17/2024	7/23/2024	5,000,000.00	4,950,866.67	5.332
MUFG Bank Ltd/NY 0 9/18/2024	Commercial Paper	4/19/2024	9/18/2024	2,500,000.00	2,444,161.11	5.411
Natixis NY 0 1/16/2025	Commercial Paper	6/21/2024	1/16/2025	2,500,000.00	2,424,382.64	5.373
Natixis NY 0 1/2/2025	Commercial Paper	5/8/2024	1/2/2025	2,500,000.00	2,412,698.61	5.450
San Jose RDA-SA 3.076 8/1/2025	Municipal Bond	5/30/2024	8/1/2025	1,170,000.00	1,139,521.50	5.400
Simmons Bank 5.1 11/14/2025	Certificate Of Deposit	5/15/2024	11/14/2025	243,000.00	243,000.00	5.100
State Employees CU 4.8 5/24/2027	Certificate Of Deposit	5/22/2024	5/24/2027	248,000.00	248,000.00	4.800
State of California GO 3.05 4/1/2029	Municipal Bond	4/22/2024	4/1/2029	2,000,000.00	1,847,000.00	4.807
State of California GO 5.1 3/1/2029	Municipal Bond	5/28/2024	3/1/2029	1,410,000.00	1,427,484.00	4.804
State Street Corp 3.3 12/16/2024	Corporate Bond	6/14/2024	12/16/2024	865,000.00	855,718.55	5.480
T-Note 4.125 10/31/2027	Treasury Note	4/25/2024	10/31/2027	3,000,000.00	2,939,531.25	4.755
Toyota Motor Credit Corp. 3.4 4/14/2025	Corporate Bond	5/6/2024	4/14/2025	2,678,000.00	2,631,416.19	5.321
UC Regents GRBs Ser BG 1.316 5/15/2027	Municipal Bond	5/13/2024	5/15/2027	1,000,000.00	904,390.00	4.768
UniBank 4.75 11/30/2027	Certificate Of Deposit	5/31/2024	11/30/2027	244,000.00	244,000.00	4.750
USAA Capital Corp 5.25 6/1/2027	Corporate Bond	6/26/2024	6/1/2027	2,000,000.00	2,017,220.00	4.930
Wells Fargo Bank NA 5.254 12/11/2026	Corporate Bond	4/26/2024	12/11/2026	1,000,000.00	998,338.00	5.320
Sub Total / Average Buy				49,877,000.00	49,217,276.52	
Called						
Pacific Western Bank 5.1 6/9/2028-24	Certificate Of Deposit	6/9/2024	6/9/2028	243,000.00	243,000.00	0.000
Sub Total / Average Called				243,000.00	243,000.00	
Matured						
Beverly Hills PFA Lease Rev 0.73 6/1/2024	Municipal Bond	6/1/2024	6/1/2024	300,000.00	300,000.00	0.000
FFCB 2.625 6/10/2024	FFCB Bond	6/10/2024	6/10/2024	3,000,000.00	3,000,000.00	0.000
FHLB 5.25 6/14/2024	FHLB Bond	6/14/2024	6/14/2024	1,000,000.00	1,000,000.00	0.000
First National Bank Paragould 2.6 6/10/2024	Certificate Of Deposit	6/10/2024	6/10/2024	249,000.00	249,000.00	0.000
FNMA 5.2 4/26/2024-23	FNMA Bond	4/26/2024	4/26/2024	2,000,000.00	2,000,000.00	0.000
Intl. Finance Corp. 2.65 6/24/2024	Corporate Bond	6/24/2024	6/24/2024	2,000,000.00	2,000,000.00	0.000
MUFG Bank Ltd/NY 0 5/1/2024	Commercial Paper	5/1/2024	5/1/2024	2,500,000.00	2,500,000.00	0.000
Natixis NY 0 4/3/2024	Commercial Paper	4/3/2024	4/3/2024	2,500,000.00	2,500,000.00	0.000
Santa Clarita PFA Lease Rev 0.976 6/1/2024-20	Municipal Bond	6/1/2024	6/1/2024	355,000.00	355,000.00	0.000
UBS Bank USA 2.9 4/3/2024	Certificate Of Deposit	4/3/2024	4/3/2024	249,000.00	249,000.00	0.000
UC Regents GRBs Ser BF 0.833 5/15/2024-24	Municipal Bond	5/15/2024	5/15/2024	250,000.00	250,000.00	0.000
Sub Total / Average Matured				14,403,000.00	14,403,000.00	

Folsom City Council
Staff Report

MEETING DATE:	9/24/2024
AGENDA SECTION:	Joint Meeting Public Hearing
SUBJECT:	Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 Resolution No. 11266 - Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith Resolution No. 012- Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $50,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the City Council adopt the following resolution:

Resolution No. 11266 - Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith.

It is recommended the Governing Board of the Authority adopt the following resolution:

Resolution No. 012- Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $50,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing.

BACKGROUND / ISSUE

Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (CFD No. 18) is a community facilities district organized by the City Council under the Mello-Roos Act for the purpose of providing for the construction and acquisition of certain public improvements and the financing of certain services to serve property within CFD No. 18. The City established CFD No. 18 on December 8, 2015, and in November 2018 change proceedings for CFD No. 18 were held, which approved an Amended Rate and Method of Apportionment. CFD No. 18 consists of a gross area of approximately 3,520 acres and is located wholly within the southern portion of the City of Folsom, bounded by U.S. Highway 50, White Rock Road, Prairie City Road, and the El Dorado County Line.

Development within CFD No. 18 is planned to include 13,343 dwelling units and 2.5 million square feet of commercial, office/industrial and mixed use, as well as 275.7 acres of public and quasi-public use (public and private schools, parks and infrastructure), 182 acres of major roads and 1,114.5 acres of open space. Property within CFD No. 18 includes undeveloped properties as well as properties in varying stages of development, including entitled lots, finished lots, homes and commercial sites under construction, and completed homes and commercial sites.

Bonds are being issued to finance the construction of certain public capital improvements servicing the Folsom Plan Area. The improvements consist primarily of 19,050 linear feet of water transmission pipeline to provide expanded water transmission conveyance capabilities to deliver water from the water treatment plant to CFD No. 18. Construction is required to mitigate increased demand because of development within CFD No. 18. In addition, a portion of the proceeds of the bonds may be used to reimburse certain developers within the Folsom Plan Area for the first phase of public water infrastructure and may also be used to construct other authorized facilities including certain water facilities, sanitary sewer facilities, an aquatic center, quarry road improvements, certain trails, interchanges and roadway widenings, and other backbone infrastructure needed to serve the Folsom Plan Area.

Notice of this public hearing was published in the Folsom Telegraph on September 13, 2024.

POLICY / RULE

Resolution No. 9282 – A Resolution of the City Council of the City of Folsom Approving Goals and Policies for Community Facilities Districts

Chapter 3.110, "Community Facilities Financing", of the Folsom Municipal Code

Mello-Roos Community Facilities Act of 1982

Marks-Roos Local Bond Pooling Act of 1985

ANALYSIS

The Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (Series 2024 Revenue Bonds) are being issued by the Folsom Ranch Financing Authority (FRFA) in a not to exceed amount of $50,000,000 to finance the purchase of the limited obligation special tax bonds (Local Obligations), issued by CFD No. 18. The purchase price of the Local Obligations will be used to finance the acquisition and construction of certain public facilities, fund a debt service reserve account, and pay certain costs of issuance of the Local Obligations and Series 2024 Revenue Bonds.

A special tax will be levied and collected annually to service the Local Obligations and every year, CFD No. 18 shall determine the annual special tax requirement. The annual special tax requirement is that amount of special tax revenue required in any fiscal year for CFD No. 18 to:

- Pay administrative expenses
- Pay annual debt service on all outstanding bonds for CFD No. 18
- Pay other periodic costs on outstanding bonds, including credit enhancement or rebate payments, if applicable
- Pay any amounts required to replenish the reserve fund

- Pay for reasonably anticipated delinquent special taxes
- Fund CFD No. 18 PAYGO costs
- Pay for authorized services
- Pay other associated costs as listed in the Amended Rate and Method of Apportionment

The special tax shall be levied each fiscal year proportionately on each Sacramento County assessor's parcel of taxable property within CFD No. 18 at a rate up to 100% of the applicable maximum special tax to satisfy the annual special tax requirement. The aggregate assessed and appraised value for taxable property within CFD No. 18 is $2,943,572,291 and the value-to-lien ratio is 11.5:1, which is in compliance with the City's debt policy. The total projected property tax level for developed residential property within CFD No. 18 ranges from approximately 1.49% to 1.81% and at the time of the issuance of the Series 2024 Revenue Bonds shall not exceed 2.0% of the estimated sales price of the respective homes to be constructed in CFD No. 18.

Upon the conclusion of the noticed public hearing, and by adopting the proposed City Council Resolution, the City Council is taking the following actions in connection with the Local Obligations:

1. Determining that there are significant public benefits to the City from the proposed financing and approving the Series 2024 Revenue Bonds
2. Authorizing the issuance of an aggregate principal amount of not to exceed $50,000,000 in Local Obligations
3. Approving the form and substance and the execution and delivery of the Indenture with U.S. Bank Trust Company, National Association
4. Approving the form and substance and the execution and delivery of the Continuing Disclosure Certificate
5. Approving the form and substance and delivery of the Preliminary Official Statement, and authorizing the preparation, delivery and execution of a final Official Statement
6. Approving the form and substance and execution and delivery of the Local Obligation Purchase Contract
7. Approving the form and substance and execution and delivery of the Trust Agreement
8. Authorizing the officers of the City to execute any and all documents and instruments, for and on behalf of the City and/or CFD No. 18, to carry out the issuance of the Local Obligations

By adopting the proposed FRFA Resolution, the Governing Board is taking the following actions in connection with the Series 2024 Revenue Bonds:

1. Authorizing the issuance of an aggregate principal amount of not to exceed $50,000,000 in Series 2024 Revenue Bonds
2. Approving the form and substance and execution and delivery of the Trust Agreement
3. Approving the form and substance and execution and delivery of the Local Obligation Purchase Contract

4. Approving the form and substance and execution and delivery of the Bond Purchase Contract
5. Approving the form and substance of the Preliminary Official Statement, authorizing the Treasurer to determine when said Preliminary Official Statement is final and authorizing the distribution of both the Preliminary Official Statement and the Official Statement to be distributed by the Underwriter.
6. Authorizing the officers of the FRFA to execute and deliver any and all documents, and to do any and all things deemed necessary to comply with the terms and intent of this resolution.

Other documents included as exhibits to this staff report include:

- Preliminary Official Statement
- Trust Agreement
- Indenture
- Local Obligation Purchase Contract
- Bond Purchase Agreement
- Continuing Disclosure Certificate
- Good Faith Estimates

The City has engaged the following consultants to assist in the issuance of the Series 2024 Revenue Bonds:

Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Disclosure Counsel:	Orrick, Herrington & Sutcliffe LLP
Tax Consultant:	NBS
Financial Advisor:	Fieldman, Rolapp & Associates, Inc.
Trustee:	U.S. Bank Trust Company, National Association
Underwriter:	Piper Sandler & Co.

FINANCIAL IMPACT

There is no discernable financial impact on the City of Folsom. All costs associated with the issuance of the Series 2024 Revenue Bonds are solely the responsibility of CFD No. 18 and are expected to be paid from the proceeds of the Series 2024 Revenue Bonds. The City will receive reimbursement from the issuance of the Series 2024 Revenue Bonds for staff time and expenses and will receive an annual administrative fee throughout the term of CFD No. 18; these amounts are intended to offset expenses incurred by the City for administration and other items.

ENVIRONMENTAL REVIEW

Environmental review for the future public infrastructure subject to this action was completed in the South of Highway 50 Backbone Infrastructure Project Initial Study/Mitigated Negative

Declaration and resultant Mitigation Monitoring and Reporting Program dated February 2015. No further environmental review is required.

ATTACHMENTS

1. Resolution No. 11266 - Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

2. Resolution No. 012- Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $50,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing.

3. Trust Agreement by and among the Folsom Ranch Financing Authority and the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) and U.S. Bank Trust Company, National Association, as Trustee

4. Indenture between the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) and U.S. Bank Trust Company, National Association, as Trustee

5. Preliminary Official Statement for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024

6. Local Obligation Purchase Contract for the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Bonds, Series 2024 between the Folsom Ranch Financing Authority and the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services)

7. Bond Purchase Agreement for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and

Services) Special Tax Revenue Bonds, Series 2024 between the Folsom Ranch Financing Authority and Piper Sandler & Co.

8. Continuing Disclosure Certificate

9. Good Faith Estimates for the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Bonds, Series 2024 and the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024

Submitted,

Stacey Tamagni
Finance Director
Treasurer of the Folsom Ranch Financing Authority

ATTACHMENT 1

RESOLUTION NO. 11266

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM AUTHORIZING THE ISSUANCE OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX BONDS, SERIES 2024, THE EXECUTION OF AN INDENTURE PROVIDING THEREFOR, AUTHORIZING THE EXECUTION OF A LOCAL OBLIGATION PURCHASE CONTRACT, AND AUTHORIZING NECESSARY ACTIONS AND THE EXECUTION OF OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the City Council (the "City Council") of the City of Folsom (the "City") has formed the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) (the "Community Facilities District") under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the "Special Taxes") to pay the costs of certain public facilities (the "Facilities") and services and to issue bonds payable from the Special Taxes; and

WHEREAS, in order to provide funds to finance certain of the Facilities (the "Project"), the Community Facilities District proposes to issue not to exceed $50,000,000 principal amount of its City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds, Series 2024 (the "Local Obligations"); and

WHEREAS, the Folsom Ranch Financing Authority (the "Authority") has agreed to purchase the Local Obligations pursuant to a Local Obligation Purchase Contract (the "Local Obligation Purchase Contract") between the Authority and the Community Facilities District with a portion of the proceeds of the Authority's City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Authority Bonds"); and

WHEREAS, the City Council has determined in accordance with Government Code Section 53360.4 that a negotiated sale of the Local Obligations to the Authority in accordance with the terms of the Local Obligation Purchase Contract will result in a lower overall cost to the Community Facilities District than a public sale; and

WHEREAS, there has been submitted to the City Clerk of the City (the "City Clerk") a form of Indenture, between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Indenture"), providing for the issuance of the Local Obligations and a form of Local Obligation Purchase Contract providing for the sale of the Local Obligations to the Authority; and

WHEREAS, there has been submitted to the City Clerk a form of Trust Agreement (the "Trust Agreement"), among the Authority, the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee, providing for the issuance of the Authority Bonds; and

WHEREAS, the Authority has authorized the sale of the Authority Bonds to Piper Sandler & Co., as underwriter (the "Underwriter"), with the net proceeds of sale thereof to be utilized to purchase the Local Obligations from the Community Facilities District; and

WHEREAS, the Community Facilities District desires to assist the Underwriter in its compliance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"); and

WHEREAS, the form of a Preliminary Official Statement (the "Preliminary Official Statement") to be used in connection with the offering and sale of the Authority Bonds has been prepared and is on file with the City Clerk; and

WHEREAS, there have been prepared and submitted to the City Council for consideration at this meeting the forms of:

(a) the Trust Agreement;

(b) the Indenture;

(c) the Local Obligation Purchase Contract;

(d) the Continuing Disclosure Certificate; and

(e) the Preliminary Official Statement; and

WHEREAS, the City Council has considered the evidence of the public benefits to the Community Facilities District of the proposed financing and is fully advised in the premises; and

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Local Obligations and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Local Obligations; and

WHEREAS, on this date, the City held a public hearing on the financing of the Project in accordance with Section 6586.5 of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Marks-Roos Act"); and

WHEREAS, in accordance with Section 6586.5 of the Marks-Roos Act, notice of such hearing was published once at least five days prior to the hearing in the *Folsom Telegraph*, a newspaper of general circulation in the City; and

WHEREAS, Government Code Section 5852.1 requires that the City Council obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of

the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the City Council has obtained from Fieldman, Rolapp & Associates, Inc., the municipal adviser to the Community Facilities District, the required good faith estimates and such estimates have been disclosed at this meeting; and

WHEREAS, the City Council is the legislative body of the Community Facilities District;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom, as follows:

Section 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

Section 2. The City Council, on behalf of the City, hereby approves the issuance of the Authority Bonds to finance the Project and finds that the use of the Marks-Roos Act to assist the Community Facilities District in financing the Project will result in significant public benefits to the citizens of the City, including more efficient delivery of local agency services to residential and commercial development.

Section 3. Subject to the conditions described in Section 8, the issuance of the Local Obligations in an aggregate principal amount not to exceed $50,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Local Obligations shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to redemption, shall be issued in the form, and shall be as otherwise provided in the Indenture.

Section 4. The form of the Indenture providing for the issuance of the Local Obligations, on file with the City Clerk, is hereby approved, and the City Manager of the City (the "City Manager"), the Finance Director of the City (the "Finance Director") and such other officers of the City as the City Manager or the Finance Director shall designate (each an "Authorized Officer" and collectively, the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the Community Facilities District, to execute and deliver the Indenture in substantially said form, with such changes therein as may be approved by the City Attorney of the City (the "City Attorney"), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of the Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Certificate in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement

or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

Section 6. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Authority Bonds is hereby authorized and approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to certify to the Underwriter that the Preliminary Official Statement has been "deemed final" for purposes of Rule 15c2-12.

Section 7. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Authority Bonds is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized and directed to execute the final Official Statement and any amendment or supplement thereto, for and in the name of the Community Facilities District.

Section 8. The form of the Local Obligation Purchase Contract providing for the sale of the Local Obligations to the Authority, on file with the City Clerk, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Local Obligation Purchase Contract in substantially said form, with such changes therein as may be approved by the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the final maturity of the Local Obligations shall be no later than September 1, 2059, the principal amount of the Local Obligations shall not exceed fifty million dollars ($50,000,000) and the true interest cost (taking into consideration the associated underwriter's discount and any original issue premium or discount relating to the Authority Bonds) of the Local Obligations shall not exceed six percent (6.0%).

Section 9. The form of the Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Trust Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer.

Section 10. Pursuant to Section 53345.8 of the Act and the City's Local Goals and Policies, the City Council hereby finds and determines that the value of the real property that would be subject to the Special Taxes to pay debt service on the Local Obligations will be at least three (3) times the principal amount of the Local Obligations to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District. The City Council determines in its sole discretion that it is

necessary and desirable to waive certain of its Local Goals and Policies to the extent the issuance of the Local Obligations does not conform thereto.

Section 11. The officers of the City are hereby authorized and directed, jointly and severally, for and on behalf of the City and/or the Community Facilities District to do any and all things that they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, including any subsequent amendments, waivers or consents entered into or given in accordance with any of the documents approved hereby. The City Manager, the Finance Director, the City Clerk and the officers of the City are hereby authorized and directed to execute and deliver, for and on behalf of the City and/or the Community Facilities District, any and all certificates and representations necessary and desirable to accomplish the transactions set forth above.

Section 12. The City Council hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 13. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 24th day of September, 2024, by the following roll call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

RESOLUTION NO. 012-FOLSOM RANCH FA

RESOLUTION OF THE GOVERNING BOARD OF THE FOLSOM RANCH FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED $50,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS, SERIES 2024; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT, AUTHORIZING MODIFICATIONS THEREOF AND EXECUTION AND DELIVERY AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT TO BE DERIVED THEREFROM; APPROVING A LOCAL OBLIGATION PURCHASE CONTRACT AND A BOND PURCHASE CONTRACT AND EXECUTION AND DELIVERY OF EACH; AND AUTHORIZING RELATED ACTIONS NECESSARY TO IMPLEMENT THE PROPOSED FINANCING

WHEREAS, the Folsom Ranch Financing Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"); and

WHEREAS, the City Council (the "City Council") of the City of Folsom (the "City") has formed the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) (the "Community Facilities District") under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, the Community Facilities District has completed its legal proceedings under the Act with respect to authorizing the issuance and sale of the "City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds, Series 2024" (the "Local Obligations") for the purpose of financing certain public facilities within the City south of Highway 50; and

WHEREAS, the Community Facilities District is empowered under the provisions of the Act to undertake legal proceedings for the levy of a special tax and for the issuance, sale and delivery of special tax bonds upon the security of the recorded special tax liens; and

WHEREAS, the Authority is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Law") to issue its bonds for the purpose of purchasing various local obligations issued by certain local agencies and applying the proceeds of the bonds to finance certain authorized public facilities; and

WHEREAS, the Authority desires to issue the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024" (the "Bonds") pursuant to that certain Trust Agreement (the "Trust Agreement"), among the Authority, the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), in order to provide funds to purchase the Local Obligations; and

WHEREAS, the Authority has determined that the estimated amount necessary to finance the purchase of the Local Obligations will require the issuance of the Bonds in the aggregate principal amount not to exceed fifty million dollars ($50,000,000); and

WHEREAS, the Authority and the Community Facilities District have determined that all things necessary to make the Bonds, when authenticated by the Trustee, and issued as provided in the Trust Agreement, the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

WHEREAS, in furtherance of implementing the financing, there have been filed with the Authority Secretary for consideration and approval by this Board forms of the following:

(a) a Trust Agreement, under the terms of which the Bonds are to be issued and the Revenues (as said term is defined in the Trust Agreement and as said Revenues are received by the Authority as holder of the Local Obligations) are to be administered to pay the principal of and interest on the Bonds;

(b) a Local Obligation Purchase Contract, under the terms of which, among other things, the Community Facilities District agrees to sell and the Authority agrees to purchase the Local Obligations;

(c) a Bond Purchase Contract, under the terms of which, among other things, the Authority agrees to sell and the underwriter agrees to purchase the Bonds; and

(d) a Preliminary Official Statement, describing the Bonds and the Local Obligations; and

WHEREAS, Government Code Section 5852.1 requires that the Governing Board of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Governing Board of the Authority has obtained from Fieldman, Rolapp & Associates, Inc., municipal adviser to the Authority, the required good faith estimates and such estimates have been disclosed at this meeting; and

WHEREAS, being fully advised in the matter of the proposed financing program, this Board wishes to proceed with implementation of said financing program; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

WHEREAS, as required by the Law, the City has conducted a public hearing and has determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including more efficient delivery of local agency services to residential and commercial development.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Folsom Ranch Financing Authority as follows:

Section 1. The foregoing recitals are true and correct, and this Board so finds and determines.

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed fifty million dollars ($50,000,000). No Bond shall mature later than September 1, 2059.

Section 3. The form and substance of the Trust Agreement is hereby approved. The Treasurer of the Authority or designee thereof is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and substance of the Local Obligation Purchase Contract is hereby approved. The Treasurer of the Authority or designee thereof is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Local Obligation Purchase Contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and substance of the Bond Purchase Contract is hereby approved. The Treasurer of the Authority or designee thereof is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the true interest cost of the Bonds shall not exceed six percent (6.0%) and the underwriter's discount (exclusive of original issue discount) shall not exceed one and one quarter percent (1.25%).

Section 6. (a) The form and substance of the Preliminary Official Statement is hereby approved. The Treasurer of the Authority or designee thereof is authorized to execute the final Official Statement to be derived therefrom.

(b) This Board hereby authorizes the Treasurer of the Authority or designee thereof to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be deemed "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission, and the Treasurer of the Authority or designee thereof is hereby authorized to execute a certificate to such effect in the customary form.

(c) The Treasurer of the Authority or designee is authorized to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by such officer as necessary to cause the information contained therein to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Board or the City Council or that such corrections or additions are in form rather than in substance.

(d) The underwriter of the Bonds is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 7. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including any agency agreement, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, including any subsequent amendments, waivers or consents entered into or given in accordance with any of the documents approved hereby, and to obtain a policy of bond insurance, a rating and/or a reserve fund surety policy for any series of the Bonds. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 8. This Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 9. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 24th day of September, 2024, by the following roll call vote:

AYES: Boardmember(s):

NOES: Boardmember(s):

ABSENT: Boardmember(s):

ABSTAIN: Boardmember(s):

Michael D. Kozlowski, CHAIR

ATTEST:

Christa Freemantle, SECRETARY

ATTACHMENT 3

OH&S Draft
09/10/24

TRUST AGREEMENT

by and among the

FOLSOM RANCH FINANCING AUTHORITY

and the

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Relating to the

$[PAR]
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)
SPECIAL TAX REVENUE BONDS,
SERIES 2024

Dated as of [Dated Date]

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TRUST AGREEMENT

This Trust Agreement (the "Trust Agreement"), dated as of [Dated Date], by and among the Folsom Ranch Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services), organized and existing under and by virtue of the laws of the State of California (the "Community Facilities District") and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Authority is empowered under the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Law"), to issue its bonds for the purpose of purchasing various Local Obligations (as defined herein) issued by certain local agencies; and

WHEREAS, the Authority has determined to issue its Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area -- Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Authority Bonds") to be secured by a pledge, lien and claim upon the Revenues (as that term is defined herein) in order to provide a portion of the funds necessary to purchase the Local Obligations (as that term is defined herein); and

WHEREAS, the Authority and the Community Facilities District have determined that all things necessary to make the Authority Bonds (as that term is defined herein), when issued by the Authority and authenticated by the Trustee and delivered as provided herein, valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in consideration of the premises, the acceptance by the Trustee of the trusts hereby created and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Authority Bonds Outstanding (as that term is defined herein) hereunder from time to time according to their tenor and effect, and the making of such other payments required to be made by the Authority and the satisfaction of all the agreements, conditions, covenants and terms expressed and implied herein and in the Authority Bonds, the Authority does hereby assign, bargain, convey, grant, mortgage and pledge a security interest unto the Trustee and unto its successors and assigns hereunder forever in all right, title and interest of the Authority in, to and under, subject to the provisions hereof permitting the application thereof for the purposes and on the terms and conditions set forth therein, each and all of the following (collectively, the "Trust Estate"):

(a) the proceeds of sale of the Authority Bonds;

(b) the Revenues (as that term is defined herein);

(c) the amounts in the Funds (as that term is defined herein) established and held hereunder, except amounts in the Rebate Fund; and

(d) the Local Obligations;

TO HAVE AND TO HOLD IN TRUST all of the same hereby assigned, bargained, conveyed, granted, mortgaged and pledged or agreed or intended so to be to the Trustee and to its successors and assigns forever for the equal and ratable benefit of the Owner issued by the Authority hereunder and authenticated by the Trustee and delivered hereunder and Outstanding hereunder, without any priority as to the Trust Estate of any one Authority Bond over any other (except as expressly provided in or permitted hereby), upon the trusts and subject to the agreements, conditions, covenants and terms hereinafter set forth;

AND THIS TRUST AGREEMENT FURTHER WITNESSETH, and it is expressly declared, that all Authority Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property hereby assigned, bargained, conveyed, granted, mortgaged and pledged are to be dealt with and disposed of under, upon and subject to the agreements, conditions, covenants, terms, trusts and uses as hereinafter expressed, and the Authority and the Community Facilities District have agreed and covenanted, and do hereby agree and covenant, with the Trustee and with the Owner, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The terms set forth below shall have the following meanings set forth herein, unless the context clearly otherwise requires:

"Act" shall mean the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 *et seq.* of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto.

"Authority" shall mean the Folsom Ranch Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California, and its successors and assigns.

"Authority Bond" or "Authority Bonds" shall mean the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area -- Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024. "Serial Authority Bonds" shall mean the Authority Bonds not subject to mandatory sinking fund redemption pursuant to Section 4.04. "Term Authority Bonds" shall mean the Authority Bonds subject to mandatory sinking fund redemption pursuant to Section 4.04.

"Authorized Denominations" shall mean five thousand dollars ($5,000) and any integral multiple thereof, but not exceeding the principal amount of the Authority Bonds maturing on any one date.

"Authorized Officer" shall mean, when used with reference to the Authority, the Chair, the Treasurer or any other person authorized by the Authority in a Written Order or resolution to perform an act or sign a document on behalf of the Authority for the purposes hereof, and when used with reference to the Community Facilities District and the City, acting for and on behalf of the Community Facilities District, the Mayor, the Finance Director or any other person authorized by the City or the Community Facilities District, as applicable, in a Written Order or resolution to perform an act or sign a document on behalf of the City or the Community Facilities District for the purposes hereof.

"Bond Counsel" shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions.

"Bond Register" shall mean the registration books specified as such in Section 2.05.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks in New York, New York, or the city in which the Corporate Trust Office of the Trustee is located, are closed.

"Cash Flow Certificate" shall mean a written certificate executed by a Cash Flow Consultant.

"Cash Flow Consultant" shall mean a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field relating to municipal securities such as the Authority Bonds, appointed and paid by the Community Facilities District or the Authority and who, or each of whom:

(1) is in fact independent and not under the domination of the Community Facilities District, the Authority or the City;

(2) does not have any substantial interest, direct or indirect, with the Community Facilities District, the Authority or the City; and

(3) is not connected with the Community Facilities District, the Authority or the City as a member, officer or employee of the Community Facilities District, the Authority or the City, but who may be regularly retained to make annual or other reports to the Community Facilities District, the Authority or the City.

The Cash Flow Consultant shall not, as a result of its role as Cash Flow Consultant, be deemed to have a "financial advisory relationship" with the Authority within the meaning of California Government Code Section 53590(c).

"Chair" shall mean the Chair of the Authority.

"City" shall mean the City of Folsom, a charter city and municipal corporation duly organized and existing under its charter and the Constitution and laws of the State of California, and its successors.

"City Manager" shall mean the City Manager of the City.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

"Community Facilities District" shall mean the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services), established by the City pursuant to the Act.

"Corporate Trust Office" shall mean the designated corporate trust office of the Trustee at the location set forth in Section 13.03.

"Dated Date" shall mean the applicable date of the original execution and delivery of the Authority Bonds.

"DTC" shall mean The Depository Trust Company, in New York, New York; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depository as the Authority may designate in an Officer's Certificate delivered to the Trustee.

"Event of Default" shall mean an event of default specified as such in Section 8.01.

"Finance Director" shall mean the Finance Director of the City.

"Fund" or "Funds" shall mean any or all, as the case may be, of the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Proceeds Fund, the Local Obligations Fund and the Rebate Fund, including all accounts therein.

"Government Obligations" shall mean any Investment Securities described in clause (i) or clause (ii) of the definition thereof but excluding any securities that are callable or prepayable prior to the redemption or maturity date of the Authority Bonds to be paid therefrom, and excluding any securities that do not have a fixed par value or the terms of which do not promise a fixed dollar amount at maturity or earlier call date.

"Indenture Trustee" means U.S. Bank Trust Company, National Association, as trustee under the Local Obligations Indenture.

"Interest Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Interest Payment Date" shall mean March 1 and September 1 in each year, commencing on March 1, 2025.

"Investment Securities" shall mean and include any of the following securities, to the extent permitted by the laws of the State and the City's Investment Policy, for and on behalf of the Community Facilities District as it may be amended from time to time:

(i) Cash (insured at all times by the Federal Deposit Insurance Corporation or fully collateralized by Investment Securities described in clause (ii) hereof);

(ii) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including:

(A) All direct or fully guaranteed U.S. Treasury obligations;

(B) Farmers Home Administration;

(C) General Services Administration;

(D) Guaranteed Title XI financing;

(E) Government National Mortgage Association (GNMA); and

(F) U.S. Treasury - State and Local Government Series;

(iii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

(A) Export-Import Bank;

(B) Rural Economic Community Development Administration;

(C) U.S. Maritime Administration;

(D) Small Business Administration;

(E) U.S. Department of Housing & Urban Development (PHAs);

(F) Federal Housing Administration; and

(G) Federal Financing Bank;

(iv) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

(A) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);

(B) Obligations of the Resolution Funding Corporation (REFCORP);

(C) Senior debt obligations of the Federal Home Loan Bank System; and

(D) Senior debt obligations of other Government Sponsored Agencies;

(v) U.S. Dollar-denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (provided that ratings on holding companies shall not be considered the rating of the bank) or fully collateralized by Investment Securities described in clause (ii) hereof for amounts in excess of deposit insurance;

(vi) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(vii) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee or an affiliate provides investment management or other services but excluding funds with a floating net asset value;

(viii) "Pre-refunded Municipal Obligations," defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or (B) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (ii) of this definition, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(ix) Any bonds or other obligations of any agency, instrumentality or local governmental unit of any state of the United States of America which are rated "Aaa/AAA" or general obligations of any such state with ratings of "A2" or higher by Moody's and "A" or higher by S&P.

(x) The Local Agency Investment Fund (established under Sections 53600-53609 of the California Government Code, as amended or supplemented from time to time).

"Law" shall mean the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, and all laws amendatory thereof or supplemental thereto.

"Letter of Representation" shall mean the letter of the Authority delivered to and accepted by the Depository on or prior to the issuance of the Authority Bonds setting forth the basis on which the Depository serves as depository for such Authority Bonds as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

"Local Obligations Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Local Obligations Indenture" shall mean the indenture authorizing and securing the Local Obligations and pursuant to which the Local Obligations were issued.

"Local Obligation Purchase Contract" shall mean the purchase contract entered into between the Authority and the Community Facilities District providing for the purchase of the Local Obligations by the Authority with the proceeds of the Authority Bonds.

"Local Obligations" shall mean the Community Facilities District No. 18 (Folsom Plan Area -- Area-Wide Improvements and Services) Special Tax Bonds, Series 2024 to be issued by the Community Facilities District pursuant to the Act and to be purchased by the Authority pursuant to the Law.

"Mayor" shall mean the Mayor of the City.

"Moody's" shall mean Moody's Investors Service Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority (which shall be under no liability by reason of such selection).

"Officer's Certificate" shall mean a certificate signed by an Authorized Officer.

"Opinion of Bond Counsel" shall mean a legal opinion signed by a Bond Counsel selected by the Authority.

"Outstanding" shall mean, with respect to the Authority Bonds and as of any date, all Authority Bonds authorized, issued, authenticated and delivered hereunder, except:

(a) Authority Bonds canceled or surrendered to the Trustee for cancellation pursuant to Section 2.08;

(b) Authority Bonds deemed to have been paid pursuant to Section 12.02;

(c) Authority Bonds in lieu of or in substitution for which other Authority Bonds shall have been authenticated and delivered pursuant to Section 2.03; and

(d) Authority Bonds paid pursuant to Section 2.03.

"Owner" shall mean, as of any date, the Person or Persons in whose name or names a particular Bond shall be registered on the Bond Register as of such date.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Principal Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Principal Installment," when used with respect to any Principal Payment Date, shall mean the principal amount of Outstanding Authority Bonds due (whether at maturity or by sinking fund redemption) on such date.

"Principal Payment Date," when used with reference to an Authority Bond, shall mean the maturity date or any mandatory sinking fund redemption date for such Authority Bond.

"Proceeds Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Rebate Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Rebate Instructions" shall mean the calculations and directions required to be delivered to the Trustee by the Authority pursuant to the Tax Certificate.

"Rebate Requirement" shall mean the Rebate Requirement defined in the Tax Certificate.

"Record Date" shall mean the fifteenth (15th) day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Responsible Officer of the Trustee" means any officer within the global corporate trust department (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of this Trust Agreement.

"Revenue Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Revenues" shall mean all amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, all Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held in the Funds held hereunder (except the Rebate Fund).

"S&P" shall mean S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then

the term "S&P" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority (which shall be under no liability by reason of such selection).

"Secretary" shall mean the Secretary of the Authority.

"Special Tax" shall mean the special tax authorized to be levied and collected annually on all Taxable Property in the Community Facilities District under and pursuant to the Act at the special elections held in the Community Facilities District, including the Facilities Special Tax, the Maintenance Special Tax and the Services Special Tax (each as defined in the Local Obligations Indenture).

"Special Tax Prepayments" shall mean all payments to the Community Facilities District by or on behalf of the owner of a parcel within the Community Facilities District subject to a Special Tax to accomplish a pay-off of the Special Tax obligation pertaining to such parcel and the discharge of the Special Tax lien with respect to such parcel (except the portion thereof, if any, which represents accrued interest on the Local Obligations).

"Special Tax Revenues" shall mean all money collected and received by the Community Facilities District on account of unpaid Special Tax obligations within the Community Facilities District, including all amounts collected in the normal course by the Community Facilities District, all Special Tax Prepayments and all amounts received by the Community Facilities District as a result of superior court foreclosure proceedings brought to enforce payment of delinquent Special Taxes within the Community Facilities District, but excluding therefrom any amounts explicitly included therein on account of collection charges, administrative cost charges, or attorneys' fees and costs paid as a result of foreclosure actions.

"Special Record Date" shall mean the date established by the Trustee pursuant to Section 2.01 as a record date for the payment of defaulted interest on the Authority Bonds.

"State" shall mean the State of California.

"Supplemental Trust Agreement" shall mean any trust agreement supplemental to or amendatory of this Trust Agreement which is duly executed and delivered in accordance with the provisions of Article XI.

"Tax Certificate" shall mean each certificate for the Authority Bonds relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed by the Authority and the Community Facilities District on the Dated Date, as the same may be amended or supplemented in accordance with its terms.

"Taxable Property" shall mean all property within the Community Facilities District taxable under the Act in accordance with the proceedings for the authorization of the issuance of the Local Obligations and the levy and collection of the Special Tax.

"Treasurer" shall mean the Treasurer of the Authority.

"Trust Agreement" shall mean this Trust Agreement dated as of [Dated Date], by and among the Authority, the Community Facilities District and the Trustee pursuant to which the Authority Bonds are to be issued, as amended or supplemented from time to time in accordance with its terms.

"Trust Estate" shall have the meaning ascribed thereto in the granting clause hereof.

"Trustee" shall mean U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as Trustee hereunder, and any successor as Trustee hereunder.

"Written Order" shall mean, when used with reference to the Authority, a written order or written direction of the Authority to the Trustee signed by an Authorized Officer, and when used with reference to the Community Facilities District, an instrument in writing signed by the City Manager or the Finance Director, or by any other officer of the City duly authorized by the City Council, as legislative body of the Community Facilities District, for that purpose.

SECTION 1.02. Rules of Construction. Except where the context otherwise requires, all words imparting the singular number shall include the plural number and vice versa, and all pronouns inferring the masculine gender shall include the feminine gender and vice versa. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause thereof.

ARTICLE II

TERMS OF AUTHORITY BONDS

SECTION 2.01. The Authority Bonds. The Authority Bonds shall be issued under and secured by this Trust Agreement and shall be in the form of fully registered bonds in denominations of five thousand dollars ($5,000) or any integral multiple of five thousand dollars ($5,000) in excess thereof designated the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024" and shall be in the aggregate principal amount of [par in words] dollars ($[PAR]). The Authority Bonds shall be dated the Dated Date and shall bear interest at the rates specified in the table below, such interest being payable semiannually on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Principal Payment Date (September 1)	Principal Amount	Interest Rate

Principal Payment Date (September 1)	Principal Amount	Interest Rate

* Term Bonds

The interest on and principal of and redemption premiums, if any, on the Authority Bonds shall be payable in lawful money of the United States of America. The Authority Bonds shall be issued as fully registered bonds and shall be numbered from one (1) upward. The Authority Bonds shall bear interest from the Dated Date. Payment of the interest on any Authority Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date, such interest to be paid by check mailed by first class mail on each Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars ($1,000,000) or more in aggregate principal amount of Authority Bonds, upon written request of such Owner to the Trustee received not later than such Record Date, such interest shall be paid on such Interest Payment Date in immediately available funds by wire transfer to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America. The principal of and redemption premiums, if any, on the Authority Bonds shall be payable by the Trustee at its Corporate Trust Office upon presentation and surrender of such Authority Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve (12) 30-day calendar months; provided, that notwithstanding any other provision herein contained, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Authority Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to the Owner not less than ten (10) Business Days prior to such Special Record Date.

SECTION 2.02. Form of Authority Bonds. The Authority Bonds and the forms of the certificate of authentication, the assignment and the DTC endorsement to appear thereon shall be substantially as set forth in Exhibit A hereto, with such variations, insertions or omissions as are appropriate and not inconsistent herewith.

SECTION 2.03. Authority Bonds Mutilated, Destroyed, Stolen or Lost. In the event any Authority Bond is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request in writing, the Trustee shall authenticate and deliver a substitute Authority Bond of the same principal amount and maturity as the mutilated, lost, stolen or destroyed Authority Bond in exchange and substitution for such mutilated Authority Bond, or in lieu of and substitution for such lost, stolen or destroyed Authority Bond.

Application for exchange and substitution of mutilated, lost, stolen or destroyed Authority Bonds shall be made to the Trustee at its Corporate Trust Office. In every case the applicant for a substitute Authority Bond shall furnish to the Trustee indemnification to its satisfaction, and in every case of loss, theft or destruction of an Authority Bond, the applicant shall also furnish to the Authority and the Trustee evidence to their satisfaction of such loss, theft or destruction and of the identity of the applicant, and in every case of mutilation of an Authority Bond, the applicant shall surrender the mutilated Authority Bond to the Trustee.

Notwithstanding the foregoing provisions of this Section, in the event any such Authority Bond shall have matured, and no default has occurred which is then continuing in the payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds, the Trustee shall, upon written direction from the Authority, pay the same (without surrender thereof except in the case of a mutilated Authority Bond) instead of issuing a substitute Authority Bond so long as indemnification is furnished as above provided.

Upon the issuance of any substitute Authority Bond, the Trustee may charge the Owner of such Authority Bond for its reasonable fees and expenses in connection therewith. Every substitute Authority Bond issued pursuant to the provisions of this Section by virtue of the fact that any Authority Bond is lost, stolen or destroyed shall constitute an original additional contractual obligation of the Authority, whether or not the lost, stolen or destroyed Authority Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionally with any and all other Authority Bonds duly issued hereunder to the same extent as the Authority Bonds in substitution for which such substitute Authority Bonds were issued.

SECTION 2.04. Execution of Authority Bonds. All Authority Bonds shall, from time to time, be executed on behalf of the Authority by the manual or facsimile signature of the Treasurer and attested by the manual or facsimile signature of the Secretary.

If any of the officers who shall have signed any Authority Bond shall cease to be such officer of the Authority before the Authority Bond so signed shall have been actually authenticated by the Trustee or delivered, such Authority Bond nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed such Authority Bond had not ceased to be such officer of the Authority, and any such Authority Bond may be signed on behalf of the Authority by those persons who, at the actual date of the

execution of such Authority Bond, shall be the proper officers of the Authority, although on the date of such Authority Bond any such person shall not have been such officer of the Authority.

SECTION 2.05. Transfer and Registration of Authority Bonds. The Authority Bonds shall be transferred or exchanged and title thereto shall pass only in the manner provided herein, and the Trustee shall keep books constituting the Bond Register for the registration and transfer of the Authority Bonds as provided herein. All Authority Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his or her attorney duly authorized in writing, and all such Authority Bonds shall be surrendered to the Trustee and canceled by the Trustee pursuant to Section 2.08. The Authority and the Trustee shall be entitled to conclusively treat the Owner as the absolute owner of such Authority Bond for the purpose of receiving any payment of the interest on or principal of or redemption premium, if any, on such Authority Bond and for all other purposes hereof, whether such Authority Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Authority Bond to the extent of the sum or sums so paid.

SECTION 2.06. Regulations with Respect to Exchange or Transfer of Authority Bonds.

In all cases in which the privilege of exchanging or registering the transfer of Authority Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Authority Bonds in accordance with the provisions hereof. There shall be no charge to the Owner for any such exchange or registration of transfer of Authority Bonds, but the Authority may require the payment of a sum sufficient to pay any tax or other governmental charge required to be paid with respect to any such exchange or registration of transfer. Neither the Authority nor the Trustee shall be required to register the transfer or exchange of any Authority Bond during the period established by the Trustee for selection of Authority Bonds for redemption or to register the transfer or exchange of any Authority Bond selected for redemption.

Upon surrender for exchange or transfer of any Authority Bond at the Corporate Trust Office of the Trustee, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the Owner (in the case of transfers) a new Authority Bond or Authority Bonds, of Authorized Denominations, in the aggregate principal amount which the registered Owner is entitled to receive.

All new Authority Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Authority Bonds surrendered, shall be secured hereby and shall be entitled to all of the security and benefits hereof to the same extent as the Authority Bonds surrendered.

SECTION 2.07. Authentication of Authority Bonds. No Authority Bond shall be secured hereby or entitled to the benefits hereof or shall be valid or obligatory for any purpose unless there shall be endorsed on such Authority Bond the Trustee's certificate of authentication, substantially in the form prescribed herein, executed by the manual signature of a duly authorized signatory of the Trustee; and such certificate on any Authority Bond issued by the Authority

hereunder shall be conclusive evidence and the only competent evidence that such Authority Bond has been duly authenticated and delivered hereunder.

SECTION 2.08. Cancellation of Authority Bonds. Upon the surrender to the Trustee of any mutilated Authority Bond, or any Authority Bond surrendered for transfer or exchange, or any Authority Bond redeemed or paid at maturity, the same shall forthwith be canceled and the Trustee shall destroy such Authority Bonds and the Trustee shall deliver a certificate of destruction with respect thereto to the Authority.

SECTION 2.09. Authority Bonds as Special Obligations. The Authority Bonds are special, limited obligations of the Authority, payable from the Trust Estate and secured as to the payment of the interest on and principal of and redemption premiums, if any, thereon in accordance with their terms and the terms hereof, solely by the Trust Estate. The Authority Bonds do not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay the interest on or principal of or redemption premiums, if any, on the Authority Bonds except from the Trust Estate. None of the Community Facilities District, the City, the State, any public agency (other than the Authority) or any member of the Community Facilities District or the Authority is obligated to pay the interest on or principal of or redemption premiums, if any, on the Authority Bonds, and neither the faith and credit nor the taxing power of the Community Facilities District, the City, the State or any public agency thereof or any member of the Authority or the Community Facilities District is pledged to the payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds. The payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds does not constitute a debt, liability or obligation of the Community Facilities District, the City, the State or any public agency (other than the Authority) or any member of the Authority.

No agreement or covenant contained in any Authority Bond or herein shall be deemed to be an agreement or covenant of any officer, member, agent or employee of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer or employee thereof executing the Authority Bonds shall be liable personally on any Authority Bond or be subject to any personal liability or accountability by reason of the issuance of the Authority Bonds.

SECTION 2.10. Special Covenants as to Book-Entry Only System for Authority Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section, all of the Authority Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Letter of Representation. Payment of the interest on any Authority Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Authority Bonds to the account, in the manner and at the address indicated in or pursuant to the Letter of Representation.

(b) The Authority Bonds initially shall be issued in the form of a single authenticated fully registered Authority Bond for each stated maturity of such Authority Bonds, representing the aggregate principal amount of the Authority Bonds of such maturity. Upon initial issuance, the

ownership of all such Authority Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.05 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Letter of Representation. The Trustee and any paying agent may conclusively treat DTC (or its nominee) as the sole and exclusive owner of the Authority Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Authority Bonds, selecting the Authority Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Authority Bonds, obtaining any consent or other action to be taken by Owners of the Authority Bonds and for all other purposes whatsoever; and neither the Authority nor the Trustee or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Authority Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Authority Bonds, (iii) any notice which is permitted or required to be given to Owners of Authority Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Authority Bonds, or (v) any consent given or other action taken by DTC as Owner of Authority Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Authority Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Letter of Representation, and all such payments shall be valid and effective to satisfy fully and discharge the Trustee's obligations with respect to the principal of and premium, if any, and interest on the Authority Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Authority Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section.

(c) In the event that the Authority determines that the beneficial owners of the Authority Bonds shall be able to obtain Authority Bond certificates, the Trustee shall, upon the written instruction from the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of Authority Bond certificates. In such event, the Authority Bonds will be transferable in accordance with subsection (e) of this Section. DTC may determine to discontinue providing its services with respect to the Authority Bonds at any time by giving written notice of such discontinuance to the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Authority Bonds will be transferable in accordance with subsection (e) of this Section. Whenever DTC requests the Trustee to do so, the Trustee will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Authority Bonds then Outstanding. In such event, the Authority Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Authority Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Authority Bond and all notices with respect to each such Authority Bond shall be made and given, respectively, to DTC as provided in the Letter of Representation.

(e) In the event that any transfer or exchange of Authority Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Authority Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.05 and 2.06. In the event Authority Bond certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Authority Bonds, another securities depository as Owner of all the Authority Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.05 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Authority Bonds and the method of payment of principal of, premium, if any, and interest on the Authority Bonds.

SECTION 2.11. CUSIP Numbers. The Authority in issuing the Authority Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Owners; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Authority Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Authority Bonds or as contained in any notice of redemption and that reliance may be placed only on the other identification numbers printed on the securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Authority shall promptly notify the Trustee in writing of any change in CUSIP numbers.

ARTICLE III

ISSUANCE OF AUTHORITY BONDS

SECTION 3.01. Provisions for the Issuance of Authority Bonds. The Authority Bonds shall be executed by the Authority and delivered to the Trustee for authentication, together with a Written Order authorizing and directing the Trustee to authenticate the Authority Bonds and containing instructions as to the delivery of the Authority Bonds. The Trustee shall authenticate and deliver the Authority Bonds upon receipt of such Written Order and upon the following having been made available to it:

(a) A copy of the resolution adopted by the Authority approving this Trust Agreement and the execution and delivery by the Authority hereof, duly certified by the Secretary to have been duly adopted by the Authority and to be in full force and effect on the date of such certification;

(b) The proceeds of sale of the Authority Bonds;

(c) An Officer's Certificate stating that all conditions precedent to the authorization of the Authority Bonds have been satisfied and that the Authority is not in default in the performance of any of the agreements, conditions, covenants or terms contained herein;

(d) An original executed counterpart hereof;

(e) The Local Obligations to be purchased with the proceeds of the Authority Bonds, registered in the name of the Trustee; and

(f) An Opinion or Opinions of Bond Counsel addressing the validity and, if applicable, the tax-exempt status of the Authority Bonds and the validity of the Local Obligations, subject to such exceptions as may be reasonable and appropriate.

SECTION 3.02. Parity and Subordinate Bonds. So long as any of the Authority Bonds remain Outstanding, the Authority shall not issue any bonds or obligations payable from Revenues.

ARTICLE IV

REDEMPTION OF AUTHORITY BONDS

SECTION 4.01. General Redemption Provisions. The Authority Bonds that are subject to redemption prior to maturity pursuant to this Trust Agreement shall be redeemable, upon mailed notice as provided in this Article, at such times and upon such terms as are contained in this Article.

SECTION 4.02. Optional Redemption. The Authority Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20__, from any source of available funds other than Special Tax Prepayments, upon mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after September 1, 20__, through August 31, 20__;

102% if redeemed on any date from September 1, 20__, through August 31, 20__;

101% if redeemed on any date from September 1, 20__, through August 31, 20__; and

100% if redeemed on September 1, 20__, and any date thereafter.

SECTION 4.03. Extraordinary Redemption. The Authority Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after March 1, 2025, solely from funds derived from extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following

redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

[103% if redeemed on any Interest Payment Date on or after March 1, 2025, through _____;

102% if redeemed on an Interest Payment Date on _____, and _____;

101% if redeemed on an Interest Payment Date on _____, and _____; and

100% if redeemed on _____, and any Interest Payment Date thereafter.]

SECTION 4.04. Mandatory Sinking Fund Redemption. The Authority Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ (Maturity)	

The Authority Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ (Maturity)	

If the Authority Bonds subject to mandatory redemption pursuant to this Section 4.05 are redeemed in part prior to their stated maturity date pursuant to Section 4.02 or 4.03, the mandatory sinking fund redemption payments for such Authority Bonds shall be reduced proportionately by the principal amount of such Authority Bonds so redeemed.

SECTION 4.05. Redemption Instructions. Upon any prepayment of a Local Obligation, the Authority shall deliver to the Trustee at least forty-five (45) days prior to the redemption date a Written Order of the Authority designating the amounts and maturities of the Authority Bonds to be redeemed, which shall be in the manner necessary to enable the Authority to deliver a Cash Flow Certificate satisfying the requirements described below. In the event only a portion of the Outstanding Authority Bonds of any maturity are to be redeemed at any one time, the Trustee shall select the particular Authority Bonds of each maturity date to be redeemed in accordance with DTC procedures (which, at the time of the issuance of the Authority Bonds, would be a redemption by lot) or, if the Authority Bonds are not then in book-entry, in a manner that it deems appropriate and fair. The Trustee shall redeem Authority Bonds in Authorized Denominations. The Trustee shall promptly notify the Authority in writing of the numbers of the Authority Bonds so selected for redemption on any date. Upon any redemption of a portion but not all of the Outstanding Authority Bonds, the Authority shall deliver to the Trustee a Cash Flow Certificate to the effect that, assuming all payments are made with respect to the Local Obligations, (i) the Revenues, together with moneys on deposit in other funds and accounts held under this Trust Agreement, will be sufficient to pay all Principal Installments and interest payments on the Authority Bonds when due; and (ii) the redemption premiums, if any, on the Local Obligations, together with other Revenues available to the Trustee for such purpose, are sufficient to offset any difference between the interest to accrue on the Authority Bonds to be paid or redeemed with the proceeds of prepayment of such Local Obligations (plus any redemption premium payable upon redemption of such Authority Bonds) and the income to be earned on any investment of such proceeds (assured as of the date of payment thereof), in each case until the date of payment or redemption of Authority Bonds, such that in no event will the prepayment of Local Obligations cause the Trustee to have insufficient funds to pay debt service on the Authority Bonds when due. In no event shall Authority Bonds be redeemed if upon such redemption the principal amount of the Local Obligations remaining outstanding will be less than the total principal amount of Outstanding Authority Bonds. Such Written Order of the Authority may specify that optional redemption of the Authority Bonds will be conditioned upon receipt of funds or other events.

SECTION 4.06. Notice of Redemption. Subject to receipt of the Written Order of the Authority delivered pursuant to Section 4.05, the Trustee shall, at the sole cost and expense of the Authority, give notice of redemption as hereinafter provided in this Section; provided, that Authority Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Authority Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Authority Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof to the Trustee at its Corporate Trust Office, subject to any conditions to such redemption specified in the Written Order of the Authority, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Authority Bonds (or portions thereof) so to be redeemed will cease to accrue on and after such date and that from and after such date such Authority Bond (or such portion thereof) shall no longer

be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such redeemed Authority Bond or such portion except to receive payment from such money of such redemption price plus accrued interest to the date fixed for redemption. If sufficient monies for the payment of the redemption price of all Authority Bonds to be redeemed are not then on deposit with the Trustee, such notice shall also state that redemption is conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Such notice shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the Owners of such Authority Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register; provided, that neither the failure of an Owner to receive notice of redemption of Authority Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Authority Bonds.

Any notice of optional redemption hereunder may be rescinded by written notice given by the Authority to the Trustee no later than three (3) Business Days prior to the date specified for redemption, instructing the Trustee to send such notice of rescission. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given pursuant to this Section.

SECTION 4.07. Payment of Redeemed Authority Bonds. If notice of redemption has been given and not rescinded and if the conditions to such redemption specified therein, if any, have been satisfied, each as provided in Section 4.06, the Authority Bonds (or the portions thereof) called for redemption shall become irrevocably due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Authority Bonds to be redeemed at the Corporate Trust Office of the Trustee specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of an Authority Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Authority Bond, and without charge to the Owner thereof, Authority Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Authority Bonds so surrendered in such Authorized Denominations as shall be specified by the Owner thereof.

If any Authority Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Authority, then interest on such Authority Bond or such portion thereof shall cease to accrue from such date, and from and after such date such Authority Bond or such portion thereof shall no longer be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such Authority Bond or such portion except to receive payment of such redemption price and unpaid interest accrued to the date fixed for redemption.

SECTION 4.08. Purchase in Lieu of Redemption. In lieu of redemption of any Authority Bond pursuant to the provisions of Section 4.02 or Section 4.03, and after complying with Section 4.05, amounts on deposit in the Proceeds Fund, the Principal Fund or in the Redemption Fund may be used and withdrawn by the Trustee at any time prior to a notice of redemption having been delivered, upon a Written Order for the purchase of such Authority Bonds

at public or private sale as and when and at such prices as the Authority may in its discretion determine, but not in excess of the lower of the highest or then current redemption price thereof plus accrued interest to the purchase date; and all Authority Bonds so purchased shall be delivered to the Trustee for cancellation.

ARTICLE V

REVENUES AND FUNDS FOR AUTHORITY BONDS

SECTION 5.01. Establishment of Funds. There is hereby established with the Trustee, and the Trustee hereby agrees to maintain, the following special trust funds for the Authority Bonds, which the Trustee shall keep separate and apart from all other funds and moneys held by it: the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Proceeds Fund, the Local Obligations Fund and the Rebate Fund.

SECTION 5.02. Deposit of Proceeds of Authority Bonds. The net proceeds received from the sale of the Authority Bonds (in the amount of $_____, consisting of the principal amount thereof, [plus/less] the [net] original issue [premium/discount] of $_____ and less an underwriter's discount of $_____) shall be deposited by the Trustee in the Proceeds Fund.

SECTION 5.03. Proceeds Fund. The amounts in the Proceeds Fund shall be applied forthwith by the Trustee for the purchase of the Local Obligations pursuant to the Local Obligation Purchase Contract in accordance with a Written Order of the Authority whereupon the Proceeds Fund shall be closed. If any amount shall remain in the Proceeds Fund following such purchase, such amount shall be transferred to the Revenue Fund.

SECTION 5.04. Local Obligations Fund. All Local Obligations acquired by the Trustee pursuant to Section 5.03 shall be deposited in the Local Obligations Fund, which the Trustee shall establish and maintain.

SECTION 5.05. Revenue Fund. All Revenues received by the Trustee, other than Revenues derived from the early redemption of Local Obligations from Special Tax Prepayments (which shall be administered in accordance with Section 5.06), shall be deposited by the Trustee in the Revenue Fund. On each Interest Payment Date and Principal Payment Date, the Trustee shall transfer Revenues (to the extent that Revenues are available therein) from the Revenue Fund, in the amounts specified in Sections 5.07 and 5.08, for deposit into the respective Funds specified therein in the order of priority herein set forth, the requirements of each Fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any Fund later in priority. On each Interest Payment Date and Principal Payment Date, after making the deposits required by Sections 5.07 and 5.08, the Trustee shall transfer all remaining money in the Revenue Fund to the Indenture Trustee for deposit pursuant to the Local Obligations Indenture.

SECTION 5.06. Revenues Derived from Special Tax Prepayments. The Community Facilities District and the Authority acknowledge that amounts received by the Community Facilities District on account of Special Tax Prepayments are to be utilized for the sole purpose of the prior redemption of Local Obligations pursuant to Section 4.03, and not to pay current, scheduled debt service payments on the Local Obligations. Correspondingly, in order to maintain

a proper ratio between debt service payments on the Local Obligations and debt service payments on the Authority Bonds, all Revenues received by the Trustee which are derived from the early redemption of Local Obligations from Special Tax Prepayments when received by the Community Facilities District shall be deposited in the Redemption Fund and used to redeem the Authority Bonds pursuant to Section 4.03, in accordance with a Written Order of the Authority delivered pursuant to Section 4.05.

SECTION 5.07. Interest Fund. The Trustee shall deposit in the Interest Fund on each Interest Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Interest Fund, is equal to the interest due on the Authority Bonds due on such date. On each Interest Payment Date, the Trustee shall pay the interest due and payable on the Authority Bonds on such date from the Interest Fund.

SECTION 5.08. Principal Fund. After satisfying the requirements of the foregoing Section 5.07 respecting deposits in the Interest Fund, the Trustee shall deposit in the Principal Fund on each Principal Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Principal Fund (other than amounts previously deposited on account of any Authority Bonds which have matured but which have not been presented for payment) is sufficient to pay the Principal Installments on the Authority Bonds due on such Principal Payment Date. On each Principal Payment Date, the Trustee shall pay the principal or redemption price due and payable on the Authority Bonds on such date from the Principal Fund.

SECTION 5.09. Redemption Fund. All money held in or transferred to the Redemption Fund pursuant to Section 5.06 shall be used for the purpose of redeeming or purchasing all or a portion of the Outstanding Authority Bonds pursuant to Section 4.03, and the Trustee shall use other moneys in the Redemption Fund for the payment of the redemption price of Authority Bonds called for redemption pursuant to Section 4.02, together with accrued interest to the redemption date.

SECTION 5.10. Rebate Fund. The Trustee agrees to establish and maintain when needed a fund separate from any other fund established and maintained hereunder designated the Rebate Fund. The Trustee shall deposit in the Rebate Fund, from funds made available by the Authority, the Rebate Requirement, all in accordance with the Rebate Instructions received from the Authority. The Trustee will apply money held in the Rebate Fund as provided in Section 7.04 and according to instructions provided by the Authority. Subject to the provisions of Section 7.04, all money held in the Rebate Fund is hereby pledged to secure payments to the United States of America, and the Authority and the Community Facilities District and the Owners will have no rights in or claim to such money. The Trustee will invest all money held in the Rebate Fund in Investment Securities as directed in writing by the Authority, such written direction to specify which Investment Securities are to be invested in, and all investment earnings with respect thereto shall be deposited in the Rebate Fund.

Upon receipt of the Rebate Instructions required by the Tax Certificate to be delivered to the Trustee, the Trustee will remit part or all of the balance held in the Rebate Fund to the United States of America as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such Funds

as the Rebate Instructions shall direct. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee, and shall have no liability or responsibility to monitor or enforce compliance by the Authority with the terms of the Tax Certificate.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from money held in the Rebate Fund or from other money provided to it by the Authority. The Trustee shall not be responsible for computing the Rebate Requirement, and computations of the Rebate Requirement shall be furnished to the Trustee or on behalf of the Authority in accordance with the Tax Certificate.

Notwithstanding any other provision hereof, including in particular Article XII pertaining to defeasance, the obligation to remit the rebate amounts to the United States of America and to comply with all other requirements of this Section and the Tax Certificate shall survive the defeasance or payment in full of the Authority Bonds.

ARTICLE VI

SECURITY FOR AND INVESTMENT OF MONEY

SECTION 6.01. Security. All money required to be deposited with or paid to the Trustee in any of the Funds (other than the Rebate Fund) referred to in any provision hereof shall be held by the Trustee in trust, and except for money held for the payment or redemption of Authority Bonds or the payment of interest on Authority Bonds pursuant to Section 12.03, shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the lien and pledge created hereby.

SECTION 6.02. Investment of Money. So long as the Authority Bonds are Outstanding and there is no default hereunder, all money on deposit to the credit of the Revenue Fund, the Interest Fund, the Principal Fund and the Redemption Fund and all accounts within such Funds shall, at the written request of an Authorized Officer of the Authority specifying and directing that such investment of such money be made, be invested by the Trustee in Investment Securities having maturities not later than the date necessary to provide the availability of money when needed for purposes hereof, and all money held in the Rebate Fund shall, at the written request of an Authorized Officer specifying and directing that such investment of such money be made, be invested by the Trustee in Government Obligations having maturities not later than the date necessary to provide the availability of money when needed for purposes hereof, and the Trustee shall be entitled to conclusively rely on such instructions for purposes of this Section. The Trustee shall notify the Authority in writing prior to the date money held hereunder will be available for investment, requesting that the Authority deliver to the Trustee written instructions specifying the Investment Securities to be acquired by the Trustee with such money. The Authority, in issuing such written instructions, shall comply with the provisions of the Tax Certificate. In the absence of written instructions from the Authority regarding investment, such money shall be held uninvested. The Trustee (or any affiliate thereof) may act as principal or agent in the acquisition or disposition of any investments.

Money on deposit in the Proceeds Fund, if any, shall be invested in Investment Securities pursuant to a Written Order specifying which Investment Securities to be invested in, and such money may not be reinvested in any other Investment Securities unless the Trustee receives, at the time of such reinvestment, a further written certification to the effect that, after such reinvestment, the Revenues will be sufficient to pay principal and interest on the Authority Bonds when due.

Notwithstanding anything to the contrary contained herein, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Fund from which such accrued interest was paid. The Trustee shall not be responsible for any losses, taxes, fees, charges or consequences of any investment, reinvestment or liquidation of investment if it follows such instructions. Notwithstanding anything to the contrary contained herein, the Trustee shall have no obligation or responsibility to determine whether investment in a security is permitted by the laws of the State and the City's Investment Policy, for and on behalf of the Community Facilities District, and shall be entitled to conclusively assume that any investment it is directed to make is so permitted.

The securities purchased with the money in each Fund shall be deemed a part of such Fund. If at any time it shall become necessary or appropriate that some or all of the securities purchased with the money in any Fund be redeemed or sold in order to raise money necessary to comply with the provisions hereof, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any consequences, fees, taxes or other charges resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as authorized pursuant to this Section.

Investments in the Revenue Fund, the Interest Fund, the Principal Fund and the Redemption Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular Funds amounts received or held by the Trustee; provided, that the Trustee shall at all times account for such investments strictly in accordance with the Funds to which they are credited and otherwise as provided herein.

All earnings on the investment of the money on deposit in any Fund shall remain a part of such Fund.

ARTICLE VII

COVENANTS OF THE AUTHORITY AND THE COMMUNITY FACILITIES DISTRICT

SECTION 7.01. Payment of Authority Bonds; No Encumbrances. The Authority shall cause the Trustee to promptly pay, from Revenues and other funds derived from the Trust Estate pledged hereunder, the interest on and principal of and redemption premium, if any, on every Authority Bond issued under and secured hereby at the place, on the dates and in the manner specified herein and in such Authority Bonds according to the true intent and meaning thereof.

The Authority shall not issue any bonds, notes or other evidences of indebtedness or incur any obligations payable from or secured by the Trust Estate, other than the Authority Bonds.

SECTION 7.02. Enforcement and Amendment of Local Obligations. The Authority, the Community Facilities District and the Trustee (subject to Article IX hereof) shall enforce all of their rights with respect to the Local Obligations to the fullest extent necessary to preserve the rights and protect the security of the Owners hereunder.

The Authority, the Community Facilities District and the Trustee may, without the consent of or notice to the Owners of the Authority Bonds, consent to any amendment, change or modification of any Local Obligation that may be required (a) to conform to the provisions hereof (including any modifications or changes contained in any Supplemental Trust Agreement), (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) to add additional rights acquired in accordance with the provisions of such Local Obligation, (d) in connection with any other change therein that is not to the material prejudice of the Owners of the Authority Bonds, or (e) in the Opinion of Bond Counsel, to preserve or assure the exemption of interest on the Local Obligations or Authority Bonds from federal income taxes or the exemption of such interest from State personal income taxes.

Except for the amendments, changes or modifications provided for in the preceding paragraph, neither the Authority, the Community Facilities District nor the Trustee shall consent to any amendment, change or modification of any Local Obligation without the written approval or consent of the Owners of not less than a majority in aggregate principal amount of Authority Bonds at the time Outstanding given and procured as provided in this Section. If at any time the Authority and the Community Facilities District, as the case may be, shall request the consent of the Trustee to any such proposed amendment, change or modification of a Local Obligation, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice, prepared by the Authority, of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 13.03. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Owners.

SECTION 7.03. Further Documents. The Authority covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose hereof; provided, that no such instruments or actions shall pledge the faith and credit or the taxing power of the State or any political subdivision of the State.

SECTION 7.04. Tax Covenants for the Authority Bonds.

(a) The Authority and the Community Facilities District will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Authority Bonds under Section 103 of the Code. The Authority and the Community Facilities District will not directly or indirectly use or permit the use of any proceeds of the Authority Bonds or any other funds of the Authority or take or omit to take any action that would cause the Authority Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code or obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code. The Authority will not allow ten percent (10%) or more

of the proceeds of the Authority Bonds to be used in the trade or business of any nongovernmental units and will not lend five percent (5%) or more of the proceeds of the Authority Bonds to any nongovernmental units.

(b) The Authority and the Community Facilities District will not directly or indirectly use or permit the use of any proceeds of the Authority Bonds or any other funds of the Authority or take or omit to take any action that would cause the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Authority and the Community Facilities District will comply with all requirements of Section 148 of the Code to the extent applicable to the Authority Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any money held by the Trustee hereunder, the Authority will so instruct the Trustee in writing, and the Trustee will take such actions as directed by such instructions.

(c) The Authority will pay or cause to be paid the Rebate Requirement as provided in the Tax Certificate. This covenant shall survive payment in full or defeasance of the Authority Bonds. The Authority will cause the Rebate Requirement to be deposited in the Rebate Fund as provided in the Tax Certificate (which is incorporated herein by reference).

(d) The Trustee will conclusively be deemed to have complied with the provisions of this Section and the provisions of the Tax Certificate and shall incur no liability if it follows the directions of the Authority set forth in the Tax Certificate and the Rebate Instructions and shall not be required to take any actions hereunder in the absence of Rebate Instructions from the Authority.

(e) Notwithstanding any provision of this Section, if the Authority shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest with respect to the Authority Bonds, the Trustee and the Authority and the Community Facilities District may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

(f) The provisions of this Section shall survive the defeasance of the Authority Bonds.

SECTION 7.05. Maintenance of Existence. The Authority shall maintain the existence, powers and authority of the Authority as a joint exercise of powers authority under the laws of the State.

SECTION 7.06. Continuing Disclosure. The Community Facilities District has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Owners of the Authority Bonds or any other person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision hereof, failure of the Community Facilities District to comply with any continuing disclosure obligation shall not be considered an Event of Default; provided, that any Owners of the Authority Bonds or beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District to comply with its continuing disclosure obligations.

SECTION 7.07. Redemption Fund for the Local Obligations.

(a) The Community Facilities District expressly acknowledges that, pursuant to the Local Obligations Indenture, the Community Facilities District is to establish and maintain a separate redemption fund for the Local Obligations (the "Local Obligations Redemption Fund") and, so long as the Local Obligations remain outstanding, to deposit into such Local Obligations Redemption Fund, upon receipt, any and all Special Tax Revenues received by the Community Facilities District in connection with the Local Obligations. The Community Facilities District further acknowledges that no temporary loan or other use whatsoever may be made of Special Tax Revenues, and that the Local Obligations Redemption Fund constitutes a trust fund for the benefit of the owners of the Local Obligations.

(b) The Community Facilities District hereby covenants for the benefit of the Authority, as owner of the Local Obligations, the Trustee, as assignee of the Authority with respect to the Revenues, and the Owners from time to time of the Authority Bonds, that it will establish, maintain and administer the Local Obligations Redemption Fund and the Special Tax Revenues in accordance with their status as trust funds as prescribed by the Act, the Local Obligations Indenture and this Trust Agreement.

(c) The Community Facilities District further covenants that, no later than one (1) Business Day prior to each Interest Payment Date and Principal Payment Date of the Authority Bonds, the Community Facilities District will advance to the Trustee against payment on the Local Obligations, as assignee of the Authority with respect to the Local Obligations, the interest due on the Local Obligations on such Interest Payment Date and the principal of all Local Obligations maturing on such Principal Payment Date, respectively, and upon receipt by the Trustee, such amounts shall constitute Revenues. For so long as Authority Bonds remain Outstanding, the Trustee shall provide written notice to the Authority no later than fifteen (15) days prior to each Interest Payment Date specifying the amount required to be paid to the Trustee pursuant to this subsection in the month subsequent thereto.

SECTION 7.08. Concerning the Trust Estate. The Authority hereby represents and warrants as follows:

(a) This Trust Agreement creates a valid and binding pledge of and security interest in the Trust Estate in favor of the Trustee in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Authority Bonds Outstanding hereunder, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of California, (1) such pledge of and security interest in the Trust Estate and (2) each pledge, assignment, lien, or other security interest made to secure any prior obligations of the Authority which, by the terms hereof, ranks on parity with or prior to the pledge of and security interest granted hereby, are and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract.

(c) The Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Trust Estate that ranks on parity with or prior to the pledge and security interest granted hereby, except for the pledge and security interest granted

to secure the Authority Bonds. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in such collateral that ranks prior to or on parity with the pledge and security interest granted hereby, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby.

ARTICLE VIII

DEFAULTS AND REMEDIES

SECTION 8.01. Events of Default. The following shall constitute "Events of Default" hereunder:

(a) if payment of interest on the Authority Bonds shall not be made when due; or

(b) if payment of any Principal Installment shall not be made when due and payable, whether at maturity, by proceedings for redemption, or otherwise; or

(c) if the Authority or the Community Facilities District shall fail to observe or perform in any material way any other agreement, condition, covenant or term contained herein on its part to be observed or performed, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Authority or the Community Facilities District, as the case may be, by the Trustee or by the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds, provided, that if such default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Community Facilities District within the applicable period and diligently pursued until the default is corrected; or

(d) if there is an event of default under the Local Obligations Indenture.

SECTION 8.02. Proceedings by Trustee; No Acceleration. Upon the happening and continuance of any Event of Default the Trustee may, or at the written request of the Owners of not less than fifty percent (50%) in aggregate principal amount of Authority Bonds Outstanding, shall (but only if indemnified to its satisfaction from any liability, expense or cost), do the following:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to receive and collect the Revenues;

(b) bring suit upon or otherwise enforce any defaulting Local Obligation;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners;

(d) as a matter of right, have a receiver or receivers appointed for the Trust Estate and of the earnings, income, issues, products, profits and revenues thereof pending such proceedings, with such powers as the court making such appointment shall confer; and

(e) take such action with respect to any and all Local Obligations or Investment Securities as shall be necessary and appropriate, subject to Section 8.04 and to the terms of such Local Obligations or Investment Securities.

The Trustee shall have no right to declare the principal of all of the Authority Bonds then Outstanding, or the interest accrued thereon, to be due and payable immediately.

SECTION 8.03. Effect of Discontinuance or Abandonment. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SECTION 8.04. Rights of Owners. Anything herein to the contrary notwithstanding, but subject to the limitations and restrictions as to the rights of the Owner contained in Sections 8.01, 8.02, and 8.05, upon the happening and continuance of any Event of Default, the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds then Outstanding shall have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder.

The Trustee may refuse to follow any direction that conflicts with law or herewith or that the Trustee determines would subject the Trustee to personal liability without adequate indemnification therefor.

SECTION 8.05. Restriction on Owner's Action. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust hereunder, or any other remedy hereunder or in the Authority Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted herein, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case to be conditions precedent to the execution of the trusts hereof or for any other remedy hereunder, it being understood and intended that no one or more Owners of Authority Bonds secured hereby shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security hereof, or to enforce any rights hereunder or under the Authority Bonds, except in the manner provided herein, and that all proceedings at law or in equity shall be instituted, had and

maintained in the manner provided herein, and for the equal benefit of all Owners of Outstanding Authority Bonds; subject, however, to the provisions of this Section. Notwithstanding the foregoing provisions of this Section or any other provision hereof, the obligation of the Authority shall be absolute and unconditional to pay, but solely from the Trust Estate, the interest on and principal of and redemption premiums, if any, on the Authority Bonds to the respective Owners thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

SECTION 8.06. Power of Trustee to Enforce. All rights of action hereunder or under any of the Authority Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Authority Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceedings instituted by the Trustee shall be brought in its own name, as Trustee, for the equal and ratable benefit of the Owners subject to the provisions hereof.

SECTION 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 8.08. Waiver of Events of Default; Effect of Waiver. Upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Authority Bonds, the Trustee shall waive any Event of Default hereunder and its consequences. If any Event of Default shall have been waived as herein provided, the Trustee shall promptly give written notice of such waiver to the Authority and the Community Facilities District and shall give notice thereof by first class mail, postage prepaid, to all Owners of Outstanding Authority Bonds if such Owners had not previously been given notice of such Event of Default; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default, or impair any right or remedy consequent thereon.

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given by this Article to the Trustee and to the Owners may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.09. Application of Money upon Event of Default. Any money received by the Trustee pursuant to this Article shall, after payment of all fees and expenses of the Trustee, and the fees and expenses of its counsel incurred in representing the Owners, be applied as follows:

(a) unless the principal of all of the Outstanding Authority Bonds shall be due and payable,

FIRST - To the payment of the Owners entitled thereto of all installments of interest then due on the Authority Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the

amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment of the Owners entitled thereto of the unpaid principal of and redemption premiums, if any, on any of the Authority Bonds which shall have become due (other than Authority Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions hereof) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of and redemption premiums, if any, on such Authority Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Owners entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the Owners entitled thereto as the same shall become due of the interest on and principal of and redemption premiums, if any, on the Authority Bonds which may thereafter become due, either at maturity or upon call for redemption prior to maturity, and if the amount available shall not be sufficient to pay in full such interest and principal and redemption premiums, if any, due on any particular date, payment shall be made in accordance with the FIRST and SECOND paragraphs hereof.

(b) if the principal of all of the Outstanding Authority Bonds shall be due and payable, to the payment of the interest on and principal of and redemption premiums, if any, due on all Outstanding Authority Bonds without preference or priority of or of any interest on any Outstanding Authority Bond over any other Outstanding Authority Bond, any principal of or the redemption premium, if any, on any Outstanding Authority Bond or of any other Outstanding Authority Bond, ratably, according to the amounts due respectively for interest and principal and redemption premiums, if any, to the Owners entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Authority Bonds.

ARTICLE IX

THE TRUSTEE

SECTION 9.01. Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Authority agrees and the respective Owners of the Authority Bonds, by purchase and acceptance thereof, agree.

SECTION 9.02. Duties, Immunities and Liability of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth herein, and no implied duties or obligations shall be read herein against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it hereby and use the same degree of care and skill in their exercise as a prudent person would exercise under the circumstances in the conduct of his or her own affairs.

In the absence of an Event of Default, the Authority may remove the Trustee. The Authority shall remove the Trustee if (A) it receives an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Authority Bonds then Outstanding (or their attorneys duly authorized in writing) or (B) at any time the Trustee shall cease to be eligible in accordance with this Section, or (C) the Trustee shall become incapable of acting, or (D) the Trustee shall commence a case under any bankruptcy, insolvency or similar law, or (E) a receiver of the Trustee or of its property shall be appointed, or (F) any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation. To effect any such removal, the Authority shall give written notice thereof to the Trustee, and thereupon the Authority (with the concurrence of the Community Facilities District) shall promptly appoint a successor Trustee by an instrument in writing.

The Trustee may, subject to the next following paragraph of this Section, resign by giving written notice of such resignation by mail, first class postage prepaid, to the Authority, the Community Facilities District and the Owners at the respective addresses listed in the Bond Register. Upon receiving such notice of resignation, the Authority (with the concurrence of the Community Facilities District) shall promptly appoint, by an instrument in writing, a successor Trustee.

Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of the successor Trustee by the Authority and the Community Facilities District and acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition, at the expense of the Community Facilities District, any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the Authority and the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if it were originally named Trustee herein; but, nevertheless, at the written request of the Authority or the Community Facilities District or the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it hereunder and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority and the Community Facilities District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such money, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such successor Trustee to the trusts hereunder by

first class mail, postage prepaid, to the Owners at their respective addresses listed in the Bond Register.

Any successor Trustee appointed under the provisions of this Section shall be a trust company or bank having the powers of a trust company, having a designated corporate trust office in California, and with a combined capital and surplus of at least one hundred million dollars ($100,000,000) and being subject to supervision or examination by federal or state authority; and if such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection, the Trustee shall resign promptly in the manner and with the effect specified in this Section.

No provision herein shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder unless the Owners shall have offered to the Trustee indemnity it deems reasonable, against the costs, expenses and liabilities that may be incurred. The Trustee shall be entitled to interest on all money advanced by it hereunder at its prime rate then in effect plus two percent (2%), but not to exceed the maximum interest rate permitted by the laws of the State.

In accepting the trust hereby created, the Trustee is acting solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Authority Bonds.

The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Authority or the Community Facilities District of the funds hereunder including, without limitation, the purchase of the Local Obligations hereunder; provided, that the Trustee shall not acquire Local Obligations other than pursuant to the provisions of Sections 5.03 and 5.04.

In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be responsible for the validity or effectiveness or value of any collateral or security securing any Local Obligation. The Trustee shall not be responsible for the recording or filing of any document relating hereto or any Local Obligation or of financing statements (or amendments or continuation statements in connection therewith) or mortgage or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests or lien on or in any collateral or security securing any Local Obligation. The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity or sufficiency of any such document, collateral or security.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer of the Trustee shall have actual knowledge thereof at its Corporate Trust Office.

The Trustee shall not be accountable for the use or application by the Authority or the Community Facilities District or any other party of any funds which the Trustee has released hereunder.

The Trustee shall provide a monthly accounting of all funds held pursuant hereto to the Authority within fifteen (15) Business Days after the end of such month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within ninety (90) days after the end of such period. Such accounting shall show in reasonable detail all financial transactions during the accounting period and the balance in any accounts and funds (including the Local Obligations Fund) created hereunder as of the beginning and the close of such accounting period.

The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 9.03. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall succeed to the rights and obligations of the Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding; provided, that such company shall be eligible under Section 9.02.

SECTION 9.04. Compensation and Indemnification. The Authority shall pay or cause the Community Facilities District to pay the Trustee such compensation, as shall be agreed in writing, for its services rendered hereunder and reimburse the Trustee for reasonable expenses, disbursements and advances, including attorneys' fees and expenses, incurred by the Trustee in the performance of its obligations hereunder and with respect to the Local Obligations.

The Authority agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability, claim or expense incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed hereby, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims (whether asserted by the City or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder (including

this Section 9.04), (ii) the projects to be financed with the purchase of the Local Obligations; (iii) the sale of any Authority Bonds or the purchase of the Local Obligations and the carrying out of any of the transactions contemplated by the Authority Bonds or the Local Obligations; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Authority or the Community Facilities District in connection with the sale of the Authority Bonds or the Local Obligations. The Authority's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Authority Bonds, or the resignation or removal of the Trustee.

The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract of purchase for the sale of the Authority Bonds, that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale, deliver the Authority Bonds and other certificates expressly required to be delivered by it and its counsel.

The Trustee shall not be responsible for determining or investigating whether any Local Obligation purchased pursuant to Section 5.03 is a Local Obligation, as defined herein, and the Trustee may conclusively rely on the Authority's determination and direction in this regard; provided, that the Trustee shall not acquire the Local Obligations other than pursuant to the provisions of Section 5.03. The Trustee shall be entitled to rely conclusively on the covenants, representations and warranties of each obligor on any Local Obligation and in the documents and certificates delivered in connection therewith and each Written Order.

SECTION 9.05. Liability of Trustee. The recitals of facts herein and in the Authority Bonds contained shall be taken as statements of the Authority or the Community Facilities District, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency hereof or of the Authority Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Authority Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Authority Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Authority Bonds with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depositary for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Authority Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Authority Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder. Whether or not therein expressly so provided, every provision hereof or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

SECTION 9.06. Right to Rely on Documents; Adverse Effect Determinations. The Trustee may conclusively rely on and shall be protected in acting or refraining from acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its selection, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it hereby the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Officer's Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions hereof in reliance upon such Officer's Certificate, but the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall be entitled to advice of counsel of its selection and other professionals or agents concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable or liable for the acts or omissions of any agent, attorney-at-law, certified public accountant, or other professional if such agent, attorney-at-law, certified public accountant or other professional was selected by the Trustee with due care.

SECTION 9.07. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions hereof shall be retained in its possession in accordance with its record retention policies and shall be subject at all reasonable times upon prior written notice to the inspection of the Authority, the Owners of not less than a majority of the aggregate principal amount of the Outstanding Authority Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

SECTION 9.08. Indemnity for Trustee. Before taking any action or exercising any rights or powers hereunder, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of any and all costs, claims and expenses which it may incur and to indemnify it against any and all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF AUTHORITY BONDS

SECTION 10.01. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted hereby to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Authority Bonds shall be sufficient for any purpose hereof and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him or her the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of Authority Bonds hereunder by any Owner and the serial numbers of such Authority Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in this Article stated which shall be sufficient. Any request or consent of the Owner shall bind every future Owner of such Authority Bond and any Authority Bond or Authority Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

SECTION 11.01. Supplemental Trust Agreements with Consent of Owners. Any modification or alteration hereof or of the rights and obligations of the Authority, the Community Facilities District or the Owners may be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Authority Bonds then Outstanding; provided, that no such modification or alteration shall be made which will reduce the percentage of aggregate principal amount of Authority Bonds the consent of the Owners of which is required for any such modification or alteration or permit the creation by the Authority or the Community Facilities District of any lien prior to or on parity with the lien hereof upon the Trust Estate or which will affect the times, amounts and currency of payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds or affect the rights, duties or obligations of the Trustee without the consent of the party affected thereby.

SECTION 11.02. Supplemental Trust Agreements Without Consent of Owners. The Authority and the Community Facilities District may, without the consent of the Owners, enter into a Supplemental Trust Agreement or Supplemental Trust Agreements, which thereafter shall form a part of this Trust Agreement, for any one or more of the following purposes:

(a) to add to the agreements and covenants of the Authority or the Community Facilities District contained herein other agreements and covenants thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Authority or the Community Facilities District; provided, that no such agreement, covenant or surrender shall materially adversely affect the rights of any Owner;

(b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained herein or in any Supplemental Trust Agreement;

(c) to make any change which does not materially adversely affect the rights of any Owner;

(d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(e) to subject hereto additional collateral or to add other agreements of the Authority or the Community Facilities District;

(f) to modify this Trust Agreement or the Authority Bonds to permit qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Authority Bonds for sale under the securities laws of any state of the United States of America;

(g) to make any amendments or supplements necessary or appropriate to preserve or protect the exclusion from gross income for federal income tax purposes under the Code of the interest on the Authority Bonds or the exemption of interest on the Authority Bonds from State personal income taxes; or

(h) to evidence the succession of a successor Trustee.

For all purposes of this Section, the Trustee shall be entitled to conclusively rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel with respect to the extent, if any, to which any action affects the rights hereunder of any Owner.

SECTION 11.03. Trustee Authorized to Enter into Supplemental Trust Agreements. The Trustee is hereby authorized to enter into any Supplemental Trust Agreement with the Authority and the Community Facilities District authorized or permitted by the terms hereof, and to make the further agreements and stipulations which may be therein contained, and for all purposes of this Section the Trustee shall be entitled to conclusively rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel to the effect that such Supplemental Trust Agreement is authorized or permitted by the provisions hereof.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance. If and when the Authority Bonds secured hereby shall become due and payable in accordance with their terms or through redemption proceedings as provided herein, or otherwise, and the whole amount of the interest on and principal of redemption premiums, if any, so due and payable upon all of the Authority Bonds shall have been paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder by the Authority, including all fees and expenses of the Trustee, then and in that case, this Trust Agreement and the lien created hereby shall be completely discharged and satisfied and the Authority and the Community Facilities District shall be released from the respective agreements, conditions, covenants and terms of the Authority and the Community Facilities District contained herein, and the Trustee shall assign and transfer all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances as provided in Section 12.04 and shall execute such documents as may be reasonably required by the Authority or the Community Facilities District in this regard.

Notwithstanding the satisfaction and discharge hereof, those provisions of this Trust Agreement relating to the maturity of the Authority Bonds, interest payments and dates thereof, exchange and transfer of Authority Bonds, replacement of mutilated, destroyed, lost or stolen Authority Bonds, the safekeeping and cancellation of Authority Bonds, nonpresentment of Authority Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owner, and the Trustee shall, subject to Section 13.06, continue to be obligated to hold in trust any money or investments then held by the Trustee for the payment of the interest on and principal of and redemption premiums, if any, on the Authority Bonds, to pay to the Owner of Authority Bonds the funds so held by the Trustee as and when such payments become due, and those provisions hereof contained in Section 9.04 relating to the compensation and indemnification of the Trustee and in Section 7.04 relating to the tax covenants of the Authority and the Community Facilities District shall remain in effect and shall be binding upon the Trustee, the Authority and the Community Facilities District.

SECTION 12.02. Authority Bonds Deemed to Have Been Paid. If any money shall have been set aside and held by the Trustee for the payment or redemption of any Authority Bonds and the interest installments therefor at the maturity thereof or date fixed for redemption, such Authority Bonds shall be deemed to be paid within the meaning and with the effect provided in Section 12.01. Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 12.01 if (a) in case any Authority Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee irrevocable instructions to mail notice of redemption of such Authority Bonds on such redemption date, such notice to be given in accordance with the provisions of Article IV, (b) there shall have been deposited with the Trustee in escrow either (i) money in an amount which shall be sufficient to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Authority Bonds on and prior to the date scheduled for redemption or maturity date thereof, as the case may be, or (ii) noncallable Government Obligations the principal of and the interest on which when due, and without any reinvestment thereof, will provide money which, together with the money, if any, deposited with or held by the Trustee at the same time, shall be sufficient as verified by a report of a nationally recognized independent certified public accountant to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Authority Bonds on and prior to the date fixed for redemption or maturity date thereof, as the case may be, and (c) in the event any of such Authority Bonds are not to be redeemed within the next succeeding sixty (60) days, the Authority shall have given the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article IV, a notice to the Owners of such Authority Bonds that the deposit required by (b) above has been made with the Trustee and that such Authority Bonds are deemed to have been paid in accordance with this Section and stating the maturity dates or redemption dates upon which money is to be available for the payment of the interest on and principal of and redemption premiums, if any, on such Authority Bonds. Neither the securities nor money deposited with the Trustee pursuant to this Section nor interest or principal payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the interest on and principal of and redemption premiums, if any, on such Authority Bonds; provided, that any cash received from such interest or principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and at the written direction of the Authority, be reinvested in Government Obligations, such written direction to specify which Government Obligations are to be invested in, maturing at times and in amounts, together with the other money and payments with respect to Government Obligations then held by the Trustee pursuant to this Section, sufficient to pay when due the interest on and principal of and redemption premiums, if any, to become due on such Authority Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a Written Order so directing, be paid over to the Authority as received by the Trustee free and clear of any trust, lien or pledge.

SECTION 12.03. Money Held for Particular Authority Bonds. Except as otherwise provided in Section 12.02 or 13.06, the amounts held by the Trustee for the payment of the interest on or principal of or the redemption premiums, if any, or the interest due on any date with respect to particular Authority Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it solely for the Owners entitled thereto.

SECTION 12.04. Effect of Defeasance of Authority Bonds. Notwithstanding any other provision hereof, in the event that the Authority Bonds are defeased and the obligations hereunder are discharged pursuant to this Article, the Trustee shall transfer all property and money held by the Trustee (including, without limitation, the Local Obligations), to or upon the written order of the Authority.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Dissolution of Authority. In the event of the dissolution of the Authority, all the agreements, conditions, covenants and terms contained herein by or on behalf of, or for the benefit of, the Authority shall bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority shall be transferred.

SECTION 13.02. Parties Interested Herein. Except as otherwise specifically provided herein, nothing contained herein, expressed or implied, is intended or shall be construed to confer upon any Person other than the Authority, the Community Facilities District, the Trustee and the Owners any right, remedy or claim under or by reason hereof, this Trust Agreement being intended to be for the sole and exclusive benefit of the Authority, the Community Facilities District, the Trustee and the Owners.

SECTION 13.03. Notice. All written notices to be given hereunder to the Authority or the Community Facilities District or the Trustee shall be given by mail or electronic means to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority: Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA 95630
Attention: Treasurer
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Community Facilities District:
City of Folsom
50 Natoma Street
Folsom, CA 95630
Attention: Finance Director
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust
Fax: 415-677-3769
Email: karen.lei@usbank.com

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class mail deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail to the Owners notice of any event when such notice is required to be given pursuant to any provision hereof, then any manner of giving such notice as the Authority shall direct and not objected to by the Trustee shall be deemed to be a sufficient giving of such notice.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Trust Agreement and delivered using Electronic Means ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the Authority to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its reasonable judgment elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Community Facilities District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume without liability that directions that purport to have been sent by an officer listed on the incumbency certificate provided to the Trustee have been sent by such officer. The Authority shall be responsible for ensuring that only officers transmit such Instructions to the Trustee and that the Authority and all officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs claims, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written

instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 13.04. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided herein, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 13.05. Limitation of Liability. The Authority shall not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than the Trust Estate as provided herein.

SECTION 13.06. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or principal of or redemption premiums, if any, on any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable, shall be paid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such amounts; provided, that before being required to make any such payment to the Authority, the Trustee shall, at the expense and written direction of the Authority, give notice by first class mail to the Owners that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Authority.

SECTION 13.07. Governing Law. This Trust Agreement shall be governed as to validity, construction and performance by the laws of the State.

SECTION 13.08. Severability of Invalid Provisions. If any clause, provision or section hereof is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Trust Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein.

SECTION 13.09. Counterparts and Electronic Execution. This Trust Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall

be an original; but all of which such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Trust Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Trust Agreement as to the parties hereto and may be used in lieu of the original Trust Agreement and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Trust Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

SECTION 13.10. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Trust Agreement agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

SECTION 13.11. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, pandemics, epidemics, quarantine restrictions, recognized public emergencies, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority has caused this Trust Agreement to be executed by the Treasurer, the Community Facilities District has caused this Trust Agreement to be executed in its name by the Finance Director of the City of Folsom, and the Trustee has caused this Trust Agreement to be executed by its authorized signatory, all as of the day and year first above written.

FOLSOM RANCH FINANCING AUTHORITY

By _____
Treasurer

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)

By _____
Finance Director of the City of Folsom

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

EXHIBIT A

FORM OF AUTHORITY BONDS

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

Unless this Authority Bond (as hereinafter defined) is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Authority Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BOND, SERIES 2024

No. R-__ $_____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	September 1, 20__		344414[__]

Registered Owner: CEDE & CO.

Principal Sum: DOLLARS

The Folsom Ranch Financing Authority, a joint exercise of powers agency established pursuant to the laws of the State of California (the "Authority"), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter mentioned) the principal sum set forth above and to pay interest thereon at the interest rate per annum set forth above. The interest on this Authority Bond will be calculated on the basis of a 360-day year consisting of twelve (12) 30-day calendar months and will be payable on March 1 and September 1 in each year (each an "Interest Payment Date"), commencing on March 1, 2025, and is payable by

check, mailed by first class mail, on each Interest Payment Date to the registered owner whose name appears on the bond register maintained by the Corporate Trust Office (as defined in the Trust Agreement hereinafter referred to) of U.S. Bank Trust Company, National Association (together with any successor as Trustee under the Trust Agreement hereinafter mentioned, the "Trustee") as of the close of business on the fifteenth (15th) day of the month preceding such Interest Payment Date (the "Record Date"), except with respect to defaulted interest for which a special record date will be established; provided, that in the case of a registered owner of one million dollars ($1,000,000) or more in aggregate principal amount of Authority Bonds, upon written request of such registered owner to the Trustee received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America. The principal hereof and the redemption premium hereon, if any, are payable upon presentation and surrender hereof at the Corporate Trust Office of the Trustee. Both the interest on and principal of and redemption premium, if any, hereon are payable in lawful money of the United States of America. All capitalized terms used herein but not otherwise defined shall have the meanings contained in the hereinafter mentioned Trust Agreement.

The Authority and the Trustee shall be entitled to conclusively treat the registered owner of this Authority Bond as the absolute owner hereof for the purpose of receiving payment as herein provided and for all other purposes, and the Authority and the Trustee shall not be affected by notice to the contrary.

This Authority Bond is one of a duly authorized issue of bonds of the Authority designated as the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area -- Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024" (the "Authority Bonds") issued in the aggregate principal amount of [par in words] dollars ($[PAR]) pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, including the Marks-Roos Local Bond Pooling Act of 1985 (being California Government Code Sections 6584-6594) as amended and supplemented (the "Act"), and pursuant to a trust agreement executed and entered into as of [Dated Date], by and among the Authority, the City of Folsom Community Facilities District No. 18 (Folsom Plan Area -- Area-Wide Improvements and Services) (the "Community Facilities District") and the Trustee (the "Trust Agreement"). The Authority Bonds are issued for the purpose of purchasing Local Obligations, and reference is hereby made to the Trust Agreement (a copy of which is on file at the Corporate Trust Office of the Trustee) and all trust agreements supplemental thereto and to the Act for a description of the purposes thereof, of the rights thereunder of the registered owner, of the nature and extent of the security for the Authority Bonds and of the rights, duties and immunities of the Trustee, of the obligations of the Community Facilities District, and of the rights and obligations of the Authority thereunder, to all the provisions of which Trust Agreement the registered owner of this Authority Bond, by acceptance hereof, assents and agrees.

The Authority Bonds and the interest thereon and any redemption premiums thereon are special, limited obligations of the Authority payable solely from the Trust Estate and are secured by the Trust Estate, including amounts held in the accounts and funds (other than the Rebate Fund) established pursuant to the Trust Agreement (including proceeds of the sale of the

Authority Bonds), subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement. No member or officer of the Authority, nor any person executing this Authority Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of this Authority Bond.

THE AUTHORITY BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE FROM, AND SECURED AS TO THE PAYMENT OF THE PRINCIPAL OF AND ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS IN ACCORDANCE WITH THEIR TERMS AND THE TERMS OF THE TRUST AGREEMENT, SOLELY FROM THE TRUST ESTATE. THE AUTHORITY BONDS DO NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR ITS MEMBERS, AND UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE OBLIGATED TO PAY PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS EXCEPT FROM THE TRUST ESTATE. NONE OF THE COMMUNITY FACILITIES DISTRICT, THE CITY OF FOLSOM (THE "CITY"), THE STATE OF CALIFORNIA NOR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) NOR ANY MEMBER OF THE COMMUNITY FACILITIES DISTRICT OR THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMUNITY FACILITIES DISTRICT, THE CITY, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY (INCLUDING THE CITY) OR THE COMMUNITY FACILITIES DISTRICT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS, AND NEITHER THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT, THE CITY, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) OR ANY MEMBER OF THE AUTHORITY.

The Authority Bonds are subject to redemption on the dates, at the redemption prices, and pursuant to the terms set forth in the Trust Agreement. Notice of redemption of any Authority Bond or portion thereof shall be given as provided in the Trust Agreement.

The Authority Bonds are issuable as fully registered bonds in denominations of five thousand dollars ($5,000) or any integral multiple in excess thereof.

This Authority Bond may be transferred or exchanged by the registered owner hereof, in person or by an attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement, and upon surrender and cancellation of this Authority Bond. Upon such transfer or exchange, a new Authority Bond or Authority Bonds, of authorized denominations, for the same aggregate principal amount, interest rate and maturity will be issued to the transferee in accordance with the provisions of the Trust Agreement. The Trustee is not required to register the transfer of, or to exchange, any Authority Bond during the period established by the Trustee for selection of Authority Bonds for

redemption or to register the transfer of, or to exchange, any Authority Bond which has been selected for redemption pursuant to the Trust Agreement.

The Trust Agreement and the rights and obligations of the Authority and of the registered owners of the Authority Bonds may be modified or amended from time to time and at any time (and in certain cases without the consent of such registered owners) in the manner, to the extent and upon the terms provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the Authority to make provisions for the payment of the interest on, and the principal and premium, if any, of, any of the Authority Bonds so that such Authority Bonds shall no longer be deemed to be Outstanding under the terms of the Trust Agreement.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Authority Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of California, including the Act, and that the amount of this Authority Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution and laws of the State of California, including the Act, and is not in excess of the amount of Authority Bonds permitted to be issued under the Trust Agreement.

This Authority Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by an authorized signatory of the Trustee.

IN WITNESS WHEREOF, the Folsom Ranch Financing Authority has caused this Authority Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Treasurer and attested by the facsimile signature of its Secretary, all as of _____, 2024.

FOLSOM RANCH FINANCING AUTHORITY

By: _____
Treasurer

Attest:

_____
Secretary

FORM OF CERTIFICATE OF AUTHENTICATION

This is one of the Authority Bonds described in the within-mentioned Trust Agreement, which has been authenticated on the date below.

Dated: _____, 2024

U.S. Bank Trust Company, National Association
as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ _____ this registered Authority Bond and irrevocably constitutes and appoints _____ attorney to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated:_____

_____

SIGNATURE GUARANTEED BY:

_____

NOTE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee: _____.

ATTACHMENT 4

OH&S DRAFT
09/10/24

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

as Trustee

INDENTURE

Dated as of [Dated Date]

Relating to the

City of Folsom
Community Facilities District No. 18
(Folsom Plan Area — Area-Wide Improvements and Services)
Special Tax Bonds

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INDENTURE

This Indenture (the "Indenture"), dated as of [Dated Date], by and between the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services), organized and existing under and by virtue of the laws of the State of California (the "Community Facilities District"), and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the City Council of the City of Folsom (the "City") on December 8, 2015, duly adopted its Resolution No. 9692, establishing the Community Facilities District for the purpose of providing for the financing of certain public facilities and certain public services in and for such Community Facilities District, and also duly adopted its Resolution No. 10209 on November 13, 2018, whereby certain transportation demand management and air quality services were identified as authorized services and the rate and method of apportionment and manner of collection of the Special Tax for the Community Facilities District was amended; and

WHEREAS, at an election held in the Community Facilities District on December 8, 2015, the qualified electors within the Community Facilities District duly authorized the issuance of two hundred million dollars ($200,000,000) principal amount of special tax bonds for the Community Facilities District for the purpose of financing such public facilities and services; and

WHEREAS, the qualified electors in the Community Facilities District at such election additionally authorized the levy and collection of a special tax to be used for the purpose, among others, of paying the interest on and principal of and redemption premiums, if any, on such special tax bonds; and

WHEREAS, at an election held in the Community Facilities District on November 13, 2018, the qualified electors within the Community Facilities District duly approved the inclusion of certain transportation demand management and air quality services as authorized services and the amendment of the rate and method of apportionment and manner of collection of the special tax for the Community Facilities District; and

WHEREAS, the Community Facilities District has determined to issue [_____] dollars ($[PAR AMOUNT]) principal amount of such special tax bonds (the "2024 Bonds" and, together with any Additional Bonds (defined herein), the "Bonds") pursuant hereto and to secure the Bonds in the manner provided herein, and for the purpose of paying for such public facilities; and

WHEREAS, the Folsom Ranch Financing Authority (the "Authority") has agreed to purchase the Bonds pursuant to a Local Obligation Purchase Contract between the Authority and the Community Facilities District dated [SALE DATE], with a portion of the proceeds of the Authority's City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-

Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Authority Bonds"); and

WHEREAS, all things necessary to cause the Bonds, when executed by the Community Facilities District and authenticated by the Trustee and delivered as provided herein, to be legal and valid special tax obligations of the Community Facilities District enforceable in accordance with their terms, and to constitute the Indenture a valid agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery hereof and the execution and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THE INDENTURE WITNESSETH, that in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Bonds at any time issued and Outstanding hereunder according to their tenor, and to secure the observance and performance of all the agreements, conditions, covenants and terms therein and herein set forth, and to declare the conditions and terms upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual agreements and covenants contained herein and of the purchase and acceptance of the Bonds by the respective Holders thereof from time to time, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Community Facilities District does hereby agree and covenant with the Trustee, for the benefit of the respective Holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, all terms defined in this Section shall for all purposes hereof and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, report, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

2024 Bonds

"2024 Bonds" means the [_____] dollars ($[PAR AMOUNT]) aggregate principal amount of City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds, Series 2024, at any time Outstanding hereunder that are executed, authenticated and delivered in accordance with the provisions hereof.

Accountant's Report

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Acquisition and Construction Fund

"Acquisition and Construction Fund" means the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Acquisition and Construction Fund established pursuant to Section 2.15.

Additional Bonds

"Additional Bonds" mean Bonds other than the 2024 Bonds issued hereunder in accordance with the provisions of Sections 2.02 and 2.03.

Annual Debt Service

"Annual Debt Service" means for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Bonds are retired as scheduled (including by reason of mandatory sinking fund redemption), and (b) the principal of the Bonds due in such Bond Year (including by reason of mandatory sinking fund redemption).

Authority

"Authority" means the Folsom Ranch Financing Authority and its successors and assigns.

Authority Bonds

"Authority Bonds" means the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024.

Authority Trustee

"Authority Trustee" means U.S. Bank Trust Company, National Association, as trustee under the Trust Agreement.

Average Annual Debt Service

"Average Annual Debt Service" means the average Debt Service on the Bonds payable in the current Bond Year and in all future Bond Years during which any Bonds are scheduled to be Outstanding, all as determined by the Community Facilities District under the Code and specified in writing to the Trustee.

Bond Reserve Account

"Bond Reserve Account" means each such account within the Bond Reserve Fund referred to by that name, including the Series 2024 Bond Reserve Account.

Bond Reserve Fund

"Bond Reserve Fund" means the fund within the Special Tax Fund referred to by that name established pursuant to Section 4.02. The Bond Reserve Fund will be made up solely of the Bond Reserve Account(s) established therein.

Bonds, Serial Bonds, Term Bonds

"Bonds" means 2024 Bonds and any Additional Bonds.

"Serial Bonds" means the Bonds not subject to mandatory sinking fund redemption pursuant to Section 3.01(a).

"Term Bonds" means the Bonds which are subject to mandatory sinking fund redemption pursuant to Section 3.01(a).

Bond Year

"Bond Year" means the twelve-month period terminating on September 1 of each year; provided, that the first Bond Year shall commence on the date of the execution and initial delivery of the Bonds.

Business Day

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks in New York, New York, or the city in which the Corporate Trust Office of the Trustee is located, are closed.

Capitalized Interest Account

"Capitalized Interest Account" means the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Capitalized Interest Account established pursuant to Section 2.14.

Certificate of the City

"Certificate of the City" means an instrument in writing signed by the City Manager or the Finance Director, or by any other officer of the City duly authorized by the City Council for that purpose.

City

"City" means the City of Folsom, a charter city and municipal corporation duly organized and existing under and by virtue of its charter and the Constitution and laws of the State of California.

City Clerk

"City Clerk" means the City Clerk of the City.

City Council

"City Council" means the City Council of the City.

City Manager

"City Manager" means the City Manager of the City.

Code

"Code" means the Internal Revenue Code of 1986 and the regulations issued thereunder from time to time, and in this regard reference to any particular section of the Code shall include reference to any successor to such section of the Code.

Community Facilities District

"Community Facilities District" means the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services), a community facilities district duly organized and existing in the City under and by virtue of the Law.

Community Facilities Fund

"Community Facilities Fund" means the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Community Facilities Fund established pursuant to Section 4.02.

Corporate Trust Office

"Corporate Trust Office" means the office of the Trustee in California designated in Section 6.01 at which at any particular time its corporate trust business shall be administered.

Costs of Issuance

"Costs of Issuance" means all costs and expenses payable by or reimbursable to the City or the Community Facilities District that are related to the authorization, sale, execution and initial delivery of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, rating agency fees, filing fees, initial fees and charges of the Trustee (including fees and expenses of its counsel), legal fees and charges and fees and charges of other consultants and professionals, together with all costs for preparation of the Bonds, and any other cost or expense in connection with the authorization, sale, execution and initial delivery of the Bonds.

Costs of Issuance Fund

"Costs of Issuance Fund" means the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Costs of Issuance Fund established pursuant to Section 2.16.

Debt Service

"Debt Service" means, for any Bond Year, the sum of (1) the interest payable during such Bond Year on all Outstanding Bonds, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid as scheduled at the times of and in amounts specified for mandatory sinking fund redemption, plus (2) the principal amount of all Outstanding Serial Bonds maturing by their terms in such Bond Year, plus (3) the principal amount of all Outstanding Serial Bonds to be redeemed pursuant to mandatory sinking fund redemption in such Bond Year.

Event of Default

"Event of Default" means an event described as such in Section 8.01.

Expenses

"Expenses" means all expenses paid or incurred by the City or the Community Facilities District for the cost of planning and designing the Facilities, including the cost of environmental evaluations of the Facilities and the costs associated with the creation of the Community Facilities District, the issuance of the Bonds, the determination of the amount of the Special Tax, the collection of the Special Tax and the payment of the Special Tax, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, and any other expenses incidental to the acquisition, construction, completion and inspection of the Facilities; all as determined in accordance with Generally Accepted Accounting Principles.

Facilities

"Facilities" means those certain public facilities authorized to be acquired and constructed in and for the Community Facilities District under and pursuant to the Law at the special election held in the Community Facilities District on December 8, 2015.

Facilities Special Tax

"Facilities Special Tax" means the annual Area-Wide Facilities Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Area-Wide Facilities Special Tax Requirement in accordance with the Rate and Method (each as defined in the Rate and Method).

Federal Securities

"Federal Securities" means (a) any securities now or hereafter authorized both the interest on and principal of which are guaranteed by the full faith and credit of the United States of America, and (b) any of the following obligations of federal agencies not guaranteed by the United States of America: (1) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (2) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act and bonds of any federal home loan bank established under such act, and (3) stocks, bonds, debentures, participations and other obligations

of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation, as and to the extent that such securities or obligations are eligible for the legal investment of City or Community Facilities District funds.

Finance Director

"Finance Director" means the Finance Director of the City.

Fiscal Year

"Fiscal Year" means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Community Facilities District as its Fiscal Year in accordance with applicable law.

Fitch

"Fitch" means Fitch Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

Generally Accepted Accounting Principles

"Generally Accepted Accounting Principles" means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

Holder

"Holder" means any person who shall be the registered owner of any Outstanding Bond, as shown on the registration books maintained by the Trustee pursuant to Section 2.09.

Indenture

"Indenture" means this Indenture and all Supplemental Indentures.

Independent Certified Public Accountant

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the Community Facilities District, and who, or each of whom:

(1) is in fact independent and not under the domination of the Community Facilities District;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Community Facilities District; and

(3) is not connected with the Community Facilities District as an officer or employee of the Community Facilities District, but who may be regularly retained to audit the accounting records of and make reports thereon to the Community Facilities District.

Independent Consultant

"Independent Consultant" means any consultant or firm of consultants selected by the Community Facilities District who, or each of whom, (a) is generally recognized to be qualified in the field of special tax or financial consulting, (b) is in fact independent and not under the control of the Community Facilities District, (c) does not have any substantial interest, direct or indirect, in the Community Facilities District, or any owner of real property in the Community Facilities District, and (d) is not an officer or employee of the Community Facilities District, but who may be regularly retained to make reports to the Community Facilities District.

Law

"Law" means the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto.

Lien

"Lien" means the aggregate principal amount of all overlapping debt and bonds (including the Bonds) outstanding that are secured by a special tax levied pursuant to the Law or a special assessment levied on property within the Community Facilities District, including any overlapping debt or bonds for community facilities districts or special assessment districts that is reasonably allocated to property within the Community Facilities District.

Local Obligation Purchase Contract

"Local Obligation Purchase Contract" means the Local Obligation Purchase Contract between the Community Facilities District and the Authority providing for the sale of the 2024 Bonds.

Maintenance

"Maintenance" means the "Authorized Maintenance Expenses" pursuant to the Rate and Method.

Maintenance Special Tax

"Maintenance Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Maintenance Special Tax Requirement (each as defined in the Rate and Method).

Mayor

"Mayor" means the Mayor of the City.

Maximum Annual Debt Service

"Maximum Annual Debt Service" means, as of any date of calculation, the largest Debt Service in any Bond Year during the period from the date of such calculation through the final maturity date of any Outstanding Bonds.

Maximum Facilities Special Tax

"Maximum Facilities Special Tax" means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C(2) of the Rate and Method, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property (each as defined in the Rate and Method).

Moody's

"Moody's" means Moody's Investors Service Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

Net Pledged Special Tax

"Net Pledged Special Tax" means the Pledged Special Tax remaining after the payment of Priority Administrative Expenses.

Opinion of Counsel

"Opinion of Counsel" means a written opinion of counsel (including, without limitation, the City Attorney of the City) retained by the Community Facilities District.

Outstanding

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 7.02) all Bonds except:

(a) Bonds delivered to the Trustee for cancellation and destruction pursuant to Section 10.07;

(b) Bonds paid or deemed to have been paid pursuant to Section 9.01;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been executed by the Community Facilities District and authenticated and delivered by the Trustee pursuant to Section 2.10; and

(d) Bonds paid in accordance with the second to last paragraph Section 2.10.

Permitted Investments

"Permitted Investments" means any of the following investments, as authorized by applicable law at the time of making such investment, namely:

(1) Federal Securities;

(2) Participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) and senior debt obligations of the Federal Home Loan Mortgage Corporation; consolidated system-wide bonds and notes of the Farm Credit System; senior debt obligations and mortgage-backed securities (excluding stripped mortgage-backed securities which are purchased at prices exceeding their principal amounts) of the Federal National Mortgage Association; senior debt obligations (excluding securities that have no fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) of the Student Loan Marketing Association; debt obligations of the Resolution Funding Corp.; and REFCORP STRIPS (stripped by the Federal Reserve Bank of New York) (collectively, the "Agency Obligations");

(3) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose long-term unsecured general obligation debt is rated "A3" or better by Moody's and "A-" or better by Standard & Poor's or any obligation fully and unconditionally guaranteed by any state or subdivision or agency thereof whose long-term, unsecured general obligation debt is rated "A3" or better by Moody's and "A-" or better by Standard & Poor's;

(4) Commercial paper (that matures in not more than three hundred sixty-five (365) days) rated "Prime-1" or better by Moody's and "A-1" or better by Standard & Poor's;

(5) Deposits, Federal funds or bankers acceptances (that mature in not more than three hundred sixty-five (365) days) of any domestic bank (including a branch office of a foreign bank which branch office is located in the United States of America, if the Trustee shall have received a legal opinion or opinions to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank), which:

(a) has an unsecured, uninsured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A-" or better by Standard & Poor's, or

(b) is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in paragraph (a) above;

(6) Deposits in any bank or savings and loan association which has a combined capital, surplus and undivided profits of not less than ten million dollars ($10,000,000); provided, that if such deposits are fully insured by the Federal Deposit Insurance Corporation, the Banking Insurance Fund or the Savings Association Insurance Fund, or are fully collateralized by Federal Securities;

(7) Investments in a money-market fund rated "Am" or "Am-G" or better by Standard & Poor's, including any such fund managed, advised or sponsored by the Trustee or any of its affiliates but excluding any such fund with a floating net asset value;

(8) Repurchase agreements with a term of six (6) months or less with any institution having long-term, unsecured debt rated at least "AA" or commercial paper rated "A-1+" by Standard & Poor's;

(9) Repurchase agreements collateralized by Federal Securities ("Collateral Securities") with any registered broker-dealer which is under the jurisdiction of the Securities Investors Protection Corporation or any commercial bank, if such broker-dealer or bank has uninsured, unsecured and unguaranteed debt rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A-" or better by Standard & Poor's; provided, that:

(a) a master repurchase agreement or other specific written repurchase agreement governs the transaction;

(b) the Collateral Securities are held free and clear of any other lien by the Trustee or an independent third party acting solely as agent for the Trustee, so long as any such third party (A) is (1) a Federal Reserve Bank or (2) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than twenty-five million dollars ($25,000,000), and (B) certifies in writing to the Trustee (or delivers to the Trustee a written opinion of counsel to such third party) that such third party holds the Collateral Securities free and clear of any lien, as agent for the Trustee;

(c) a perfected first security interest under the Uniform Commercial Code is created in, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are followed with respect to, the Collateral Securities for the benefit of the Trustee;

(d) such repurchase agreement has a term of thirty (30) days or less;

(e) such repurchase agreement matures at least ten (10) days (or other appropriate liquidation period) prior to each interest payment date on the Bonds;

(f) the fair market value of the Collateral Securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least one hundred three percent (103%); and

(g) the Trustee obtains an opinion of counsel to such broker-dealer or bank (which opinion shall be addressed to the Community Facilities District) to the effect that such repurchase agreement is a legal, valid, binding and enforceable agreement of such broker-dealer or bank (and, in the case of a bank which is a branch of a foreign bank, of such foreign bank) in accordance with its terms;

(10) Shares in the California Asset Management Program (established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California) that invests exclusively in investments permitted by Section 53635 of the Government Code of the State of California, as now existing and as it may be amended from time to time; and

(11) Investments in the Local Agency Investment Fund maintained by the California State Treasurer, which such investments shall only be invested in the special portion of the Local Agency Investment Fund for bond proceeds that are not subject to arbitrage restrictions.

Pledged Special Tax

"Pledged Special Tax" means the Facilities Special Tax and the Services Special Tax.

Priority Administrative Expenses

"Priority Administrative Expenses" means an amount equal to (a) for Fiscal Year 2024-25, [$20,000], and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Priority Administrative Expenses on each July 1, from and including the July 1 immediately following the end of the then current Fiscal Year to and including the July 1 in such Fiscal Year by 2% of the amount in effect for the previous Fiscal Year.

Proceeds Fund

"Proceeds Fund" means the temporary account referred to by that name established pursuant to Section 2.13.

Rate and Method

"Rate and Method" means the amended rate and method of apportionment of special tax for the Community Facilities District.

Rebate Fund

"Rebate Fund" means the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Rebate Fund established pursuant to Section 5.03.

Redemption Account

"Redemption Account" means the account within the Special Tax Fund referred to by that name established pursuant to Section 4.02.

Required Bond Reserve

"Required Bond Reserve" means, for each applicable series of Bonds, as of any date of calculation, the least of: (a) Maximum Annual Debt Service, (b) one hundred twenty-five percent (125%) of the Average Annual Debt Service or (c) ten percent (10%) of the original proceeds of such series of Bonds; provided, that the Required Bond Reserve shall be calculated on the date of issuance of each series of Bonds and shall not increase thereafter; and provided further, that such requirement (or any portion thereof) may be satisfied by the provision of one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank, the obligations insured by which insurer or issued by which bank, as the case may be, have ratings at the time of issuance of such policy or surety bond or letter of credit equal to "AA" or higher (without regard to qualifier) assigned by Fitch or "Aa" or higher (without regard to qualifier) assigned by Moody's or "AA" or higher (without regard to qualifier) assigned by Standard & Poor's.

Responsible Officer of the Trustee

"Responsible Officer of the Trustee" means any officer within the corporate trust division (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of this Indenture.

Series 2024 Bond Reserve Account

"Series 2024 Bond Reserve Account" means the account within the Bond Reserve Fund referred to by that name established pursuant to Section 2.13(a).

Services

"Services" means all public services authorized to be financed from the Special Tax.

Services Special Tax

"Services Special Tax" means the annual TDM Services Special Tax and the Maintenance Special Tax.

Special Tax

"Special Tax" means the special tax authorized to be levied and collected annually on all Taxable Property in the Community Facilities District under and pursuant to the Law at the

special elections held in the Community Facilities District on December 8, 2015, and November 13, 2018, including the Facilities Special Tax, and the Services Special Tax.

Special Tax Fund

"Special Tax Fund" means the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Fund established pursuant to Section 4.01.

Standard & Poor's

"Standard & Poor's" means S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

Supplemental Indenture

"Supplemental Indenture" means any indenture then in full force and effect that has been made and entered into by the Community Facilities District and the Trustee, amendatory of or supplemental hereto; but only to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate

"Tax Certificate" means the certificate or certificates delivered upon the issuance of any series of the Bonds relating to Section 148 of the Code, or any functionally similar replacement certificate.

Taxable Property

"Taxable Property" means all property within the Community Facilities District taxable under the Law in accordance with the proceedings for the authorization of the issuance of the Bonds and the levy and collection of the Special Tax.

TDM Services Special Tax

"TDM Services Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the TDM Services Special Tax Requirement (each as defined in the Rate and Method).

Trust Agreement

"Trust Agreement" means that certain Trust Agreement, dated as of [Dated Date], among the Folsom Ranch Financing Authority, the Community Facilities District and the Trustee, as Authority Trustee for the Authority Bonds.

Trustee

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, at its Corporate Trust Office, and its successors or assigns, or any other bank or trust company having a designated corporate trust office in California which may at any time be substituted in its place as provided in Section 6.01.

Value

"Value" means the current assessed valuation of the Taxable Property and/or the appraised value of the Taxable Property determined by an MAI appraiser.

Written Request of the Community Facilities District

"Written Request of the Community Facilities District" means an instrument in writing signed by the City Manager or the Finance Director, or by any other officer of the City duly authorized by the City Council, as legislative body of the Community Facilities District, for that purpose.

Section 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Holders thereof, the Indenture shall be deemed to be and shall constitute a contract between the Community Facilities District and the Holders from time to time to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, sold, executed, authenticated and delivered hereunder, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Community Facilities District shall be for the equal and proportionate benefit, security and protection of all Holders without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number thereof or the time of execution, authentication or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization and Purpose of Bonds.

(a) The City Council, as legislative body of the Community Facilities District, has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by the Law, and the Community Facilities District is now authorized, pursuant to each and every requirement of the Law and hereof, to issue the Bonds in one or more series as from time to time shall be authorized and established

by the Community Facilities District pursuant to the Law and pursuant hereto and pursuant to one or more Supplemental Indentures, which series shall be entitled to the benefit, protection and security of the provisions hereof, shall be designated the "City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds," together with such further appropriate particular designation added to or incorporated in the title of the Bonds of each series as the Community Facilities District may determine or as shall be required by the Law, and each Bond shall bear upon its face the designation so determined for the series to which it belongs. Additionally, the Bonds may contain or have endorsed thereon such descriptive provisions, specifications and words not inconsistent with the provisions hereof as may be desirable or necessary to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Community Facilities District prior to the delivery thereof. An initial series of Bonds shall be issued hereunder to be designated the "City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds, Series 2024."

(b) The purpose for which the Bonds are to be issued is to provide funds to pay costs of the acquisition and construction of the Facilities, including the repayment of funds advanced by the City for the Community Facilities District and the repayment under any agreement of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, and including the payment of costs incidental to or connected with such acquisition and construction.

(c) From and after the issuance of any series of the Bonds, the findings and determinations of the City Council, as legislative body of the Community Facilities District, respecting such series of the Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of any Bonds of such series is at issue, and no bona fide purchaser of any of the Bonds of such series shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the purchase price paid for such series of the Bonds. The validity of the issuance of the Bonds of any series shall not be dependent on or affected in any way by (i) any proceedings taken by the City for the acquisition and construction of any Facilities, or (ii) any contracts made by the City or the Community Facilities District in connection therewith, or (iii) the failure to complete the acquisition and construction of any Facilities. The recital contained in the Bonds that the Bonds are issued under and pursuant to the Law and under and pursuant hereto and under and pursuant to a Supplemental Indenture shall be conclusive evidence of their validity and of the regularity of their issuance and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) have been delivered to the purchaser thereof and the purchase price thereof received.

Section 2.02. Additional Bonds; Subordinate Bonds. The Community Facilities District may at any time issue Additional Bonds payable from the proceeds of the Net Pledged Special Tax as provided herein on parity with all other Bonds and Additional Bonds theretofore

issued or to be issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of Additional Bonds shall have been authorized pursuant to the Law and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) The purpose for which the Additional Bonds are to be issued; provided, that the proceeds of sale of such Additional Bonds shall be applied solely for the purpose of financing the acquisition and construction of the Facilities, including the repayment of funds advanced by the City for the Community Facilities District and the repayment under any agreement of advances of funds or reimbursements for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, and including the payment of costs incidental to or connected with such acquisition, construction and payment, and payment of the Costs of Issuance, or for the refunding of Outstanding Bonds;

(ii) The principal amount and designation of the Additional Bonds and the denomination or denominations of the Additional Bonds;

(iii) The date, the maturity date or dates, the interest payment dates and the mandatory sinking fund redemption dates, if any, for such Additional Bonds; provided, that (i) the Serial Bonds of such Additional Bonds shall be payable as to principal on September 1 of each year in which principal of such Additional Bonds falls due, and the Term Bonds of such Additional Bonds shall be subject to mandatory redemption on September 1 of each year in which mandatory sinking fund redemption is required; (ii) the Additional Bonds shall be payable as to interest semiannually on March 1 and September 1 of each year, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period of not longer than twelve (12) months and the interest shall be payable thereafter semiannually on March 1 and September 1, (iii) all the Additional Bonds of a series of like maturity shall be identical in all respects, except as to number or denomination, and (iv) serial maturities of Serial Bonds of such Additional Bonds or mandatory sinking fund redemption amounts for Term Bonds of such Additional Bonds, or any combination thereof, shall be established to provide for the redemption or payment of the Additional Bonds on or before their respective maturity dates;

(iv) The redemption premiums and redemption terms, if any, for such Additional Bonds;

(v) The form of the Additional Bonds;

(vi) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Redemption Account, and its use to pay interest on such Additional Bonds;

(vii) The amount to be deposited from the proceeds of sale of such Additional Bonds in the applicable Bond Reserve Account; provided, that the applicable Bond Reserve Account shall equal, at the time that such Additional Bonds become Outstanding, the Required Bond Reserve for such Additional Bonds, and an amount at least equal to the Required Bond Reserve for such Additional Bonds shall thereafter be maintained in the applicable Bond Reserve Account;

(viii) The amounts to be deposited from the proceeds of sale of such Additional Bonds in the separate accounts for each series of Additional Bonds to be established in the Acquisition and Construction Fund and in the Costs of Issuance Fund; and

(ix) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(b) The Community Facilities District shall be in compliance with all agreements, conditions, covenants and terms contained herein and in all Supplemental Indentures required to be observed or performed by it, and no Event of Default hereunder or under any Supplemental Indenture shall have occurred and shall be then continuing; and

(c) Either:

(i) In each year until the maturity date for the Additional Bonds, the Maximum Facilities Special Tax less Priority Administrative Expenses is estimated to equal at least one hundred ten percent (110%) of the sum of the Annual Debt Service for each year on the Bonds, including such Additional Bonds, and the Value of all Taxable Property, in aggregate, is at least three (3) times the aggregate Lien on such Taxable Property. For the purposes of such test, the "Taxable Property" in future fiscal years may be based on the status of development as of the time of calculation.

Or:

(ii) The Community Facilities District may issue one or more series of Bonds (the "Refunding Bonds") without complying with this Section 2.02(c) if, after the issuance and delivery of such Refunding Bonds, either (i) none of the Bonds theretofore issued hereunder will be Outstanding or (ii) the Debt Service in each Bond Year that begins after the issuance of such Refunding Bonds is not increased by reason of the issuance of such Refunding Bonds.

(d) The Community Facilities District may issue bonds or other obligations payable from the proceeds of the Net Pledged Special Tax on a basis subordinate to the Bonds without complying with this Section 2.02(a), (b) and (c).

Section 2.03. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Law, the Additional Bonds shall be executed by the Community Facilities District and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following documents:

(a) An executed copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A Written Request of the Community Facilities District as to the delivery of the Additional Bonds;

(c) One or more Opinions of Counsel to the effect that (i) the Community Facilities District has the right and power under the Law to execute the Indenture and the Supplemental Indenture, and the Indenture and Supplemental Indenture have each been duly and lawfully executed and delivered by the Community Facilities District and are in full force and effect and are valid and binding upon the Community Facilities District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities in the State of California) and no other authorization for the execution thereof is required; and (ii) the Additional Bonds are valid and binding special tax obligations of the Community Facilities District payable from the proceeds of the Pledged Special Tax net of Priority Administrative Expenses and the other funds provided herein for such payment as provided herein and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities in the State of California) and the terms of the Law and of the Indenture and the Supplemental Indenture and the Additional Bonds have been duly and validly authorized, sold, executed, authenticated and delivered in accordance with the Law and with the Indenture and the Supplemental Indenture;

(d) A Certificate of an Independent Consultant containing such statements as may be reasonably necessary to show compliance with the requirements of Section 2.02(c);

(e) A Certificate of the Community Facilities District containing such statements as may be reasonably necessary to show compliance with the requirements of Section 2.02; and

(f) The proceeds of the sale of such Additional Bonds.

Section 2.04. Date and Maturity Dates of and Interest Rates. The Bonds shall be issued in fully registered form and shall be numbered consecutively from one (1) upward in order of issuance. The dates, maturity dates and interest rates for any Additional Bonds shall be set forth in the Supplemental Indenture relating thereto. The 2024 Bonds shall be dated the date of the delivery thereof, and shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum as set forth in the following schedule:

Principal Payment Date (September 1)	Principal Amount	Interest Rate
	$	%

*

* Term Bonds

Section 2.05. Interest Payment Dates of Bonds. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve (12) 30-day calendar months, and shall be payable on [March 1, 2025], and semiannually thereafter on March 1 and September 1 in each year until the principal sum of the Bonds has been paid. The Bonds shall bear interest from the interest payment date next preceding the date of registration thereof, unless they are registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event they shall bear interest from such interest payment date, or unless they are registered on a day on or before the fifteenth (15th) day of the month next preceding the first (1st) interest payment date, in which event they shall bear interest from their dated date; provided, that if at the time of registration of any Bond interest is then in default on the Outstanding Bonds, such Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding Bonds.

Section 2.06. Form of Bonds. The Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form appearing in Exhibit A.

Section 2.07. Payment of Bonds. The interest on and principal of and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee, and the Community Facilities District and the Trustee

shall be entitled to conclusively treat the registered owner of any Bond as the absolute owner of such Bond for all purposes hereof, whether such Bond shall be overdue or not, and neither the Community Facilities District nor the Trustee shall be affected by any notice or knowledge to the contrary. Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made only to the person whose name appears in the registration books required to be kept by the Trustee pursuant to Section 2.09 as the registered owner thereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, such interest to be paid by check mailed by first class mail on each such interest payment date to such registered owner at his or her address as it appears on such books, except that in the case of a Holder of one million dollars ($1,000,000) or more in principal amount of Bonds then Outstanding, payment shall be made at such Holder's option by wire transfer on each such interest payment date of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and is located in the continental United States of America according to written instructions provided by such Holder to the Trustee at least fifteen (15) days before such interest payment date. Payment of the principal of and redemption premiums, if any, on the Bonds shall be made only to the person whose name appears in the registration books required to be kept by the Trustee pursuant to Section 2.09 as the registered owner thereof, such principal and redemption premiums, if any, to be paid only on the surrender of the Bonds at the Corporate Trust Office of the Trustee at maturity or on redemption prior to maturity. All such payments of interest and principal and redemption premiums, if any, on any Bond shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid.

Notwithstanding the foregoing, a Holder of any Bond may, in lieu of surrendering the same for a new Bond, endorse on such Bond a record of partial payment of the principal of such Bond in the form set forth below (which shall be typed or printed on such Bond):

PAYMENTS ON ACCOUNT OF PRINCIPAL

Payment Date	Principal Amount Paid	Balance of Principal Amount Unpaid	Signature of Registered Holder

The Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record of the Trustee shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Registered Holder of such Bond, and the Community Facilities District and the Trustee shall be fully released and discharged from all liability to the extent of such payment regardless of whether such endorsement shall or shall not have been made upon such Bond by the Holder thereof and regardless of any error or omission in such endorsement.

Section 2.08. Execution of Bonds. The Bonds shall be signed on behalf of the Community Facilities District by the manual or facsimile signature of the Mayor and countersigned

by the manual or facsimile signature of the City Clerk, and any Bond may be signed on behalf of the Community Facilities District by any person who, on the actual date of the execution of such Bond, shall be the proper officer of the City and member of the City Council, as legislative body of the Community Facilities District, although on the nominal date of such Bond such person shall not have been such officer of the City. In case any such officer, who shall have signed any of the Bonds, shall cease to be such officer before the Bonds so signed shall have been delivered to the purchaser by the Trustee, such Bonds may nevertheless be delivered and issued and, upon such delivery and issuance, shall be as binding upon the Community Facilities District as though such officer who signed the same had continued to be such officer until such delivery and issuance. Only those Bonds that bear thereon a certificate of authentication executed by the Trustee shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, sold, executed, authenticated and delivered hereunder and are entitled to the benefits hereof.

Section 2.09. Transfer and Exchange of Bonds. The Trustee shall keep at its Corporate Trust Office sufficient books for the transfer and exchange of the Bonds, which books shall at all times during normal business hours with reasonable prior written notice be open to inspection by the Community Facilities District or by any Holder (or his representative authorized in writing). Any Bond may, in accordance with its terms, be transferred or exchanged on such books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon payment by the Holder requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange and upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Community Facilities District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of the same series and maturity date for the same aggregate principal amount, except that neither the Community Facilities District nor the Trustee shall be required (i) to transfer or exchange any Bonds during the fifteen-day period prior to the selection of any Bonds for redemption under Article III, or (ii) to transfer or exchange any Bond which has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part under Article III.

Section 2.10. Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated in respect of the body of such Bond or shall be believed by the Community Facilities District to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Community Facilities District and the Trustee and upon the surrender of such mutilated Bond at the Corporate Trust Office of the Trustee, or upon the receipt of evidence satisfactory to the Community Facilities District and the Trustee of such destruction, theft or loss and upon receipt of indemnity satisfactory to the Community Facilities District and the Trustee, and also upon payment of all expenses incurred by the Community Facilities District and the Trustee in the premises and receipt of each of indemnity satisfactory to them, the Community Facilities District shall execute and the Trustee shall authenticate and deliver at the Corporate Trust Office a new Bond or Bonds of the same series and maturity date for the same aggregate principal amount of like tenor and date and bearing such numbers and notations as shall be appropriate in exchange

and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

If any such destroyed, stolen or lost Bond shall have matured or shall have been called for redemption, payment of the amount due thereon shall be made by the Trustee, at the written direction of the Community Facilities District, upon receipt of like proof, indemnity and payment of expenses.

Any replacement Bonds issued pursuant to this Section shall be entitled to equal and proportionate benefits with all other Bonds issued hereunder, and the Community Facilities District and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and the replacement Bond shall be treated as one and the same.

Section 2.11. Registration of the Bonds. The Bonds shall be registered in the name of the Authority and delivered to the Authority Trustee upon the issuance thereof in accordance with the provisions of the Local Obligation Purchase Contract.

Section 2.12. CUSIP Numbers. The Community Facilities District in issuing the Bonds may, but shall not be required to, use "CUSIP" numbers (if then generally in use), and, if used, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Community Facilities District shall promptly notify the Trustee in writing of any change in "CUSIP" numbers, if any. The Community Facilities District does not expect to use "CUSIP" numbers for the 2024 Bonds.

Section 2.13. Application of Proceeds of Sale of 2024 Bonds. Upon the receipt of payment of the purchase price of the 2024 Bonds when the 2024 Bonds shall have been duly sold by the Community Facilities District, the Trustee shall deposit such proceeds of sale of the 2024 Bonds into a temporary account called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust, and which shall be disbursed in full on the date of receipt (whereupon said temporary account shall be closed) in the following order:

(a) The Trustee shall deposit in the Series 2024 Bond Reserve Account the amount of $[_____], being a sum equal to the Required Bond Reserve, which such account is hereby created in the Bond Reserve Fund;

(b) The Trustee shall deposit in the Acquisition and Construction Fund the amount of $[_____];

(c) The Trustee shall deposit in the Capitalized Interest Account the amount of $[_____];

(d) The Trustee shall deposit in the Costs of Issuance Fund the amount of $[_____]; and

(e) [The Trustee shall transfer to the City the amount of $[_____] pursuant to instructions provided by the City].

Section 2.14. Capitalized Interest Account. There is hereby established a fund to be known as the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Capitalized Interest Account. On each of the following dates, the Trustee shall transfer the respective amounts from the Capitalized Interest Account to the Redemption Account for the payment of interest due on the 2024 Bonds:

Date of Transfer	Amount
[March 1, 2025]	$[____]

If at any time the Trustee is required by a Supplemental Indenture to deposit any amount of funds therein, the Trustee shall reestablish and maintain a fund to be known as the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Capitalized Interest Account. On each of the dates set forth in any table set forth in a Supplemental Indenture, the amount set forth shall be transferred from the Capitalized Interest Account to the Redemption Account for the payment of interest due on the Bonds. The Capitalized Interest Account will be closed following the last date of transfer.

Section 2.15. Acquisition and Construction Fund. There is hereby established a fund to be known as the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Acquisition and Construction Fund, to be held and administered by the Trustee. All money in the Acquisition and Construction Fund shall be used by the Trustee for payment of the costs of the acquisition and construction of the Facilities, including the repayment of funds advanced by the City for the Community Facilities District and the repayment under any agreement of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, upon receipt of a Written Request of the Community Facilities District filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against such fund; provided, that any remaining amount therein after the completion of such purpose (as set forth in a Certificate of the Community Facilities District so determining filed with the Trustee) shall be transferred by the Trustee to the Redemption Account. The Acquisition and Construction Fund will be closed following the last date of transfer.

Section 2.16. Costs of Issuance Fund. There is hereby established a fund to be known as the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Costs of Issuance Fund, to be held and administered by the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon receipt of a Written Request of the Community Facilities District filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against such fund; provided, that

on [_____, 2025][six months after closing], or upon a prior determination by the Community Facilities District that all Costs of Issuance have been paid (as set forth in a Certificate of the Community Facilities District so determining filed with the Trustee), any balance of money remaining in the Costs of Issuance Fund shall be withdrawn from the Costs of Issuance Fund by the Trustee and transferred to the Acquisition and Construction Fund. The Costs of Issuance Fund will be closed following the last date of transfer.

ARTICLE III

REDEMPTION OR EXCHANGE OF BONDS

Section 3.01. Redemption Prices and Terms of Bonds. Any Supplemental Indenture may set forth the provisions for redemption of any Additional Bonds.

(a) Mandatory Sinking Fund Account Redemption of the 2024 Bonds. The 2024 Bonds maturing on September 1, 20__, are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ (Maturity)	

The 2024 Bonds maturing on September 1, 20__, are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ (Maturity)	

(b) Optional Redemption of the 2024 Bonds. The 2024 Bonds are subject to optional redemption by the Community Facilities District prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from funds derived by the Community Facilities District from any source other than prepayments of the Special Tax, upon mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of the 2024 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after September 1, 20[__] through August 31, 20[__];

102% if redeemed on any date from September 1, 20[__] through August 31, 20[__];

101% if redeemed on any date from September 1, 20[__] through August 31, 20[__];

100% if redeemed on September 1, 20[__] and any date thereafter.

(c) Extraordinary Redemption of the 2024 Bonds. The 2024 Bonds are subject to extraordinary redemption by the Community Facilities District prior to their respective maturity dates, as a whole or in part on any interest payment date on and after [March 1, 2025], from funds derived by the Community Facilities District from prepayments of the Special Tax, upon mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of the 2024 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

103% if redeemed on an interest payment date on or after March 1, 20[__] through September 1, 20[__];

102% if redeemed on an interest payment date on March 1, 20[__] or September 1, 20[__];

101% if redeemed on an interest payment date on March 1, 20[__] or September 1, 20[__];

100% if redeemed on March 1, 20[__] or any interest payment date thereafter.

Section 3.02. Selection of Bonds for Redemption. If less than all the Outstanding Bonds are to be redeemed as a result of prepayments of the Special Tax at any one time, the Bonds shall be redeemed pro rata by maturity. If less than all the Outstanding Bonds are to be redeemed at the option of the Community Facilities District at any one time, the Bonds of the latest maturity date or dates shall be redeemed prior to or simultaneously with the redemption of the Bonds maturing prior thereto, and if less than all the Outstanding Bonds of any one maturity date are to be redeemed at any one time, the Trustee shall select the Bonds or the portions thereof of such

maturity date to be redeemed in integral multiples of five thousand dollars ($5,000) in a manner that it deems appropriate and fair.

Section 3.03. Notice of Redemption of Bonds. At the Written Request of and at the sole cost and expense of the Community Facilities District, received by the Trustee at least ten (10) days in advance of so sending, such Written Request to contain the information to be contained in the notice of redemption to be sent to Holders, as set forth below, the Trustee shall mail at least twenty (20) and not more than sixty (60) days prior to the date fixed for redemption, notice of redemption pursuant to Section 10.14 to the respective Holders of all Bonds selected for redemption in whole or in part and to all securities depositories and securities information services selected by the Community Facilities District to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Community Facilities District in its sole discretion, but neither failure to receive any such mailed notice nor any immaterial defect contained therein shall affect the sufficiency or the validity of such proceedings for redemption; provided, that no notice of redemption need be given to the Authority for any Bonds for which the Authority is the Holder. Such notice shall state the date of such notice, the Bonds to be redeemed, the date of issue of such Bonds, the redemption date, the redemption price, the place of redemption (including the name and appropriate address of the Trustee), and, if less than all of any such maturity, the numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall give notice that further interest on such Bonds or the portions thereof to be redeemed will not accrue from and after the redemption date, and shall require that such Bonds be then surrendered for redemption at the address of the Trustee so designated. If any Bond so chosen for redemption shall not be redeemable in whole, such notice shall also state that such Bond is to be redeemed in part only and that upon presentation of such Bond for redemption there will be issued in lieu of the unredeemed portion of principal thereof a new Bond or Bonds of the same series and maturity date equal in aggregate principal amount to such unredeemed portion.

In the event of an optional redemption of Bonds, the Trustee shall mail a notice of redemption, in the same manner as aforesaid, only after receipt of a Written Request of the Community Facilities District at least 10 days prior to the date on which the Trustee must send notice to the Holders of the Bonds; provided, however, if sufficient monies for the payment of the redemption price of all Bonds to be redeemed are not then on deposit with the Trustee, such notice shall state that such redemption shall be conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Any notice of optional redemption may be rescinded by written notice given by the Community Facilities District to the Trustee no later than three (3) Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given pursuant to this Section.

Section 3.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the registered owner thereof at the expense of the Community Facilities

District a new Bond or Bonds of the same series and maturity date equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Section 3.05. Effect of Redemption of Bonds. If notice of redemption has been duly given and not rescinded as aforesaid and money sufficient for the payment of the principal of and redemption premiums, if any, on, together with interest to the redemption date on, the Bonds or portions thereof so called for redemption has been irrevocably deposited with the Trustee, then on the redemption date designated in such notice such Bonds or such portions thereof shall become irrevocably due and payable, and from and after the date so designated interest on the Bonds or such portions thereof so called for redemption shall cease to accrue and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the principal of such Bonds or such portions thereof and the redemption premiums, if any, thereon and the interest accrued thereon to the redemption date; provided, that redemption of Bonds other than mandatory sinking fund redemption shall be made only from and to the extent of funds on deposit with the Trustee and available for such purpose on the date of redemption.

ARTICLE IV

SPECIAL TAX

Section 4.01. Pledge. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act, the Community Facilities District hereby pledges to the Holders, and grants thereto a lien on and a security interest in, all of the Net Pledged Special Tax and any other amounts held in the Special Tax Fund, the Redemption Fund and the Bund Reserve Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Section 4.02. Deposit of Proceeds of the Special Tax in the Community Facilities Fund and Transfer to the Special Tax Fund. The Community Facilities District agrees and covenants that it will deposit the Pledged Special Tax proceeds in the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Community Facilities Fund, which fund is hereby established in the treasury of the City, for and on behalf of the Community Facilities District, and which fund the Community Facilities District hereby agrees and covenants to maintain so long as any Bonds are Outstanding hereunder. All money in the Community Facilities Fund shall be used and withdrawn by the Community Facilities District solely for the benefit of the Community Facilities District in accordance with the Law, including payment of Expenses. The Community Facilities District agrees and covenants that, after payment of its Priority Administrative Expenses, it will transfer to the Trustee from the Community Facilities Fund amounts sufficient and in sufficient time for the Trustee to make the transfers required by Section 4.02 (less any amounts to be transferred pursuant to Section 2.14),

and the Trustee shall deposit such proceeds as and when received in the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Fund, which fund the Trustee shall establish and maintain so long as Bonds remain Outstanding hereunder, and all money in such fund shall be held by the Trustee in trust hereunder and shall be disbursed, allocated and applied solely to the uses and purposes hereinafter set forth in this Article.

Section 4.03. Allocation of Money in the Special Tax Fund. All money in the Special Tax Fund shall be set aside by the Trustee in the following respective special accounts and fund within the Special Tax Fund (each of which accounts and fund is hereby created) in the following order of priority, and all money in each of such accounts and fund shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section, namely:

(1) Redemption Account; and

(2) Bond Reserve Fund.

(a) Redemption Account. On or before March 1 and September 1 in each year, beginning on March 1, 2025, the Trustee shall, from the money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such March 1 or September 1, as the case may be, and on or before September 1 in each year, beginning on September 1, 2025, the Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds on such September 1 plus all amounts required to be redeemed by mandatory sinking fund redemption on such September 1; provided, that all of the aforesaid payments shall be made without priority of any payment over any other payment, and in the event that money in the Special Tax Fund on any March 1 or September 1 is not equal to the amount of interest becoming due on all Bonds on such date, or in the event that the money in the Special Tax Fund on any September 1 is not equal to the amount of principal of the Bonds becoming due on such date, as the case may be, then such money shall be applied pro rata in such proportion as such interest and principal and mandatory sinking fund redemption payments bear to each other.

No deposit need be made into the Redemption Account if the amount of money contained therein is at least equal to the amount required by the terms of the preceding paragraph to be deposited therein at the times and in the amounts herein provided.

All money in the Redemption Account shall be used and withdrawn by the Trustee to pay the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity) plus the principal of and redemption premiums, if any, on the Bonds as they shall mature or upon the prior redemption thereof.

(b) Bond Reserve Fund. On or before March 1 and September 1 in each year, beginning on March 1, 2025, the Trustee shall, from the then remaining money in the

Special Tax Fund, transfer to and deposit in each Bond Reserve Account within the Bond Reserve Fund such amount of money as shall be required to restore each such Bond Reserve Account to a sum equal to the Required Bond Reserve for the applicable series of Bonds, *pro rata*, to the extent that amounts are available in the Special Tax Fund for such purpose; and for this purpose all investments in each Bond Reserve Account shall (beginning on March 1, 2025) be valued on March 1 and September 1 of each year at the face value thereof if such investments mature within twelve (12) months from the date of valuation, or if such investments mature more than twelve (12) months after the date of valuation, at the price at which such investments are redeemable by the Holder at his or her option, if so redeemable, or if not so redeemable, at the lesser of (i) the cost of such investments plus the amortization of any premium or minus the amortization of any discount, or (ii) the market value of such investments. For purposes of allocating remaining money in the Special Tax Fund between more than one Bond Reserve Account, any such transfers to and deposits in each Bond Reserve Account shall be made equally and ratably in proportion to the Required Bond Reserve for each series of Bonds.

No deposit need be made into a Bond Reserve Account if the value of the investments contained therein is at least equal to the Required Bond Reserve for the applicable series of Bonds.

All money in each Bond Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or principal of the corresponding series of Bonds in the event there is insufficient money in the Redemption Account available for this purpose; provided, that if as a result of any of the foregoing valuations or as a result of any property owner prepayment it is determined that the amount of money in a Bond Reserve Account exceeds or will exceed the Required Bond Reserve for the applicable series of Bonds, the Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account as provided in the last paragraph of Section 10.05. For the avoidance of doubt, amounts in a Bond Reserve Account are not available to make up a deficiency for the payment of principal and interest on any Bonds other than the specific series of Bonds to which the Bond Reserve Account relates.

(c) Surplus Amounts. On or before March 1 and September 1 in each year, beginning on March 1, 2025, the Trustee shall, from the then remaining money in the Special Tax Fund, transfer all amounts remaining in the Special Tax Fund after the transfers specified in subsections (a) and (b) above to the City for deposit in the Community Facilities Fund.

ARTICLE V

COVENANTS OF THE COMMUNITY FACILITIES DISTRICT

Section 5.01. Punctual Payment and Performance. The Community Facilities District will punctually pay the interest on and principal of and redemption premium, if any, to become due on every Bond issued hereunder in strict conformity with the terms of the Law and hereof and of the Bonds, and will faithfully observe and perform all the agreements, conditions,

covenants and terms contained herein and in the Bonds required to be observed and performed by it.

Section 5.02. Against Indebtedness and Encumbrances. The Community Facilities District will not issue any evidences of indebtedness payable from the proceeds of the Special Tax except as provided herein, and will not create, nor permit the creation of, any pledge, lien, charge or other encumbrance upon any money in the Special Tax Fund other than as provided herein; provided, that the Community Facilities District may at any time, or from time to time, issue evidences of indebtedness for any lawful purpose of the Community Facilities District which are payable from any money in the Community Facilities Fund as may from time to time be deposited therein so long as any payments due thereunder shall be subordinate in all respects to the use of the proceeds of the Special Tax as provided herein.

Section 5.03. Against Federal Income Taxation.

(a) If the Community Facilities District has obtained an opinion of Bond Counsel that interest on a series of the Bonds is excluded from gross income for federal income tax purposes, the Community Facilities District will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on such Bonds pursuant to Section 103 of the Code, and specifically the Community Facilities District will not directly or indirectly use or make any use of the proceeds of such Bonds or any other funds of the Community Facilities District or take or omit to take any action that would cause such Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code or "private activity bonds" subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the Community Facilities District, with respect to the proceeds of such Bonds and such other funds, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such regulations are, at the time, applicable and in effect; provided, that if the Community Facilities District shall obtain an opinion of nationally recognized bond counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on such Bonds pursuant to Section 103 of the Code, the Community Facilities District may rely conclusively on such opinion in complying with the provisions hereof. In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any money held by the Finance Director, for and on behalf of the Community Facilities District, hereunder or otherwise the Community Facilities District shall so instruct the Finance Director in writing, and the Finance Director shall take such action as may be necessary in accordance with such instructions.

(b) Without limiting the generality of the foregoing, the Community Facilities District will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such

regulations are, at the time, applicable and in effect, which obligation shall survive payment in full or defeasance of the Bonds, and to that end, there is hereby established in the treasury of the City, for and on behalf of the Community Facilities District, a fund to be known as the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds Rebate Fund to be held in trust and administered by the Finance Director for and on behalf of the Community Facilities District. The Community Facilities District will comply with the provisions of the Tax Certificate with respect to making deposits in the Rebate Fund, and all money held in the Rebate Fund is pledged to provide payments to the United States of America as provided herein and in the Tax Certificate and no other person shall have claim to such money except as provided in the Tax Certificate.

Section 5.04. Payment of Claims. The Community Facilities District will pay and discharge any and all lawful claims which, if unpaid, might become payable from the proceeds of the Special Tax or any part thereof or upon any funds in the hands of the Community Facilities District or the Trustee allocated to the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, or which might impair the security of the Bonds.

Section 5.05. Expense and Services Budgets. The City Council, as legislative body of the Community Facilities District, will, on or before July 1 in each year, adopt a budget setting forth the costs of the estimated Expenses and Services for the period from such July 1 through the next succeeding June 30; provided, that any budget adopted in accordance with this Section may be amended by the City Council at any time.

Section 5.06. Accounting Records; Financial Statements and Other Reports.

(a) The Community Facilities District will keep, or in the case of transactions made by the Trustee it will cause the Trustee to keep, appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the proceeds of the Special Tax and of the proceeds of the Bonds, which accounting records shall at all times during business hours with reasonable prior written notice be subject to the inspection of any Holder (or his or her representative authorized in writing). The Trustee shall furnish the Community Facilities District periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Community Facilities District. Upon the Community Facilities District's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Community Facilities District waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Community Facilities District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon written request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(b) The Community Facilities District will prepare annually not more than two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) a summary report showing in reasonable detail the

proceeds of the Special Tax levied and collected and the costs of the Expenses, Maintenance and Services for the preceding Fiscal Year and containing a general statement of the physical condition of the Facilities. The Community Facilities District will furnish a copy of such summary report without charge to any Holder (or his or her representative authorized in writing) and to any investment banker, security dealer or other person interested in the Bonds requesting a copy thereof.

(c) The Community Facilities District will prepare annually not later than October 30 of each year (beginning in [2024]) and file with the California Debt and Investment Advisory Commission by mail, postage prepaid, all necessary information required to be filed under the Law, including:

(1) The principal amount of the Bonds Outstanding;

(2) The balance in each Bond Reserve Account;

(3) The balance in the Redemption Account constituting capitalized interest, if any;

(4) The number of parcels securing the Bonds which are delinquent with respect to their Special Tax payments, the amount that each delinquent parcel is delinquent, the length of time that each delinquent parcel has been delinquent and when foreclosure was commenced for each delinquent parcel; and

(5) The assessed value of all parcels subject to the levy of the Special Tax to repay the Bonds, as shown on the most equalized assessment roll of the County of Sacramento.

Additionally, the Community Facilities District will notify the California Debt and Investment Advisory Commission by mail, postage prepaid, within ten (10) days if the Community Facilities District or the Trustee fails to pay any interest on or principal of any of the Bonds on any scheduled payment date, or if funds are withdrawn from a Bond Reserve Account to pay any interest on or principal of a series of the Bonds.

Section 5.07. Protection of Security and Rights of Holders. The Community Facilities District will preserve and protect the security of the Bonds and the rights of the Holders and will warrant and defend their rights against all claims and demands of all persons.

Section 5.08. Payment of Governmental Charges and Compliance with Governmental Regulations. The Community Facilities District will pay and discharge all taxes or payments in lieu of taxes, assessments and other governmental charges or liens that may be levied, assessed or charged upon the Facilities or any part thereof promptly as and when the same shall become due and payable, except that the Community Facilities District shall not be required to pay any such governmental charges so long as the application or validity thereof shall be contested in good faith and the Community Facilities District shall have set aside reserves to cover such charges. The Community Facilities District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Facilities or any part thereof, except that the Community Facilities District shall not be required to

comply with any such regulations or requirements so long as the application or validity thereof shall be contested in good faith.

Section 5.09. Levy and Collection of the Special Tax. The Community Facilities District, so long as any Bonds are Outstanding, will annually levy the Special Tax against all Taxable Property in the Community Facilities District and make provision for the collection of the Special Tax in amounts which will be sufficient, together with the money then on deposit in the Redemption Account, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained herein, and which in any event will be sufficient to pay the interest on and principal of and mandatory sinking fund redemption payments and redemption premiums, if any, on the Bonds as they become due and payable and to replenish each Bond Reserve Account and to pay all current Expenses, Maintenance and Services as they become due and payable in accordance with the provisions and terms hereof. The Special Tax shall be collected in the same manner as ordinary ad valorem property taxes are collected and, except as otherwise provided in Section 5.10 or by the Law, shall be subject to the same penalties and the same collection procedure, sale, and lien priority in case of delinquency as is provided for ad valorem property taxes.

Section 5.10. Foreclosure of Special Tax Liens. The Community Facilities District shall annually on or before September 1 of each year review the public records of the County of Sacramento relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year. Within sixty (60) days thereafter the Community Facilities District shall institute foreclosure proceedings as authorized by the Law to enforce the Special Tax lien against (1) each delinquent lot or parcel of land in the Community Facilities District, regardless of amount of delinquency, if the Special Tax collected for such Fiscal Year is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year and (2) each lot or parcel in the Community Facilities District that is then delinquent on four or more installments of the Special Tax or delinquent in the payment of the Special Tax in an amount of $45,000 or more. In addition, the Community Facilities District shall institute foreclosure proceedings against any delinquent lot or parcel of land in the Community Facilities District for which another community facilities district governed by the City Council has commenced foreclosure proceedings for an overlapping special tax. The Community Facilities District shall diligently prosecute and pursue such foreclosure proceedings to judgment and sale. Notwithstanding the foregoing, the Community Facilities District shall not be obligated to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the Community Facilities District has received one hundred percent (100%) of the amount of such installment from the County of Sacramento pursuant to the so-called "Teeter Plan." Any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Government Code of the State of California.

Section 5.11. Further Assurances. The Community Facilities District will adopt, deliver, execute, make and file any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Holders of the rights and benefits provided herein, including without limitation the filing of all financing statements, agreements, instruments or other documents in the forms and in the locations necessary to perfect and protect, and to

continue the perfection of, the pledge of the Net Pledged Special Taxes provided herein to the fullest extent possible under applicable law of the State of California. Further, the Community Facilities District covenants to not approve any amendments, changes or modifications relating to development of the property within the Community Facilities District that would reduce the amount of the Maximum Facilities Special Tax less Priority Administrative Expenses to equal less than one hundred ten percent (110%) of the sum of the Annual Debt Service on the Bonds in any year until the maturity date for the Bonds.

ARTICLE VI

THE TRUSTEE

Section 6.01. The Trustee. U.S. Bank Trust Company, National Association at its Corporate Trust Office in San Francisco, California, is hereby appointed Trustee for the purpose of receiving all money which the Community Facilities District is required to transfer to it hereunder and for applying and using such money as provided herein for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds. The Community Facilities District agrees that it will at all times maintain a Trustee having a designated corporate trust office in Los Angeles or San Francisco, California.

The Trustee and the Community Facilities District shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Community Facilities District may remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank or trust company doing business and having a designated corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least one hundred million dollars ($100,000,000) and subject to supervision or examination by a federal or state banking authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Community Facilities District and by giving notice of such resignation by mail pursuant to Section 10.14 to the Holders, and upon receiving such notice of resignation, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing having the qualifications required hereby. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed by the Community Facilities District and shall have accepted such appointment, the removed or resigning Trustee may petition, at the

expense of the Community Facilities District, any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Any company into which the Trustee shall be merged or converted or with which it may be consolidated or any company resulting from any merger, conversation or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, so long as such company shall meet the requirements set forth in this Section, shall be the successor to the Trustee and shall be vested with all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 6.02. Liability of the Trustee. The recitals of facts, agreements and covenants contained herein and in the Bonds shall be taken as statements, agreements and covenants of the Community Facilities District, and the Trustee shall not assume any responsibility for the correctness of the same and does not make any representation as to the sufficiency or validity hereof or of the Bonds or of the Special Tax, or as to the financial or technical feasibility of the acquisition and construction of any of the Facilities, and shall not incur any responsibility in respect thereof other than in connection with the rights and obligations expressly assigned to or imposed upon it herein or in the Bonds, and shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and no provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any liability for the performance of its duties hereunder, or in the exercise of any of its rights or powers hereunder.

The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and the Trustee shall be entitled to advice of counsel of its selection concerning all matters of trust and its duties hereunder and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon. The Trustee may execute any of the trusts or powers set forth herein and perform the duties required of it hereunder by or through attorneys, agents or attorneys, and the Trustee shall not be liable for the negligence or misconduct of any agent, attorney or certified public accountant selected by it with due care.

The Trustee shall, at all times, perform such duties and only such duties as are specifically set forth herein, and no implied duties or obligations shall be read herein against the Trustee. At no time shall the Trustee be a fiduciary or have fiduciary duties hereunder.

The Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and such Holder's title thereto is certified to the Trustee in a written instrument, upon which the Trustee shall be entitled to conclusively rely.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds exercising any trust or power conferred upon the Trustee hereunder.

The Trustee has no obligation to the Holders and shall incur no liability for the payment of the interest on, principal of or redemption premiums, if any, with respect to the Bonds from its own funds. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall perform such duties and obligations as are specifically set forth in this Indenture and shall not be liable except for its negligence or willful misconduct, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer at the Trustee's Corporate Trust Office responsible for the administration of the Trustee's duties and obligations hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its Corporate Trust Office. The Trustee shall not be bound to ascertain or to inquire as to the performance or observance of any of the agreements, conditions, covenants or terms herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder.

No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced to it hereunder at its prime rate plus two percent (2%), but not greater than twelve percent (12%) per annum.

The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All rights, privileges, immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 6.03. Compensation and Indemnification of the Trustee. The Community Facilities District agrees to pay to the Trustee from time to time, and the Trustee shall receive compensation for all services rendered by it in the exercise and performance of any of the duties and obligations of the Trustee hereunder, as mutually and previously agreed upon in writing, and the Community Facilities District will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee and its affiliates, directors, employees or agents in accordance with any of the provisions hereof (including the reasonable

compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct. The Community Facilities District, to the extent permitted by law, agrees to indemnify, defend and hold harmless the Trustee against any and all loss, damages, claims, liability or expense incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with (i) the exercise or performance of any of its duties or obligations hereunder, or (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of any of the Bonds, including costs and expenses (including attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its duties and obligations hereunder. The rights of the Trustee and the obligations of the Community Facilities District under this Section shall survive the discharge of the Bonds and the resignation or removal of the Trustee.

Section 6.04. Notice to the Trustee. The Trustee shall be protected in acting upon any Bond, certificate, consent, notice, opinion, report, request, resolution or other document or paper believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its selection, including, without limitation, counsel to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively established or proved by a Certificate of the Community Facilities District or an Accountant's Report, which shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, and on which the Trustee may conclusively rely, but in its reasonable judgment the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

ARTICLE VII

AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE

Section 7.01. Procedure for Amendment of or Supplement to the Indenture.

(a) Amendment or Supplement With Consent of Holders. The Indenture and the rights and obligations of the Community Facilities District and of the Holders may be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the Community Facilities District and the Trustee, which Supplemental Indenture shall become binding when the written consents of the Holders of sixty percent (60%) or more in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02, shall have been filed with the

Trustee; provided, that no such amendment or supplement shall (1) extend the maturity of or reduce the interest rate on or otherwise alter or impair the obligation of the Community Facilities District to pay the interest on or principal of or mandatory sinking fund redemption payments for or redemption premium, if any, on any Bond at the time and place and at the rate and in the currency and from the funds provided herein without the express written consent of the Holder of such Bond, or (2) permit the issuance by the Community Facilities District of any obligations payable from the proceeds of the Special Tax other than the Bonds as provided herein, or jeopardize the ability of the Community Facilities District to levy and collect the Special Tax, or (3) reduce the percentage of Bonds required for the written consent to any such amendment or supplement, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto.

(b) Amendment or Supplement Without Consent of Holders. The Indenture and the rights and obligations of the Community Facilities District and of the Holders may also be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the Community Facilities District and the Trustee, which Supplemental Indenture shall become binding upon execution without the prior written consent of any Holders, but only to the extent permitted by law and after receiving an Opinion of Counsel, stating that the Supplemental Indenture is the valid and binding obligation of the Community Facilities District, and only for any one or more of the following purposes:

(i) To add to the agreements and covenants required herein to be performed by the Community Facilities District other agreements and covenants thereafter to be performed by the Community Facilities District which shall not (in the opinion of the Community Facilities District) adversely affect the interests of the Holders, or to surrender any right or power reserved herein to or conferred herein upon the Community Facilities District which shall not (in the opinion of the Community Facilities District) adversely affect the interests of the Holders;

(ii) To make such provisions for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Community Facilities District may deem desirable or necessary and not inconsistent herewith and which shall not (in the opinion of the Community Facilities District) adversely affect the interests of the Holders;

(iii) To authorize the issuance of Additional Bonds and to provide the conditions and terms under which the Additional Bonds may be issued;

(iv) To authorize the issuance under and subject to the Law of any refunding bonds for any of the Bonds and to provide the conditions and terms under which such refunding bonds may be issued;

(v) To make such additions, deletions or modifications as may be necessary or appropriate to ensure compliance with Section 148(f) of the Code relating to the required rebate of excess investment earnings to the United States of America, or otherwise as may be necessary to ensure the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds or the exemption of such interest from State of California personal income taxes; or

(vi) To make such additions, deletions or modifications as may be necessary or appropriate to maintain any then current rating on the Bonds.

Section 7.02. Disqualified Bonds. Bonds owned or held for the account of the Community Facilities District shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article or in Article VIII, and shall not be entitled to consent to or take any other action provided for in this Article or in Article VIII.

Section 7.03. Endorsement or Replacement of Bonds After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Community Facilities District may determine that the Bonds may bear a notation by endorsement in form approved by it as to such action, and in that case upon demand of the Holder of any Bond Outstanding on such effective date and presentation of his or her Bond for such purpose at the Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Community Facilities District shall so determine, new Bonds so modified as, in the opinion of the Community Facilities District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Holder of any Bond Outstanding on such effective date such new Bonds shall, upon surrender of such Outstanding Bonds, be exchanged at the Corporate Trust Office of the Trustee, without cost to each Holder, for Bonds then Outstanding.

Section 7.04. Amendment or Supplement by Mutual Consent. The provisions of this Article shall not prevent any Holder from accepting any amendment or supplement as to any particular Bonds held by him or her; provided, that due notation thereof is made on such Bonds.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

Section 8.01. Events of Default and Remedies of Holders. If one or more of the following events (herein "Events of Default") shall happen, that is to say:

(a) if default shall be made by the Community Facilities District in the due and punctual payment of any interest on or principal of or mandatory sinking fund redemption payments for any of the Bonds when and as the same shall become due and payable;

(b) if default shall be made by the Community Facilities District in the observance or performance of any of the other agreements or covenants contained herein required to be observed or performed by it, and such default shall have continued for a period of thirty (30) days after the Community Facilities District shall have been given notice in writing of such default by the Trustee;

(c) if default shall be made by the Community Facilities District in the due and punctual payment of any indebtedness on a parity with or senior to the Bonds; or

(d) if the Community Facilities District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Community Facilities District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Community Facilities District or of the whole or any substantial part of its property;

then in each and every such case during the continuance of such Event of Default any Holder shall have the right for the equal benefit and protection of all Holders similarly situated:

(a) by mandamus or other suit or proceeding at law or in equity to enforce his rights against the City Council or the Community Facilities District or any of the officers or employees of the Community Facilities District, and to compel the City Council or the Community Facilities District or any such officers or employees to perform and carry out their duties under the Law and the agreements and covenants with the Holders contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Holders; or

(c) by suit in equity upon the nonpayment of the Bonds to require the City Council or the Community Facilities District or its officers and employees to account as the trustee of an express trust.

Section 8.02. Non-Waiver. Nothing in this Article or in any other provision herein or in the Bonds shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Holders of the Bonds at the respective dates of maturity or upon redemption prior to maturity as provided herein from the proceeds of the Special Tax and the other funds as provided herein, or shall affect or impair the right of such Holders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any Event of Default or breach of duty or contract by any Holder shall not affect any subsequent Event of Default or breach of duty or contract and shall not impair any rights or remedies on any such subsequent Event of Default or breach of duty or contract. No

delay or omission by any Holder to exercise any right or remedy accruing upon any Event of Default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or breach of duty or contract or an acquiescence therein, and every right and remedy conferred upon the Holders by the Law or hereby may be enforced and exercised from time to time and as often as shall be deemed expedient by the Holders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to any Holder, the Community Facilities District and such Holder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

DEFEASANCE

Section 9.01. Discharge of the Bonds.

(a) If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated therein and herein, then all agreements, covenants and other obligations of the Community Facilities District to the Holders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District for deposit in the Community Facilities Fund all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds.

(b) Any Outstanding Bonds shall on the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if there shall have been irrevocably deposited with the Trustee money which is sufficient to pay the interest due on such Bonds on such date and the principal and redemption premiums, if any, due on such Bonds on such date.

(c) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have agreed to mail a notice of redemption pursuant to Section 10.14 to the respective

Holders of all such Outstanding Bonds and to the securities depositories or securities information services selected by it pursuant to Section 3.03, (2) there shall have been filed with the Community Facilities District and the Trustee an Opinion of Counsel to the effect that the payment of such Bonds has been provided for in the manner set forth herein and that all obligations of the Community Facilities District with respect to such Bonds have been discharged and satisfied and there shall have been deposited with an escrow agent meeting the requirements of a successor trustee set forth in Section 6.01 or the Trustee either (i) money in an amount which shall be sufficient to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Bonds on and prior to the date scheduled for redemption or maturity date thereof, as the case may be and/or (ii) Federal Securities which are not subject to redemption except by the holder thereof prior to maturity (including any Federal Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with such escrow agent meeting the requirements of a successor trustee set forth in Section 6.01 or the Trustee at the same time, shall be sufficient to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Bonds on and prior to the date scheduled for redemption or maturity date thereof, as the case may be, as evidenced by an Accountant's Report on file with the Community Facilities District and the Trustee, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Community Facilities District shall have agreed to mail pursuant to Section 10.14 a notice to the Holders of such Bonds and to the securities depositories and securities information services selected by it pursuant to Section 3.03 that the deposit required by clause (2) above has been made with such escrow agent meeting the requirements of a successor trustee set forth in Section 6.01 or the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity dates or redemption dates, as the case may be, upon which money will be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

Section 9.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or any interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds or interest thereon became due and payable, shall be repaid by the Trustee to the Community Facilities District as its absolute property free from trust for deposit in the Community Facilities Fund and for use in accordance with the Law, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall look only to the Community Facilities District for the payment of such Bonds and interest thereon; provided, that before the Trustee shall be required to make any such repayment the Community Facilities District shall mail pursuant to Section 10.14 a notice to the Holders of all Outstanding Bonds and to such securities depositories and securities information services selected by it pursuant to Section 3.03 that such money remains unclaimed and that after a date named in such notice, which date shall not be less than thirty (30) days after the date of the mailing of such notice, the balance of such

money then unclaimed will be returned to the Community Facilities District for deposit in the Community Facilities Fund.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability of Community Facilities District Limited to Proceeds of the Special Tax and Certain Other Funds. Notwithstanding anything contained herein, the Community Facilities District shall not be required to advance any money derived from any source of income other than the proceeds of the Special Tax net of Priority Administrative Expenses and the other funds provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds.

The Bonds are special tax obligations of the Community Facilities District and the interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the proceeds of the Pledged Special Tax (including any prepayments thereof and proceeds from the sale of property collected pursuant to the foreclosure provisions of the Indenture for the delinquency of the Special Tax), net of Priority Administrative Expenses, and amounts in certain funds and accounts established in the Indenture, and the Community Facilities District is not obligated to pay the Bonds except from such funds. The General Fund of the City and the funds of the Community Facilities District are not liable, and neither the full faith and credit of the Community Facilities District nor the City are pledged for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, and no tax or assessment other than the Special Tax shall ever be levied or collected to pay the interest on or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the Community Facilities District or any of its income or receipts except the proceeds of the Pledged Special Tax (including any prepayments thereof and proceeds from the sale of property collected pursuant to the foreclosure provisions of the Indenture for the delinquency of the Special Tax), net of Priority Administrative Expenses, and amounts in certain funds and accounts established in the Indenture, and neither the payment of the interest on or principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the Community Facilities District. The Bonds do not constitute an indebtedness of the Community Facilities District within the meaning of any constitutional or statutory debt limitation or restriction, and neither the City Council nor the Community Facilities District nor any officer or employee thereof shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds otherwise than from the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds as provided in the Indenture.

Section 10.02. Benefits of the Indenture Limited to Certain Parties. Nothing contained herein, express or implied, is intended to give to any entity or person other than the City Council, the Community Facilities District, the Trustee, and the Holders any right, remedy or claim under or by reason hereof, and any agreement or covenant required herein to be performed by or on behalf of the City Council or the Community Facilities District or any officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Holders.

Section 10.03. Successor Is Deemed Included in All References to Predecessor. Whenever either the City Council or the Community Facilities District or any officer or employee thereof or of the City is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the administration, control and management of the Community Facilities District that are presently vested in the City Council or the Community Facilities District or such officer or employee, and all agreements and covenants required herein to be performed by or on behalf of the City Council or the Community Facilities District or any officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Execution of Documents by Holders. Any declaration, request or other instrument which is permitted or required herein to be executed by Holders may be in one or more instruments of similar tenor, and may be executed by Holders in person or by their attorneys duly authorized in writing. The fact and date of the execution by any Holder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he or she purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him or her the execution thereof, or by an affidavit of a witness to such execution duly sworn to before such notary public or other officer. The ownership of Bonds and the amount, maturity, number and date of holding the same shall be provided by the registration books required to be kept by the Trustee pursuant to Section 2.09.

Any declaration, request or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond with respect to anything done or suffered to be done by the Community Facilities District in good faith and in accordance therewith.

Section 10.05. Deposit and Investment of Money in Accounts and Funds. All money held by the Trustee in any accounts and funds established herein shall be deposited in time or demand deposits in any state or nationally chartered bank or trust company, including the Trustee, or any state or federal savings and loan association, and shall be secured at all times by such obligations as are required by law and to the fullest extent required by law, except such money that is at the time invested in accordance with this Section. Any money in the Acquisition and Construction Fund and in the Special Tax Fund and in the Redemption Account shall be invested by the Trustee pursuant to a Written Request of the Community Facilities District received by the Trustee at least three (3) days before making any such investment in those Permitted Investments specified in such Written Request of the Community Facilities District that mature not later than the date on which it is estimated that such money will be required to be paid out hereunder, and any money in a Bond Reserve Account shall be invested by the Trustee pursuant to a Written Request of the Community Facilities District received by the Trustee at least three (3) days before making any such investment in those Permitted Investments specified in such Written Request of the Community Facilities District that mature not more than five (5) years from the date of purchase by the Trustee, or the final maturity date of any Outstanding Bonds, whichever is earlier; and the Trustee may conclusively rely and determine that any investment specified in any such Written Request of the Community Facilities District is a Permitted Investment or a Federal Security, as the case may be, hereunder; provided, that in the absence of written instructions from the Community Facilities District regarding such investments, such money shall be held

uninvested. The Trustee (or any affiliate thereof) may act as principal or agent in the making of any investment hereunder and may impose its customary charges therefor, and shall not be responsible for any losses, taxes, fees or other charge suffered in connection with any investment, reinvestment or liquidation of investments made in accordance herewith. Notwithstanding anything in the Indenture to the contrary, for purposes of any time limitation on the maturity of an investment of moneys in the funds and accounts held thereunder, such investment shall be deemed to satisfy such time limitation if, by its terms and within such time limitation, the Community Facilities District or the Trustee has the right, for any purpose permitted or required under the Indenture, to demand the repurchase, redemption, withdrawal or termination of such investment and to receive at least the outstanding par amount thereof plus accrued interest, without penalty.

All interest received on any such money so deposited or invested which exceeds the requirements of the account or fund from which such money was deposited or invested shall (as specified in a Written Request of the Community Facilities District filed with the Trustee) (subject to the requirements of Section 5.03) be deposited in the Redemption Account, and all losses on any such money so deposited or invested shall be borne by the account or fund from which the deposit or investment was made.

Section 10.06. Waiver of Personal Liability. No member of the City Council or officer or employee of the City, acting for and on behalf of the Community Facilities District, shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, but nothing herein contained shall relieve any member of the City Council or officer or employee of the City from the performance of any official duty provided hereby or by the Law or by any other applicable provisions of law.

Section 10.07. Acquisition of Bonds by Community Facilities District. All Bonds acquired by the Community Facilities District, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation and destruction by it, and the Trustee shall send the Community Facilities District a certificate of such destruction.

Section 10.08. Content of Certificates and Reports. Every certificate or report with respect to compliance with an agreement, condition, covenant or term provided herein shall include (a) a statement that the person or persons making or giving such certificate or report have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the opinion contained in such certificate or report is based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any such certificate made or given by an officer of the City, for and on behalf of the Community Facilities District, may be based, insofar as it relates to legal matters, upon a representation made in an Opinion of Counsel unless such officer knows that the representation with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any such Opinion of Counsel may be based, insofar as it relates to factual matters information with respect

to which is in the possession of the Community Facilities District, upon a representation by an officer or officers of the City unless the counsel giving such Opinion of Counsel knows that the representation with respect to the matters upon which his representation may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 10.09. Maintenance of Accounts and Funds. Any account or fund required herein to be established and maintained by the Trustee may be maintained by the Trustee in its accounting records in its customary manner either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any financial reports or statements with respect thereto, be treated either as an account or as a fund; but all such accounting records with respect to all such accounts and funds shall at all times be maintained by the Trustee in accordance with trust industry standards.

Section 10.10. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the construction, effect or meaning hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding articles, sections or subdivisions hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular article, section or subdivision hereof.

Section 10.11. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms or portions thereof required hereby to be observed or performed by the Community Facilities District or the Trustee should be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants or terms or portions thereof and shall in no way affect the validity hereof or of the Bonds; and the Holders shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Community Facilities District hereby declares that it would have executed the Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.12. Execution in Counterparts and Electronic Execution. The Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument. The exchange of copies of the Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of the Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Indenture are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and

executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

Section 10.13. Governing Law. The Indenture shall be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 10.14. Notices. All written notices to be given hereunder shall be given by mail or electronic means to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Community Facilities District:

City of Folsom
50 Natoma Street
Folsom, California 95630
Attention: Finance Director
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Trustee:

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust
Fax: (415) 677-3596
Email: karen.lei@usbank.com

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class mail deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Indenture and delivered using Electronic Means ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Community Facilities District shall provide to the Trustee an incumbency certificate listing officers with the

Community Facilities District to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Community Facilities District whenever a person is to be added or deleted from the listing. If the Community Facilities District elects to give the Trustee Instructions using Electronic Means and the Trustee in its reasonable judgment elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Community Facilities District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume without liability that directions that purport to have been sent by an officer listed on the incumbency certificate provided to the Trustee have been sent by such officer. The Community Facilities District shall be responsible for ensuring that only officers transmit such Instructions to the Trustee and that the Community Facilities District and all officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Community Facilities District. The Trustee shall not be liable for any losses, costs claims, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The Community Facilities District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Community Facilities District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 10.15. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 10.16. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, pandemics, epidemics, quarantine restrictions, recognized public emergencies, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 10.17. Effective Date of the Indenture. The Indenture shall take effect from and after its execution and delivery.

IN WITNESS WHEREOF, the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) has caused the Indenture to be signed in its name by the Finance Director of the City of Folsom and U.S. Bank Trust Company, National Association, as Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the date and year first above written.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)

By_____
Finance Director of the City of Folsom

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By_____
Authorized Officer

EXHIBIT A

[FORM OF BONDS]

No. _____ $_____

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)
SPECIAL TAX BOND, SERIES 2024

Interest Rate	Maturity Date	Bond Date
_____%	September 1, ____	October __, 2024

REGISTERED OWNER: U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE FOLSOM RANCH FINANCING AUTHORITY

PRINCIPAL AMOUNT: DOLLARS

The City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services), organized and existing under and pursuant to the laws of the State of California (the "Community Facilities District"), for value received hereby promises to pay (but only out of the proceeds of the Special Tax hereinafter referred to, net of Priority Administrative Expenses (as defined in the Indenture hereinafter referred to), and certain other funds as described herein) to the registered owner set forth above on the maturity date set forth above (subject to any right of prior redemption hereinafter provided for) the principal amount set forth above, together with interest thereon computed on the basis of a 360-day year of twelve (12) 30-day calendar months from the interest payment date next preceding the date of registration of this Bond (unless this Bond is registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event it shall bear interest from its dated date) until the principal hereof shall have been paid, at the interest rate per annum set forth above, payable on [March 1, 2025], and semiannually thereafter on March 1 and September 1 in each year. The interest on and

principal of and redemption premium, if any, on this Bond are payable in lawful money of the United States of America at the Corporate Trust Office (as that term is defined in the Indenture hereinafter referred to, and herein the "Corporate Trust Office") of U.S. Bank Trust Company, National Association, or any other bank or trust company at its Corporate Trust Office, which may at any time be substituted in its place as provided in the Indenture hereinafter described, the Trustee of the Community Facilities District for the Bonds (the "Trustee"). The interest on this Bond due on or before the maturity or prior redemption hereof shall be payable only to the person whose name appears in the registration books required to be kept by the Trustee as the registered owner hereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, such interest to be paid by check mailed by first class mail on each such interest payment date to such registered owner at his or her address as it appears on such books, except that in the case of a registered owner of one million dollars ($1,000,000) or more in principal amount of Bonds then Outstanding, payment shall be made at such owner's option by wire transfer on each such interest payment date of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America according to written instructions provided by such owner to the Trustee at least fifteen (15) days before such interest payment date. The principal of and redemption premium, if any, on this Bond shall be payable only to the person whose name appears in such registration books as the registered owner hereof, such principal and redemption premium, if any, to be paid only on the surrender of this Bond at the Corporate Trust Office of the Trustee at maturity or on redemption prior to maturity.

Notwithstanding the foregoing, the Trustee may agree with the Holder of this Bond that such Holder may, in lieu of surrendering the same for a new Bond, endorse on this Bond a record of partial payment of the principal of this Bond as follows:

PAYMENTS ON ACCOUNT OF PRINCIPAL

Payment Date	Principal Amount Paid	Balance of Principal Amount Unpaid	Signature of Holder

This Bond is one of a duly authorized issue of Bonds in the aggregate principal amount of [_____] dollars ($[PAR AMOUNT]) issued by the Community Facilities District located in the City of Folsom (the "City"), designated the "City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds, Series 2024" (the "Bonds"), which Bonds are issued under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental

thereto (the "Law") and under and pursuant to the provisions of an Indenture dated as of [Dated Date] (the "Indenture") between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), and all capitalized terms used herein not otherwise defined shall have the meanings contained in the Indenture. All the Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture (copies of which are on file at the office of the City Clerk of the City and at the Corporate Trust Office of the Trustee), and reference is hereby made to the Law and to the Indenture and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued and for the rights of the registered owners of the Bonds; and all the terms of the Law and the Indenture are hereby incorporated herein and constitute a contract between the Community Facilities District and the registered owner from time to time of this Bond, to all the provisions of which the registered owner of this Bond, by his or her acceptance hereof, agrees and consents; and each taker and subsequent registered owner hereof shall have recourse to all the provisions of the Law and the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds are issued to provide funds to pay costs of the acquisition and construction of the Facilities. The Bonds are special tax obligations of the Community Facilities District and the interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the proceeds of the Special Tax, net of Priority Administrative Expenses, and certain other funds, as provided in the Indenture, and the Community Facilities District is not obligated to pay them except from the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds. The General Fund of the City and the funds of the Community Facilities District are not liable and neither the full faith and credit of the Community Facilities District nor the City are pledged for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, and no tax or assessment other than the Special Tax shall ever be levied or collected to pay the interest on or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the Community Facilities District or any of its income or receipts except the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds, and neither the payment of the interest on or principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the Community Facilities District.

The Bonds are subject to redemption on the dates, at the redemption prices, and pursuant to the terms set forth in the Indenture. Notice of redemption of any Bond or portion thereof shall be given as provided in the Indenture.

The Community Facilities District has covenanted that, so long as any Bonds are Outstanding, it will annually levy the Special Tax against all Taxable Property in the Community Facilities District and make provision for the collection of the Special Tax in amounts which will be sufficient, together with the money then on deposit in the Redemption Account, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Indenture, and which in any event will be sufficient to pay the interest on and principal of and mandatory sinking fund redemption payments and redemption premiums, if any, on the Bonds as they become due and payable and to replenish each Bond Reserve Account established under

the Indenture and to pay all current Expenses as they become due and payable in accordance with the provisions and terms of the Indenture.

The Bonds are issuable in the form of fully registered bonds. The registered owner of any Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his or her duly authorized attorney) in exchange for an equal aggregate principal amount of Bonds of the same series and maturity date in the manner, subject to the conditions and upon payment of the charges provided in the Indenture.

The registration of this Bond is transferable on the registration books kept by the Trustee by the registered owner hereof or by his or her duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his or her duly authorized attorney, and thereupon a new Bond or Bonds of the same series and maturity date in the same aggregate principal amount will be issued to the transferee in exchange therefor in the manner, subject to the conditions and terms and upon payment of the charges provided in the Indenture. The Community Facilities District and the Trustee shall be entitled to conclusively treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and redemption premium, if any, hereon and for all other purposes.

The rights and obligations of the Community Facilities District and of the registered owners of the Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, and in certain circumstances without the consent of such registered owners, but no such amendment shall (1) extend the maturity of this Bond or reduce the interest rate hereon or otherwise alter or impair the obligation of the Community Facilities District to pay the interest hereon or principal hereof or mandatory sinking fund redemption payments herefor or redemption premium, if any, hereon at the time and place and at the rate and in the currency and from the funds provided herein without the express written consent of the registered owner of this Bond, or (2) permit the issuance by the Community Facilities District of any obligations payable from the proceeds of the Special Tax other than as provided in the Indenture, or jeopardize the ability of the Community Facilities District to levy and collect the Special Tax, or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

The Bonds do not constitute an indebtedness of the Community Facilities District within the meaning of any constitutional or statutory debt limitation or restriction, and neither the City Council of the City nor the Community Facilities District nor any officer or employee thereof or of the City shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds otherwise than from the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds, as provided in the Indenture.

This Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been manually signed by an authorized signatory of the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other obligations of the Community Facilities District, does not exceed any limit prescribed by the laws of the State of California and is not in excess of the principal amount of the Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, and has caused this Bond to be dated [CLOSING DATE].

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)

By _____
Mayor of the City of Folsom

Countersigned:

_____
City Clerk of the City of Folsom

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS]

This is one of the Bonds described in the within-mentioned Indenture which has been authenticated on [CLOSING DATE].

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By_____
Authorized Signatory

[FORM OF ASSIGNMENT TO APPEAR ON BONDS]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

_____

Dated: _____

SIGNATURE GUARANTEED BY:

_____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

ATTACHMENT 5

PRELIMINARY OFFICIAL STATEMENT DATED [_____], 2024

NEW ISSUE-BOOK-ENTRY ONLY **NOT RATED**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$[PAR]*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)
SPECIAL TAX REVENUE BONDS
SERIES 2024

Dated: Date of Delivery **Due: September 1, as shown on inside front cover**

The Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Bonds") are being issued by the Folsom Ranch Financing Authority (the "Authority") to provide funds to finance the purchase of limited obligation special tax bonds (the "Series 2024 Local Obligations"), issued by the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "District"). The purchase price of the Series 2024 Local Obligations will be used to finance the construction of certain public facilities, fund a debt service reserve account, and pay certain costs of issuance of the Series 2024 Local Obligations and the Bonds.

The Bonds are being issued by the Authority pursuant to a Trust Agreement (the "Trust Agreement") among the District, the Authority, and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and will be secured by a pledge of the Trust Estate, as defined herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are special, limited obligations of the Authority. The Bonds are payable solely from and secured by the Trust Estate of the Authority pledged under the Trust Agreement, consisting primarily of payments received by the Authority from the District under the Series 2024 Local Obligations, which payments are secured by a lien of the Net Pledged Special Taxes (defined herein) levied upon property within the District, as more fully described herein. Payments under the Series 2024 Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due.

The Indenture (the "Local Obligations Indenture") for the Series 2024 Local Obligations establishes a debt service reserve fund (the "Local Obligations Reserve Fund") with a debt service reserve account therein for the Series 2024 Local Obligations (the "Series 2024 Local Obligations Reserve Account"). Pursuant to the Local Obligations Indenture, a deposit is being made to the Series 2024 Local Obligations Reserve Account. **Amounts available from the Series 2024 Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal of and interest on the Bonds**. See "SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS—*Local Obligations Reserve Fund*."

The Bonds are being issued only as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and interest thereon is payable on March 1 and September 1 of each year, commencing March 1, 2025, by the Trustee to DTC. DTC will in turn remit principal or redemption price and interest to the DTC participants, which will in turn remit such principal or redemption price and interest to the Beneficial Owners of the Bonds, as described herein. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form in the principal amount of $5,000 or integral multiple thereof. Purchasers of the Bonds will not receive instruments representing their interest in the Bonds purchased. See APPENDIX F—"DTC AND THE BOOK–ENTRY ONLY SYSTEM."

The Bonds are subject to optional, extraordinary and mandatory redemption as described herein.* See "THE BONDS—Redemption Provisions."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF FOLSOM (THE "CITY"), THE AUTHORITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR THE CITY, BUT ARE LIMITED OBLIGATIONS

* Preliminary, subject to change.

OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM PAYMENT ON THE SERIES 2024 LOCAL OBLIGATIONS FROM THE PAYMENT OF THE NET PLEDGED SPECIAL TAXES LEVIED WITHIN THE DISTRICT AS MORE FULLY DESCRIBED HEREIN.

The Bonds are not rated by any rating agency. Investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. See "CERTAIN RISKS TO BONDHOLDERS" for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains information for general reference only and it is *not* a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Maturity Schedule, Interest Rates, Prices and CUSIPS
(See inside front cover)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority and the District by the City Attorney. Certain legal matters will be passed upon for the Underwriter by Stradling, Yocca, Carlson & Rauth LLP. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about [_____], 2024.

Piper Sandler & Co.

The date of this Official Statement is _____, 2024.

$[PAR]*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)
SPECIAL TAX REVENUE BONDS
SERIES 2024

MATURITY SCHEDULE, INTEREST RATES, PRICES AND CUSIPS

Maturity (September 1)	Principal Amount	Interest Rate	Price	CUSIP No.[1] (344414)
	$	%		

$_____ _____% Term Bond maturing _____ 1, 20__ Price ___% (CUSIP No.† 344414__)
$_____ _____% Term Bond maturing _____ 1, 20__ Price___% (CUSIP No.† 344414__)

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. The Authority, the District, the Underwriter, and the City take no responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or other person has been authorized by the Authority, the District or the Underwriter to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been obtained from sources which are believed to be reliable, but such information is neither guaranteed as to accuracy or completeness, nor is it to be construed as a representation of such by the Authority, the District or the Underwriter. The information and expressions of opinion stated herein are subject to change without notice; and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the District or the property owners in the District, or in the condition of the property in the District, since the date hereof.

The summaries and references to the Trust Agreement, the Mello-Roos Act, the Local Obligations Indenture and to other statutes and documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement including any amendment or supplement hereto is intended to be deposited with one or more depositories.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES SET FORTH ON THE INSIDE FRONT COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause 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.

[INSERT REGIONAL AND CITY CONTEXT MAPS]

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)

[Photos to be inserted]

Progress photos taken as of [_____, 202_]. The approximate boundaries of the District have been outlined.

AUTHORITY GOVERNING BOARD/CITY COUNCIL

Mike Kozlowski, *Chair / Mayor*
Sarah Aquino, *Vice Chair / Vice Mayor*
YK Chalamcherla, *Member / Councilmember*
Rosario Rodriguez, *Member / Councilmember*
Anna Rohrbough, *Member / Councilmember*

AUTHORITY/CITY STAFF

Elaine Andersen, *Executive Director / City Manager*[*]
Stacey Tamagni, *Treasurer / Finance Director*
Steven Wang, Esq., *General Counsel / City Attorney*
Christa Freemantle, *Secretary / City Clerk*

SPECIAL SERVICES

BOND AND DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.

TRUSTEE

U.S. Bank Trust Company, National Association

SPECIAL TAX CONSULTANT

NBS

APPRAISER
Integra Realty Resources

[*] Current Executive Director of the Authority and City Manager of the City, Elaine Andersen, is retiring in late December, 2024. The City is coordinating recruitment process for the next City Manager.

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APPENDIX G — APPRAISAL

$[PAR]*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)
SPECIAL TAX REVENUE BONDS
SERIES 2024

INTRODUCTION

This Official Statement, including the cover page, the inside cover page and the Appendices hereto, is provided to furnish certain information in connection with the issuance and sale by the Folsom Ranch Financing Authority (the "Authority") of $[PAR]* aggregate principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Bonds").

This Introduction is not a summary of the Official Statement. It is only a general description of and guide to, and is qualified by more complete and detailed information contained in, the entire Official Statement and the documents described herein. The description and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document.

Purpose

The Bonds are being issued to finance the purchase of the limited obligation special tax bonds (the "Series 2024 Local Obligations"), issued by the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "District"). The net proceeds of the Series 2024 Local Obligations will be used to finance the construction of certain public facilities, fund a deposit to a debt service reserve account, and pay certain costs of issuance of the Series 2024 Local Obligations and the Bonds. See "PLAN OF FINANCE."

Authority for Issuance

The Bonds will be issued pursuant to the provisions of the Trust Agreement (the "Trust Agreement") among the Authority, the District, and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as authorized pursuant to a resolution of the Authority. The Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

The Series 2024 Local Obligations will be issued pursuant to the provisions of an Indenture (the "Local Obligations Indenture") between the District and U.S. Bank Trust Company, National Association, as trustee (the "Local Obligations Trustee"), as authorized pursuant to a resolution of the City Council (the "City Council") of the City Folsom (the "City"). The Series 2024 Local Obligations will be issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, *et seq.* of the California Government Code (the "Mello-Roos Act").

* Preliminary, subject to change.

Description of the Bonds

The Bonds will be issued as fully registered bonds in book-entry form, in denominations of $5,000 each or any integral multiple thereof and will be dated the date of delivery thereof and bear interest at the rates set forth on the inside front cover page hereof. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025. See "THE BONDS—Description of the Bonds."

The Bonds are subject to redemption prior to their maturity. See "THE BONDS—Redemption Provisions."

The Bonds will be issued as fully registered bonds, in book-entry only form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and will be payable to the actual purchasers of the Bonds (the "Beneficial Owners") only through the book-entry system maintained by DTC. See "THE BONDS—Book-Entry Only System" and APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Security for the Bonds and Series 2024 Local Obligations

General. The Bonds are special, limited obligations of the Authority, payable from and secured by the Trust Estate (defined herein) pledged under the Trust Agreement, consisting primarily of payments received from the District as debt service payments on the Series 2024 Local Obligations. See "SECURITY FOR THE BONDS—Flow of Funds."

The Series 2024 Local Obligations are sized for payments to equal the principal of, premium, if any, and interest on the Bonds when due. Under the Local Obligations Indenture, the Series 2024 Local Obligations are secured by the Net Pledged Special Taxes collected on taxable parcels (the "Taxable Property") in the District as a result of the levy of the Pledged Special Taxes. "Net Pledged Special Taxes" equal the Pledged Special Taxes less the Priority Administrative Expenses. "Pledged Special Taxes" comprise the Area-Wide Facilities Special Tax (the "Facilities Special Tax"), the Maintenance Special Tax (the "Maintenance Special Tax") and the TDM Services Special Tax (the "TDM Special Tax" and, together with the Maintenance Special Tax, the "Services Special Tax"), each as defined in the Rate and Method for the District. Taxable Property for purposes of the Facilities Special Tax and the Services Special Tax include Developed Property, Single Family Final Map Property, and Permit Ready Multi Family/Non-Residential Property, each as defined in the Rate and Method. Undeveloped property is not levied the Pledged Special Tax. See APPENDIX A—"RATE AND METHOD." "Priority Administrative Expenses" is defined in the Indenture to mean an amount for the payment of administrative expenses equal to $30,000 for Fiscal Year 2024-25, escalating annually by 2%.

Collection of Special Taxes. The Pledged Special Taxes are included on the regular property tax bill sent to the record owners of Taxable Property within the District. The District has covenanted in the Local Obligations Indenture to commence judicial foreclosure proceedings against (1) each delinquent lot or parcel of land in the District, regardless of amount of delinquency, if the Special Tax collected for such Fiscal Year is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year, (2) each lot or parcel in the District that is then delinquent on four or more installments of the Special Tax or delinquent in the payment of the Special Tax in an amount of $45,000 or more, and (3) any delinquent lot or parcel of land in the District for which another community facilities district governed by the City Council has commenced foreclosure proceedings for an overlapping special tax; provided, however, that the District is not obligated under the Local Obligations Indenture to commence such judicial foreclosure proceedings on any delinquent installment of the Pledged Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the

County of Sacramento (the "County") pursuant to the Teeter Plan (described below). See "SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS—Terms, Payment and Redemption," "—The Special Tax," "—Covenant for Foreclosure" and "—The Teeter Plan."

Local Obligations Reserve Fund. A reserve fund and a separate account therein for the Series 2024 Local Obligations (the "Series 2024 Local Obligations Reserve Account") is established under the Local Obligations Indenture and required to be maintained in an amount equal to the Reserve Requirement. The initial Reserve Requirement upon issuance of the Series 2024 Local Obligations is $_____. The Series 2024 Local Obligations Reserve Account will be used and withdrawn solely for the purpose of paying the interest on and principal of the Series 2024 Local Obligations in the event there is insufficient money available for the purpose; provided, that if as a result of any of the valuation of the Reserve Requirement or as a result of any property owner prepayment it is determined that the amount of money in the Series 2024 Local Obligations Reserve Account exceeds the Reserve Requirement, the Local Obligations Trustee will withdraw the amount of money representing such excess from such account and shall deposit such amount of money in the Redemption Account. See "SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS—Local Obligations Reserve Fund."

The Pledged Special Taxes secure only the Series 2024 Local Obligations, not the Bonds. For this reason, a delinquency or default in the payment of Pledged Special Taxes could cause a default in the payments of principal and interest on the Bonds if moneys in the Series 2024 Local Obligations Reserve Account are insufficient to make up the deficit in debt service for the Series 2024 Local Obligations caused by such delinquency or nonpayment.

Additional Local Obligations. Under the terms of the Local Obligations Indenture, the District may issue additional obligations (the "Additional Local Obligations" and, together with the Series 2024 Local Obligations, the "Local Obligations") secured by Net Pledged Special Taxes on parity with the Series 2024 Local Obligations to finance additional public capital improvements or to refund outstanding Series 2024 Local Obligations if certain conditions are met. See "SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS—Issuance of Additional Local Obligations."

Limited Liability. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE DISTRICT, THE AUTHORITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR THE CITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM DEBT SERVICE PAYMENTS ON THE SERIES 2024 LOCAL OBLIGATIONS FROM THE PAYMENT OF THE PLEDGED SPECIAL TAXES LEVIED WITHIN THE DISTRICT AS MORE FULLY DESCRIBED HEREIN.

The Community Facilities District

General. The District is located in the southern portion of the City, bounded by Highway 50, White Rock Road, Prairie City Road, and the El Dorado County Line. The boundaries of the District are coterminous with the Specific Plan described herein. The gross area of the District is approximately 3,520 gross acres. Presently, the District includes undeveloped properties as well as properties in varying stages of development, including entitled lots, finished lots, homes and commercial sites under construction, and completed homes and commercial sites.

Formation Proceedings. The District was formed by the City pursuant to the Mello-Roos Act. The Mello-Roos Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Mello-Roos Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities, development-related fees, and services. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Mello-Roos Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Mello-Roos Act, the City Council undertook proceedings to form the District and called an election to authorize the incurring of bonded indebtedness and authorize the levy of special taxes within the District. On December 8, 2015, an election was held within the District at which the eligible voters within the District approved the levy of special taxes in accordance with the rate and method of apportionment approved by the City Council. In addition, the eligible voters in the District authorized the issuance of bonds in an amount not to exceed $200,000,000. In November 2018, the City approved an amendment to the Rate and Method for City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (as so amended, the "Rate and Method"), which was further approved on such date by the eligible voters within the District, to adjust the special taxes for services. The Rate and Method is included as APPENDIX A hereto and summarized herein under "THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment."

Development Status and Property Ownership

The property within the District is in various stages of development, ranging from undeveloped land to completed homes and commercial properties. Based on applicable entitlements, the District is currently expected to include 13,343 dwelling units and 2.5 million square feet of commercial, office/industrial and mixed use. Within the boundaries of the District, there are also expected to be 275.7 acres of public and quasi-public use (public and private schools, parks and infrastructure), 182 acres of major roads and 1,114.5 acres of open space.

As of June 30, 2024, final maps had been approved and recorded for 4,603 dwelling units. In addition as of June 30, 2024, building permits for 3,871 residential units and 3,266 certificates of occupancy had been issued in the Folsom Plan Area for projects underway. Based on ownership data as of such date, 3,110 homes had been conveyed to individual homeowners. Developers actively constructing single-family homes in the District include Toll Brothers, Lennar Homes, Tri Pointe Homes, Taylor Morrison, KB HOME Sacramento, Beazer Homes, Woodside Homes and Richmond American (collectively, the "Homebuilders"). As of June 30, 2024, two mixed use/high density multifamily sites had been completed: Mangini Place Apartments with 152 units and the Van Daele Apartments (also known as Atwell at Folsom Ranch) with 278 units. Several additional mixed use and multi-family sites are in the development approval process. Commercial development is partially complete in a retail shopping center planned for 56,628 square feet of retail space on 1.3 acres, with several shops and restaurants open. Approximately 70 acres of land is being developed into hospital and medical campus facilities, UC Davis Health Campus and Dignity Health (formerly Mercy Hospital of Folsom). The UC Davis Health Campus will consist of a medical office building, micro-hospital, ambulatory surgery center, and a 100-key hotel with the total development being approximately 400,000 square feet on 36.04 acres.

Based on the development status and ownership as of June 30, 2024, Toll Brothers and Lennar Homes, individually or with affiliates and through landbanking arrangements, are the only taxpayers individually responsible for 5% or more of the maximum Facilities Special Tax (as defined herein). Collectively, individual homeowners are responsible for 72.6% of the Facilities Special Tax levy for Fiscal Year 2024-25. As property develops, final maps are recorded and homes are conveyed to individual

homeowners, the proportion of responsibility for payment of the Special Taxes will vary, sometimes greatly. See "THE COMMUNITY FACILITIES DISTRICT—Special Tax Calculation."

Additional information regarding the development status and ownership within the District is included under the heading "DEVELOPMENT PLANS AND OWNERSHIP."

Property Values and Value to Lien

An appraisal (the "Appraisal") of a portion of the property (the "Appraised Property") within the District was prepared by Integra Realty Resources, Sacramento, California (the "Appraiser"). The purpose of the appraisal was to estimate the market value, subject to the special tax and based upon a hypothetical condition, for such portion of the Taxable Property. Subject to the assumptions, hypothetical condition and limiting conditions contained in the Appraisal, the Appraiser estimated that the Appraised Property within the District had an estimated not-less-than aggregate market value of $432,321,000 as of July 29, 2024. The remaining Taxable Property within the District had aggregate assessed land and improvements value of $2,511,251,291 as of July 1, 2024. See "THE COMMUNITY FACILITIES DISTRICT—Property Values."

Based on a principal amount of $[PAR]* for the Series 2024 Local Obligations (and the Bonds) and the aggregate appraised and assessed values for Taxable Property within the District, the value-to-lien ratio for the District is [98.1*:1.0]. The overall value to overlapping debt ratio, including certain overlapping general obligation tax and assessment debt and various special tax debt, is [11.5*:1.0]. Additional overlapping debt is expected to be issued for individual subdivisions and neighborhoods from time to time. See "THE COMMUNITY FACILITIES DISTRICT—Value-to-Lien Analysis" and "THE COMMUNITY FACILITIES DISTRICT—Overlapping Debt."

Bondholders Risks

Investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. For a discussion of certain considerations relevant to an investment in the Bonds, in addition to the other matters set forth herein, see "CERTAIN RISKS TO BONDHOLDERS." Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Continuing Disclosure

The District will agree to provide certain annual financial information and operating data by not later than April 1 in each year, commencing April 1, 2025 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access database ("EMMA"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX D—"FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12.

Summaries Not Definitive

Brief descriptions of the Bonds, the Series 2024 Local Obligations, the security for the Bonds and Series 2024 Local Obligations, the City, the District, and the status of development within the District are included in this Official Statement together with summaries of certain provisions of the Bonds, the Trust

* Preliminary, subject to change.

Agreement, and the Local Obligations Indenture. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Trust Agreement and the Local Obligations Indenture are qualified in their entirety by reference to such documents, copies of which are available for inspection at the office of Trustee. Capitalized terms used in this Official Statement but not otherwise defined are defined in APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS."

PLAN OF FINANCE

Facilities to be Financed

The Bonds are issued for the purpose of providing funds to purchase the Series 2024 Local Obligations. The Series 2024 Local Obligations are being issued to finance the construction of certain public capital improvements servicing the Folsom Plan Area. The improvements consist primarily of 19,600 linear feet of 24-inch water transmission pipeline to provide expanded water transmission conveyance capabilities to deliver water from the water treatment plant to the District (the "Phase 2 Water Transmission Facilities"). Construction of the Phase 2 Water Transmission Facilities is required to mitigate increased demand as a result of development within the District. In addition, a portion of the proceeds of the Series 2024 Local Obligations will be used to reimburse certain developers within the Folsom Plan Area for the first phase of public water infrastructure. Proceeds of the Series 2024 Local Obligations may also be used to construct other facilities authorized to be financed by the District. See "THE COMMUNITY FACILITIES DISTRICT – Authorized Facilities."

Phase 2 Water Transmission Facilities

The City solicited bids for the construction of the Phase 2 Water Transmission Facilities in August 2024 and expects to enter into a construction contract with the contractor(s) submitting the lowest responsive responsible bid based upon a guaranteed maximum price procurement approach in October 2024. The City expects construction to commence in the first quarter of 2025 and for construction to last approximately 18 months.

Projects undertaken by the City, including the Phase 2 Water Transmission Facilities, are generally subject to the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code) ("CEQA"). Under CEQA, a public agency is required, following preparation of an initial study, to determine whether an environmental impact report (an "EIR"), a negative declaration or a mitigated negative declaration is required for a project. If there is substantial evidence that significant environmental effects may occur, an EIR is required to be prepared. The City has undertaken all necessary environmental actions and obtained all necessary environmental approvals for development of the infrastructure benefiting property within the District, including the Phase 2 Water Transmission Facilities, as more particularly described under "THE COMMUNITY FACILITIES DISTRICT—Water Supply; Utilities."

Estimated Sources and Uses of Funds

The following table sets forth the sources and uses of the funds as allocated to the Bonds:

Sources of Funds	
Principal Amount	$
[Plus/Less]: [Net] Original Issue [Premium/Discount]	
Total Sources:	$
Uses of Funds	
Construction Fund	$
Underwriter's Discount	
Deposit to Series 2024 Local Obligations Reserve Account[(1)]	
Deposit to Costs of Issuance Fund[(2)]	
Total Uses:	$

(1) A portion of the purchase price of the Series 2024 Local Obligations will be deposited into the Series 2024 Local Obligations Reserve Account. See "SECURITY FOR THE BONDS."

(2) A portion of the purchase price of the Series 2024 Local Obligations will be used to pay costs of issuance including fees of Bond Counsel and the Municipal Advisor, the initial fees of the Trustee, noncontingent fees of the Appraiser, printing costs and other miscellaneous expenses.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and mature on September 1, as set forth on the inside front cover page hereof (each, a "Principal Payment Date"). Interest is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025 (each, an "Interest Payment Date"). The Bonds will be issued as fully registered bonds, without coupons, in denominations of $5,000, or any integral multiple thereof.

Principal of, and redemption premium, if any, on the Bonds is payable at the corporate trust office of the Trustee. Interest on the Bonds will be paid only to the registered owners as shown on the Trustee's books as of the fifteenth day of the calendar month next preceding each Interest Payment Date (the "Record Date"), except that in the case of an owner of $1,000,000 or more in aggregate principal amount of Bonds outstanding, payment will be made at the owner's option by wire transfer of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America according to instructions provided by such owner to the Trustee and received no later than the Record Date for such Interest Payment Date. The Bonds will be issued in book-entry only form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. So long as the Bonds are in book-entry only form, principal of and redemption premium, if any, on the Bonds will be payable to DTC or its nominee, who will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners. See "– Book-Entry Only System" and APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Bonds are special, limited obligations of the Authority. The Bonds are payable solely from and secured by the Trust Estate of the Authority pledged under the Trust Agreement, consisting primarily of payments received by the Authority from the District under the Series 2024 Local Obligations, which payments are secured by a lien of the Net Pledged Special Taxes, as more fully described herein. See "SECURITY FOR THE BONDS" and "SECURITY FOR THE LOCAL OBLIGATIONS."

Redemption Provisions*

Optional Redemption. The Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after _____, 20__, from any source of available funds other than Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after _____, 20__
through _____, 20__;
102% if redeemed on any date from _____, 20__ through
_____, 20__;
101% if redeemed on any date from _____, 20__ through
_____, 20__; and
100% if redeemed on _____, 20__ and any date thereafter.

Extraordinary Redemption from Prepayment of Special Taxes. The Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after _____, 20__, solely from funds derived from the extraordinary redemption of Series 2024 Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any Interest Payment Date on or after _____,
20__ through _____, 20__;
102% if redeemed on an Interest Payment Date on _____, 20__
and _____, 20__;
101% if redeemed on an Interest Payment Date on _____, 20__
and _____, 20__; and
100% if redeemed on _____, 20__ and any Interest Payment Date
thereafter.

Special Taxes Prepayments could be made by any of the owners of any of the property within the District, any developers or homebuilders owning Taxable Property in the District or any individual owner; and they could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. The resulting redemption of Bonds that were purchased at a price greater than the applicable redemption price could reduce the otherwise expected yield on such Bonds. See "CERTAIN RISKS TO BONDHOLDERS—Potential Early Redemption of Bonds from Prepaid Special Taxes."

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at

* Preliminary, subject to change.

a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed $
†	

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed $
†	

† Maturity.

If the Bonds subject to mandatory redemption are redeemed in part prior to their stated maturity date, the mandatory sinking fund redemption payments for such Bonds shall be reduced proportionately by the principal amount of such Bonds so redeemed.

Redemption Instructions. Upon any prepayment of a Local Obligation, the Authority shall deliver to the Trustee a Written Order of the Authority designating the amounts and maturities of the Bonds to be redeemed, which shall be in the manner necessary to enable the Authority to deliver a Cash Flow Certificate satisfying the requirements described below. In the event only a portion of the Outstanding Bonds of any maturity are to be redeemed at any one time, the Trustee shall select the particular Bonds of each maturity date to be redeemed in accordance with DTC procedures (which, at the time of the issuance of the Bonds, would be a redemption by lot) or, if the Bonds are not then in book-entry, in a manner that it deems appropriate and fair. The Trustee shall redeem Bonds in Authorized Denominations.

Upon any redemption of a portion but not all of the Outstanding Bonds, the Authority shall deliver to the Trustee a Cash Flow Certificate to the effect that, assuming all payments are made with respect to the Series 2024 Local Obligations, (i) the Revenues, together with moneys on deposit in other funds and accounts held under the Trust Agreement, will be sufficient to pay all Principal Installments and interest payments on the Bonds when due; and (ii) the redemption premiums, if any, on the Series 2024 Local Obligations, together with other Revenues available to the Trustee for such purpose, are sufficient to offset

any difference between the interest to accrue on the Bonds to be paid or redeemed with the proceeds of prepayment of such Series 2024 Local Obligations (plus any redemption premium payable upon redemption of such Bonds) and the income to be earned on any investment of such proceeds (assured as of the date of payment thereof), in each case until the date of payment or redemption of Bonds, such that in no event will the prepayment of Series 2024 Local Obligations cause the Trustee to have insufficient funds to pay debt service on the Bonds when due.

In no event shall Bonds be redeemed if upon such redemption the principal amount of the Series 2024 Local Obligations remaining outstanding will be less than the total principal amount of Outstanding Bonds. Such Written Order of the Authority may specify that optional redemption of the Bonds will be conditioned upon receipt of funds or other events.

Notice of Redemption. Subject to receipt of the Written Order of the Authority described under "—Redemption Instructions," the Trustee shall give notice of redemption; provided, that Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof to the Trustee at its Corporate Trust Office, subject to any conditions to such redemption specified in the Written Order of the Authority, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds (or portions thereof) so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond (or such portion thereof) shall no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such money of such redemption price plus accrued interest to the date fixed for redemption. If sufficient monies for the payment of the redemption price of all Bonds to be redeemed are not then on deposit with the Trustee, such notice shall also state that redemption is conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Such notice shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the Owners of such Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register; provided, that neither the failure of an Owner to receive notice of redemption of Bonds nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

Any notice of optional redemption may be rescinded by written notice given by the Authority to the Trustee no later than three Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given.

So long as the Bonds are in book-entry only form, notices of redemption will be given directly by the Trustee to DTC and not to the Beneficial Owners of the Bonds. See APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Purchase in Lieu of Redemption. In lieu of redemption of any Bond, amounts on deposit in the Proceeds Fund, the Principal Fund or in the Redemption Fund may be used and withdrawn by the Trustee at any time prior to a notice of redemption having been delivered, upon a Written Order for the purchase of such Bonds at public or private sale as and when and at such prices as the Authority may in its discretion determine, but not in excess of the lower of the highest or then current redemption price thereof plus accrued interest to the purchase date; and all Bonds so purchased shall be delivered to the Trustee for cancellation.

Payment of Redeemed Bonds. If notice of redemption has been given and not rescinded and if the conditions to such redemption specified therein, if any, have been satisfied, each as provided in the Trust Agreement, the Bonds or portions thereof called for redemption will become irrevocably due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the Corporate Trust Office of the Trustee specified in the notice of redemption. If less than the full principal amount of a Bond is called for redemption, the Authority is required to execute and deliver and the Trustee is required to authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such Authorized Denominations as specified by the Owner.

If any Bond or any portion thereof has been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, has been made or provided for by the Authority, then interest on such Bond or such portion will cease to accrue from such date, and from and after such date such Bond or such portion will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof will have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Book-Entry Only System

The Bonds will be issued in book-entry only form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds may be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants. So long as the Bonds are in book-entry only form, principal of and interest on the Bonds will be payable by the Trustee to DTC, which will in turn remit such payments to the DTC Participants, which will in turn remit such payments to the Beneficial Owners of the applicable Bonds. In addition, so long as Cede & Co. is the registered owner of the Bonds, the selection of Bonds held by Beneficial Owners in book-entry form for redemption will be made pursuant to the procedures of DTC. See APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

DEBT SERVICE SCHEDULES AND COVERAGE

The annual scheduled debt service for the Bonds, assuming no early redemption other than from mandatory sinking fund installments, is set forth in Table 1 below. The Series 2024 Local Obligations are sized to provide 100% of the debt service on the Bonds when due and have the same interest rates and

principal amortization as the Bonds.

Table 1
Bonds Debt Service Schedule[1]

Period Ending (September 1)	Principal	Interest	Total Debt Service
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
TOTAL	$	$	$

[1] Amounts rounded to the nearest dollar.
Source: Piper Sandler & Co.

The following table shows the expected debt service coverage for the Series 2024 Local Obligations for the portion of the calendar year 2025, based on the maximum Fiscal Year 2024-25 revenues from the Facilities Special Tax, based on development status as of June 30, 2024, assuming no delinquencies. See

"THE COMMUNITY FACILITIES DISTRICT—Rate and Method of Apportionment" and "—Special Tax Calculation" for information about calculation of the annual Pledged Special Tax levy.

Table 2
Fiscal Year 2024-25
Debt Service Coverage – Series 2024 Local Obligations

Fiscal Year	Maximum Facilities Special Tax[1][2]	Priority Administrative Expense[1]	Net Maximum Facilities Special Tax Revenue	Local Obligations Debt Service*	CFD Debt Service Coverage*
2024-25	$2,636,823				

* Preliminary, subject to change.
(1) Escalates annually at 2%.
(2) Based on development status as of June 30, 2024.
Source: Piper Sandler & Co.

SECURITY FOR THE BONDS

General

The Bonds are secured by a first lien on and pledge of the Trust Estate and are payable primarily from Revenues, consisting of payments received by the Authority from the District under the Series 2024 Local Obligations.

Neither the faith and credit nor the general taxing power of the City, the District, the Authority, the State or any other political subdivision thereof is pledged to the payment of the Bonds. The Authority has no taxing power. Except for the Trust Estate, no other revenues or taxes are pledged to the payment of the Bonds. The Bonds are not general obligations of the Authority, the District or City, but are limited obligations of the Authority payable solely from the Trust Estate, derived primarily from payments on the Series 2024 Local Obligations.

The Trust Estate consists of the Revenues, the amounts in certain of the funds established and held under the Trust Agreement, and the Series 2024 Local Obligations. The Revenues consist of amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, the Series 2024 Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held in the Funds held under the Trust Agreement (except the Rebate Fund). See "SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS."

Flow of Funds

Receipt and Deposit of Revenues. As noted above, Revenues consist of amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, all Series 2024 Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held under the Trust Agreement (except the Rebate Fund). All Revenues, other than Revenues derived from the early redemption of Series 2024 Local Obligations from Special Tax Prepayments received by the Trustee from the Authority, will be deposited into the Revenue Fund. On each Interest Payment Date and each Principal

Payment Date, the Trustee will transfer Revenues from the Revenue Fund, in the amounts required in the order of priority as set forth below, with the requirements of each fund being fully satisfied, leaving no deficiencies therein, prior to any deposit into any fund later in priority:

First: To the Interest Fund, an amount of Revenues which together with amounts on deposit therein, is equal to the interest due and payable on the Bonds due on such Interest Payment Date;

Second: To the Principal Fund (i) on each Principal Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Principal Fund (other than amounts previously deposited on account of any Bonds which have matured but which have not been presented for payment) is sufficient to pay the Principal Installments on the Bonds due on such Principal Payment Date.

Following such deposits, any remaining money in the Revenue Fund is required to be transferred to the Local Obligations Trustee for application under the Local Obligations Indenture. For additional information regarding the flow, see "SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS—Flow of Funds."

Revenues Derived from Special Tax Prepayments. All Revenues derived from early redemption of Series 2024 Local Obligations from Special Tax Prepayments received by the Trustee will be immediately deposited into the Redemption Fund to be applied to the extraordinary redemption of Bonds. See "THE BONDS—Redemption Provisions—*Extraordinary Redemption from Prepayment of Special Taxes.*"

No Additional Authority Bonds

The Trust Agreement does not permit the Authority to issue any additional bonds on parity with the Bonds. However, subject to certain conditions contained in the Local Obligations Indenture, the District may at any time issue bonds (the "Additional Local Obligations") payable from the Net Pledged Special Tax on parity with the Series 2024 Local Obligations. See "SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS—Issuance of Additional Local Obligations."

SECURITY FOR THE SERIES 2024 LOCAL OBLIGATIONS

Terms, Payment and Redemption

General. The Series 2024 Local Obligations will be dated their date of delivery and mature on September 1 in each year in the same amounts and at the same times as the Bonds. The Series 2024 Local Obligations will bear interest at the same rates as the Bonds as set forth on the inside front cover page hereof. Interest on the Series 2024 Local Obligations is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025.

Payment of the Series 2024 Local Obligations. The Series 2024 Local Obligations constitute the limited obligations of the District payable as to both principal and interest from the Net Pledged Special Tax levied by the District on Taxable Property within the District, including proceeds from the sale of property within the District collected as a result of foreclosure of the lien on the Pledged Special Taxes and certain funds and accounts held under the Local Obligations Indenture. The District's sole recourse in the event of a delinquency or failure to pay Pledged Special Taxes on a particular parcel is to institute foreclosure proceedings with respect to that parcel.

The components of the Pledged Special Tax are levied and collected according to the Rate and Method. See "THE COMMUNITY FACILITIES DISTRICT – Rate and Method of Apportionment" and APPENDIX A—"RATE AND METHOD."

The Series 2024 Local Obligations are special tax obligations of the District, and the interest on and principal of and redemption premiums, if any, on the Series 2024 Local Obligations are payable solely from the Net Pledged Special Tax and amounts in certain funds and accounts established in the Local Obligations Indenture, and the District is not obligated to pay the Series 2024 Local Obligations except from such funds. The General Fund of the City and the funds of the District are not liable, and neither the full faith and credit of the District nor the City are pledged for the payment of the interest on or principal of or redemption premiums, if any, on the Series 2024 Local Obligations. No tax or assessment other than the Pledged Special Taxes shall ever be levied or collected to pay the interest on or principal of or redemption premiums, if any, on the Series 2024 Local Obligations. The Series 2024 Local Obligations are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the District or any of its income or receipts except Net Pledged Special Taxes and amounts in certain funds and accounts established in the Local Obligations Indenture, and neither the payment of the interest on or principal of or redemption premiums, if any, on the Series 2024 Local Obligations is a general debt, liability or obligation of the City or the District.

Redemption of the Series 2024 Local Obligations. The Series 2024 Local Obligations are subject to extraordinary redemption by the District from funds derived by the District from prepayments of the Pledged Special Tax. The Series 2024 Local Obligations are also subject to optional and mandatory redemption by the District. A description of the redemption prices and terms of the Series 2024 Local Obligations is set forth under APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS—SUMMARY OF THE LOCAL OBLIGATIONS INDENTURE—Redemption of Bonds."

Flow of Funds

Application of Special Tax Fund. Pursuant to the Local Obligations Indenture, the District agrees and covenants that it will deposit the Pledged Special Tax proceeds in the District Community Facilities Fund, which fund is established in the treasury of the City. All money in the Community Facilities Fund shall be used and withdrawn by the District solely for the benefit of the District in accordance with the Mello-Roos Act, including payment of Expenses. Pursuant to the Local Obligations Indenture, the District further agrees and covenants that, after payment of Priority Administrative Expenses, it will transfer to the Local Obligations Trustee from the Community Facilities Fund amounts sufficient and in sufficient time for the Local Obligations Trustee to make the transfers required by the Local Obligations Indenture, and the Local Obligations Trustee shall deposit such proceeds as and when received in the Special Tax Fund. All money in the Special Tax Fund is required to be set aside by the Local Obligations Trustee in the following respective special account and fund within the Special Tax Fund in the following order of priority, and all money in each such account and fund shall be applied, used and withdrawn only for the purposes specified in the Local Obligations Indenture:

(1) Redemption Account; and

(2) Series 2024 Local Obligations Reserve Account.

Redemption Account. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of interest becoming due and payable on all Outstanding Series 2024 Local Obligations and any Additional Local Obligations on such March 1 or September 1, as

the case may be, and on or before September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of principal becoming due and payable on all Outstanding serial Series 2024 Local Obligations and any Additional Local Obligations on such September 1 plus all amounts required to be redeemed by mandatory sinking fund redemption on such September 1; provided, that all of the aforesaid payments shall be made without priority of any payment over any other payment, and in the event that money in the Special Tax Fund on any March 1 or September 1 is not equal to the amount of interest becoming due on all Series 2024 Local Obligations and any Additional Local Obligations on such date, or in the event that the money in the Special Tax Fund on any September 1 is not equal to the amount of principal of the Series 2024 Local Obligations and Additional Local Obligations becoming due on such date, as the case may be, then such money shall be applied pro rata in such proportion as such interest and principal and mandatory sinking fund account payments bear to each other.

No deposit need be made into the Redemption Account if the amount of money contained therein is at least equal to the amount required by the terms of the preceding paragraph to be deposited therein at the times and in the amounts provided in the Local Obligations Indenture.

All money in the Redemption Account shall be used and withdrawn by the Local Obligations Trustee to pay the interest on the Series 2024 Local Obligations and any Additional Local Obligations as it shall become due and payable (including accrued interest on any Series 2024 Local Obligations or any Additional Local Obligations purchased or redeemed prior to maturity) plus the principal of and redemption premiums, if any, on the Series 2024 Local Obligations and any Additional Local Obligations as they shall mature or upon the prior redemption thereof.

Local Obligations Reserve Fund. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in each Series 2024 Local Obligations Reserve Account within the Local Obligations Reserve Fund such amount of money as shall be required to restore each such Series 2024 Local Obligations Reserve Account to a sum equal to the respective Reserve Requirement (as defined herein) for the applicable series of Series 2024 Local Obligations or Additional Local Obligations, *pro rata*, to the extent that amounts are available in the Special Tax Fund for such purpose; and for this purpose all investments in each Series 2024 Local Obligations Reserve Account shall be valued on March 1 and September 1 of each year at the face value thereof if such investments mature within twelve (12) months from the date of valuation, or if such investments mature more than twelve (12) months after the date of valuation, at the price at which such investments are redeemable by the holder at his option, if so redeemable, or if not so redeemable, at the lesser of (i) the cost of such investments plus the amortization of any premium or minus the amortization of any discount, or (ii) the market value of such investments. For purposes of allocating remaining money in the Special Tax Fund between more than one Series 2024 Local Obligations Reserve Account, any such transfers to and deposits in each Series 2024 Local Obligations Reserve Account shall be made equally and ratably in proportion to the Reserve Requirement for each series of Series 2024 Local Obligations.

No deposit need be made into a Series 2024 Local Obligations Reserve Account if the value of the investments contained therein is at least equal to the Reserve Requirement for the applicable series of Series 2024 Local Obligations or Additional Local Obligations.

All money in each Series 2024 Local Obligations Reserve Account shall be used and withdrawn by the Local Obligations Trustee solely for the purpose of paying the interest on or principal of the corresponding series of Series 2024 Local Obligations or Additional Local Obligations in the event there is insufficient money in the Redemption Account available for this purpose; provided, that if as a result of any of the foregoing valuations or due to redemption as a result of property owner prepayments it is determined that the amount of money in a Series 2024 Local Obligations Reserve Account exceeds or will

exceed the Reserve Requirement for the applicable series of Series 2024 Local Obligations or Additional Local Obligations, the Local Obligations Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account. For the avoidance of doubt, amounts in a Series 2024 Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal and interest on any series of Series 2024 Local Obligations or Additional Local Obligations, other than the specific series of Series 2024 Local Obligations or Additional Local Obligations to which that Series 2024 Local Obligations Reserve Account relates.

Surplus Amounts. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer all amounts remaining in the Special Tax Fund after the transfers specified in the immediately preceding paragraphs to the City for deposit in the Community Facilities Fund.

The Special Tax

The Pledged Special Tax is to be levied and collected against all Taxable Property within the District in accordance with the Rate and Method. The "Pledged Special Tax" is made up of three separate components of special tax identified in the Rate and Method as the Area-Wide Facilities Special Tax (the "Facilities Special Tax"), the Maintenance Special Tax (the "Maintenance Special Tax") and the TDM Services Special Tax (the "TDM Special Tax" and, together with the Maintenance Special Tax, the "Services Special Tax"). See APPENDIX A—"RATE AND METHOD." The Pledged Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected, and, except as otherwise provided in the covenant for foreclosure and in the Mello-Roos Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. See "SECURITY FOR THE BONDS—Covenant for Foreclosure" and "CERTAIN RISKS TO BONDHOLDERS—Collection of Special Tax."

Taxable Property for purposes of the Facilities Special Tax and the Services Special Tax include Developed Property, Single Family Final Map Property, and Permit Ready Multi Family/Non-Residential Property, each as defined in the Rate and Method. Undeveloped property is not levied the Pledged Special Tax.

The Rate and Method, subject to the maximum rates set forth therein, apportions the total debt service requirement (principal, interest, and mandatory sinking fund payments), restoration of the Reserve Requirement, current annual expenses, pay as you go improvement costs and other costs each year among the Taxable Property in the District. See APPENDIX A—"RATE AND METHOD."

Pursuant to the Local Obligations Indenture, so long as any Series 2024 Local Obligations or Additional Local Obligations are Outstanding, the District is required annually to levy the Pledged Special Tax against all Taxable Property in the District and make provision for the collection of such Pledged Special Tax in amounts which will be sufficient, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Local Obligations Indenture, and which in any event will be sufficient to pay the interest on and principal of and Minimum Sinking Fund Account Payments for and redemption premiums, if any, on the Series 2024 Local Obligations and any Additional Local Obligations as they become due and payable, to replenish each reserve account within the Local Obligations Reserve Fund to the Reserve Requirement and to pay all current Expenses as they become due and payable.

Under the Rate and Method, the Pledged Special Tax levied in any fiscal year against any Assessor's Parcel of Residential Property (as defined in the Rate and Method), meaning parcels for which a building permit had been issued for the purpose of constructing one or more residential dwelling units,

may not be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than 10% above the amount that would have been levied against such Assessor's Parcel in that fiscal year had there never been any such delinquencies or defaults. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

Local Obligations Reserve Fund

The Local Obligations Indenture establishes a Series 2024 Local Obligations Reserve Account within the Local Obligations Reserve Fund to be held by the Local Obligations Trustee. The Local Obligations Indenture requires maintaining in the Series 2024 Local Obligations Reserve Account an amount equal to the Reserve Requirement. "Reserve Requirement" is defined to mean, for the Series 2024 Local Obligations specifically, as of any date of calculation, the least of: (a) the Maximum Annual Debt Service, (b) one hundred twenty-five percent (125%) of the Average Annual Debt Service or (c) ten (10%) percent of the original proceeds of the Series 2024 Local Obligations; provided that the Reserve Requirement shall be calculated on the date of issuance of the Series 2024 Local Obligations issued under the Local Obligations Indenture and shall not increase thereafter; and provided further that such requirement (or any portion thereof) may be satisfied by the provision of one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank, the obligations insured by which insurer or issued by which bank, as the case may be, have ratings at the time of issuance of such policy or surety bond or letter of credit equal to "AA" or higher (without regard to qualifier) assigned by Fitch or "Aa" or higher (without regard to qualifier) assigned by Moody's or "AA" or higher (without regard to qualifier) assigned by S&P.

The Series 2024 Local Obligations Reserve Account is established specifically for the Series 2024 Local Obligations and amounts in the Series 2024 Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal and interest on any Additional Local Obligations. Pursuant to the Local Obligations Indenture, each reserve account within the Series 2024 Local Obligations Reserve Account is only available for paying the interest on or principal of the corresponding series of Series 2024 Local Obligations or any Additional Local Obligations for which it was created.

The Reserve Requirement with respect to the Series 2024 Local Obligations upon their date of issuance will be $_____.

All money in the Series 2024 Local Obligations Reserve Account will be used and withdrawn by the Local Obligations Trustee solely for the purpose of paying the interest on and principal of the respective Series 2024 Local Obligations in the event there is insufficient money available for the purpose; provided, that if as a result of any of the valuation of a Reserve Requirement or as a result of any property owner prepayment it is determined that the amount of money in any Series 2024 Local Obligations Reserve Account exceeds the Reserve Requirement, the Local Obligations Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account. Amounts on deposit in the Local Obligations Reserve Fund are not available to cure a deficiency in Revenues available to pay debt service on the Bonds.

Covenant for Foreclosure

Pursuant to Section 53356.1 of the Mello-Roos Act, in the event of any delinquency in the payment of the Pledged Special Tax, the District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted in the Local Obligations Indenture that it will annually on or before September 1 of each year review the public records of the County relating to the collection of the Pledged Special Tax

collected in the prior fiscal year. Within sixty (60) days thereafter, the District will institute foreclosure proceedings as authorized by the Mello-Roos Act to enforce the Special Tax lien against (1) each delinquent lot or parcel of land in the District, regardless of amount of delinquency, if the Special Tax collected for such Fiscal Year is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year, and (2) each lot or parcel in the District that is then delinquent on four or more installments of the Special Tax or delinquent in the payment of the Special Tax in an amount of $45,000 or more. In addition, the District will institute foreclosure proceedings against any delinquent lot or parcel of land in the District for which another community facilities district governed by the City Council has commenced foreclosure proceedings for an overlapping special tax. The District will diligently prosecute and pursue such foreclosure proceedings to judgment and sale. Notwithstanding the foregoing, the District is not obligated to enforce the lien of any delinquent installment of the Pledged Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the County pursuant to the Teeter Plan (described herein). Any actions taken to enforce delinquent Pledged Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Government Code of the State.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds (if the Series 2024 Local Obligations Reserve Account has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the District of the proceeds of sale. However, within the limits of the Pledged Special Tax, the District may adjust the Pledged Special Tax levied on Taxable Property in the District (subject to the maximum amounts specified in the Rate and Method), to provide an amount required to pay interest on and principal of the Series 2024 Local Obligations and any additional obligations payable from the Pledged Special Tax, and the amount, if any, necessary to replenish each subaccount of the Local Obligations Reserve Fund to an amount equal to the Reserve Requirement and to pay all current Expenses for the District. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against Taxable Property (as defined in the Rate and Method) in the District will be at all times sufficient to pay the amounts required to be paid by the Local Obligations Indenture, even if the Pledged Special Tax is levied at the maximum rates. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

No assurance can be given that the real property subject to sale or foreclosure will be sold, or if sold, that the proceeds of sale will be sufficient to pay any delinquent installments of the Pledged Special Tax. The Mello-Roos Act does not require the District to purchase or otherwise acquire any lot or parcel of property to be sold if there is no other purchaser at such sale. The Mello-Roos Act and the Local Obligations Indenture do specify that the Special Tax will have the same lien priority as for *ad valorem* property taxes in the case of delinquency. Section 53356.6 of the Mello-Roos Act requires that property within the District that is sold pursuant to foreclosure under the Mello-Roos Act be sold for not less than the amount of judgment in the foreclosure action, plus post judgment interest and authorized costs, unless the consent of the owners of at least 75% of the Series 2024 Local Obligations and any Additional Local Obligations issued under the Local Obligations Indenture is obtained.

Issuance of Additional Local Obligations

The District may at any time, by a supplement to the Local Obligations Indenture, issue Additional Local Obligations that are payable from the proceeds of the Net Pledged Special Tax on parity with the Series 2024 Local Obligations, subject to the following conditions, which conditions are precedent to the issuance of such Additional Local Obligations:

(i) The District shall be in compliance with all agreements, conditions, covenants and terms contained in the Local Obligations Indenture and in all Supplemental Indentures required to be observed or

performed by it, and no Event of Default under the Local Obligations Indenture or under any Supplemental Indenture shall have occurred and shall be then continuing;

(ii) The District shall establish a separate subaccount of the Local Obligations Reserve Fund for the payment of such Additional Local Obligations in an amount equal to the Reserve Requirement; and

(iii) Either:

(a) In each year until the maturity date for the Additional Local Obligations, the Maximum Facilities Special Tax less Priority Administrative Expenses is estimated to cover at least one hundred ten percent (110%) of the sum of the Annual Debt Service for each year on the Series 2024 Local Obligations and all Additional Local Obligations, including such Additional Local Obligations to be issued, and (b) the Value of all Taxable Property, in aggregate, is at least three (3) times the aggregate Lien on such Taxable Property. For the purposes of such test, the "Taxable Property" in future fiscal years may be based on the status of development as of the time of calculation.

Or:

(x) none of the Series 2024 Local Obligations and Additional Local Obligations theretofore issued under the Local Obligations Indenture will be Outstanding or (y) the Debt Service in each Bond Year that begins after the issuance of Refunding Local Obligations is not increased by reason of the issuance of such Refunding Local Obligations.

"Maximum Facilities Special Tax" is defined in the Local Obligations Indenture to mean the Maximum Area-Wide Facilities Special Tax authorized to be levied for the District in accordance with the provisions of the Rate and Method.

"Value" is defined as the current assessed valuation of the Taxable Property and/or the appraised value of the Taxable Property determined by a MAI appraiser. "Lien" is defined in the Local Obligations Indenture as the aggregate principal amount of all overlapping debt and bonds (including the Series 2024 Local Obligations and any Additional Local Obligations) outstanding that are secured by a special tax levied pursuant to the Mello-Roos Act or a special assessment levied on property within the District, including any overlapping debt or bonds for community facilities districts or special assessment districts that is reasonably allocated to property within the District.

No Required Advances from Available Surplus Funds

Neither the City nor the District is obligated to advance available surplus funds available from the City treasury to pay debt service on the Series 2024 Local Obligations or to replenish the Local Obligations Reserve Fund; provided, that nothing shall affect the right of the District under the Mello-Roos Act to make advances to cure any deficiencies.

The Teeter Plan

In July 1993, the Board of Supervisors of the County approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis (irrespective of actual collections) to local political subdivisions for which the County acts as the tax-levying or tax-collecting agency.

Under the Teeter Plan, the County distributes tax collections on a cash basis to taxing entities during the fiscal year and shortly after year-end, and also distributes 100% of any taxes delinquent as of June 30th to the taxing entities and those special assessment districts and community facilities districts (and individual parcels within each district) that the County determines are eligible to participate in the Teeter Plan by the end of the calendar year. The County may make eligibility determinations on an annual basis and may exclude a district or an individual parcel that had previously been included in the plan. The County has the discretion to determine which delinquent special taxes will be paid through the Teeter Plan on a case-by-case basis.

The County's policy includes the following criteria for delinquent parcels to be excluded from the County's Teeter Plan: (1) tax bills belonging to a governmental/public agency; (2) common area parcels; (3) tax bills on the unitary assessed values or pipeline assessed values; (4) special assessments (subject to judiciary foreclosure) to be stripped from the tax bill; (5) bankruptcy; (6) demolition of the property; (7) vacant buildings (due to a risk of possible demolition); (8) contamination of the property; (9) property that is subjected to the "sealed bid"; (10) the delinquent amount is greater than or equal to assessed value of the property; (11) property that is de-enrolled from the Teeter Plan in previous years under the same owner and (12) the amount of code enforcement liens, other delinquent abatement liens, and delinquent utilities abatement liens, and delinquent utilities levied on the property is equal to or greater than 5% of the assessed value of the property. Such policy may be amended by the County at any time and could impact the inclusion of certain delinquent parcels in the Teeter Plan in future years.

The County's policy is that any new taxing entity or special assessment district that includes its levy on the County tax roll is qualified to be under the County's Teeter Plan. The District is included in the County's Teeter Plan. See, however "CERTAIN RISKS TO BONDHOLDERS—Teeter Plan Termination." The District can provide no assurance that the County will continue to include the District in the Teeter Plan.

THE AUTHORITY

The Authority was created by a Joint Exercise of Powers Agreement, effective April 20, 2015 (the "JPA Agreement"), between the City and the City of Folsom South of 50 Parking Authority. The JPA Agreement was entered into pursuant to the Joint Exercise of Powers Act, Chapter 5 of Division 7 of Title 1 of the Government Code of the State. The Authority was created for the purpose of facilitating financing of public improvement facilities within the City south of US Route 50.

THE CITY

The District is located in the City, which is located in the easterly section of the Sacramento metropolitan area approximately 22 miles east of the central business district of the City of Sacramento.

Certain economic and demographic information with respect to the City is contained in APPENDIX B. This information is presented solely as background information. The Series 2024 Local Obligations are not general obligations of the City but, rather, are special tax obligations of the District secured solely by the Pledged Special Taxes to be paid by the owners of property in the District and funds held pursuant to the Local Obligations Indenture.

THE COMMUNITY FACILITIES DISTRICT

Formation Proceedings

The District is a community facilities district organized by the City Council as the legislative body of the District under the Mello-Roos Act for the purpose of providing for the acquisition and construction of certain public improvements and the financing of certain services to serve property within the District. The City established the District on December 8, 2015. On the same date, elections were held within the District at which the eligible voters approved the levy of special taxes in accordance with the rate and method of apportionment prepared for the District. In addition, the eligible voters authorized the issuance of bonds in an amount not to exceed $200,000,000. In November 2018, change proceedings were held, whereby the eligible voters approved the Rate and Method. Pursuant to the Mello-Roos Act, the qualified electors were the landowners of Taxable Property within the District. In connection with the landowner election, all electors delivered customary waivers to certain matters relating to the conduct of the election.

Authorized Facilities

The Special Tax collected within the District and the proceeds of bonds issued by the District, including the Series 2024 Local Obligations, are authorized to fund the acquisition, construction and improvement of public facilities authorized under the Mello-Roos Act, including, certain water facilities, sanitary sewer facilities, an aquatic center, quarry road improvements, certain trails, interchanges and roadway widenings, and other backbone infrastructure needed to serve the Folsom Plan Area.

General Description and Location

The District is located in the southern portion of the City, bounded by Highway 50, White Rock Road, Prairie City Road, and the El Dorado County Line. The boundaries of the District are coterminous with the Folsom Plan Area, as specified in the Specific Plan, described herein. The gross area of the District is approximately 3,520 gross acres. The maps appearing on the inside cover pages show the general location of the District.

Presently, the District includes undeveloped land and properties in varying stages of development, including finished lots, homes and commercial sites under construction, and completed commercial sites and homes. Undeveloped property in the District is not subject to the Pledged Special Tax. Once a final map is recorded for such property, or, if such property is non-residential, it is classified as permit ready, such property will no longer classify as undeveloped property and will be subject to the Pledged Special Tax. The Folsom Plan Area Specific Plan adopted by the City on June 28, 2011, as amended from time to time, and as most recently amended on August 27, 2024 (the "Specific Plan") provides certain entitlements for 13,343 dwelling units and 2.5 million square feet of commercial, office/industrial and mixed use. Within the boundaries of the District, there are also expected to be 309.5 acres of public and quasi-public use (public and private schools, parks and infrastructure); 173.6 acres of major roads and 1,063 acres of open space. See "—Folsom Plan Area" for information concerning general plans for development, "—Public Facilities Financing Plan" for information concerning necessary infrastructure and financing plans, and "—Development Entitlements" and "—Folsom Plan Area Development Status" for information concerning the current status of development of the property within the District.

Folsom Plan Area

In 2001, the City commenced plans to expand its sphere of influence area to include an area south of US Route 50. The area, known as the Folsom Plan Area is bordered to the west by Prairie City Road, the east by the Sacramento/El Dorado County boundary line, the north by US Route 50, and the south by White Rock Road. In November 2004, the citizens of the City adopted Measure W ("Measure W"), which

specified certain requirements for annexing the Folsom Plan Area into the City. On June 28, 2011, the City adopted its Specific Plan. The Local Agency Formation Commission approved the City's plan to annex the Folsom Plan Area on January 18, 2012. The Specific Plan has been subject to a number of amendments since 2011, including the most recent amendment to increase housing capacity in key target areas on August 27, 2024.

The Folsom Plan Area is an area of approximately 3,520 acres in the southern portion of the City that has been approved for development of approximately 13,343 units of residential development, plus 274.5 acres (equating to 2.5 million square feet) of commercial/industrial development (including mixed use development). Over the build out of the property, the City has used and anticipates continuing to use community facilities districts under the Mello-Roos Act to finance a large portion of the public infrastructure required for the development, plus certain maintenance obligations of public improvements and facilities.

Public Facilities Financing Plan

Measure W, adopted by City residents in November 2004, required, among other things, that residents north of US Route 50 not bear the cost for infrastructure and public facilities serving the Folsom Plan Area. The City adopted a Public Facilities Financing Plan ("PFFP") for the Folsom Plan Area on January 14, 2014. The PFFP provides an overview of how the infrastructure required for the development of the Folsom Plan Area will be financed and constructed and how various public facilities will be financed and maintained to ensure that public facilities and infrastructure will be available for the orderly development of the Folsom Plan Area without cost to the residents of the City north of US Route 50 and without an adverse impact on the service levels provided to future residents of the Folsom Plan Area.

The PFFP contemplates that the primary sources of funding for the construction of the public infrastructure and facilities in the Folsom Plan Area are community facilities districts, development impact fees collected upon permit issuance (including development impact fees of the Folsom Cordova Unified School District), direct developer financing, and matching state school grants and other school funding (including the school facilities improvement district described under "THE COMMUNITY FACILITIES DISTRICT—Overlapping Debt"). Subdivision improvements are not included as part of the PFFP.

On September 8, 2015, the City implemented its Specific Plan Infrastructure Fees (the "SPIF") to be collected for the Specific Plan. The SPIF has been updated from time to time and new nexus studies performed periodically to evaluate the costs of improvements and the appropriate fee rates.

As of the date of the Nexus Study Fiscal Year 2020-21 Update, the estimated remaining cost of the backbone infrastructure and public facilities for the Folsom Plan Area at build-out was $403,482,461. This estimate is subject to a variety of construction and market risks. The City and the District can provide no assurances that the overall costs will not increase, even significantly, in the future. The City has used, and intends to continue to use, multiple funding sources for the Folsom Plan Area infrastructure as development progresses and has continued to progress, including SPIF and the issuance of bonds for the District and other community facilities districts within the Folsom Plan Area.

The SPIF is administered by the City for the purposes of collecting impact fees for plan area wide improvements for the construction of roadways, water, sewer, drainage, dry utilities, recycled water and habitat mitigation in the Folsom Plan Area. The purpose of the SPIF is to require each landowner to pay its fair share of Folsom Plan Area area-wide improvements and to be reimbursed for any amount expended in excess of a landowner's fair share requirement. Under the terms of an Ordinance for the SPIF adopted by the City (the "SPIF Ordinance"), property owners in the Folsom Plan Area will be eligible to enter into an agreement with the City and receive future reimbursements (that are convertible to fee credits for use

within the owner's property) in exchange for the construction of eligible SPIF improvements. Based on the amount of improvements eligible for SPIF reimbursement, a number of properties within the District are anticipated to fully cover their SPIF obligations through the conversion of these SPIF reimbursements to SPIF fee credits. After applying the SPIF reimbursements as SPIF fee credits to all properties in the District, amounts expended by landowners in excess of a project's SPIF obligation are expected to be reimbursed from the City as other SPIF fees are collected in the Folsom Plan Area.

Within the Folsom Plan Area, initial development will be required to pay a "SPIF Set-Aside" component to address initial water and sewer facility costs. This is a loan of SPIF collections to help the cash flow for the initial water and sewer costs. It will be repaid or equalized to all properties through the SPIF program as well as through the District. The SPIF Set-Aside will apply to the first 2,500 Folsom Plan Area dwelling units that would be subject to the SPIF. A portion of the SPIF will be required to be paid regardless of whether a developer/property owner has advance-funded eligible SPIF infrastructure and has executed a Fee Reimbursement Agreement through the City. An exception to this rule is that a property owner who constructs certain water or sewer infrastructure for which the SPIF Set-Aside is being collected may take a credit against the SPIF Set-Aside.

In addition, in August 2020, the City approved an ordinance amending certain provisions of the SPIF Ordinance to include a new SPIF – Offsite Water Set-Aside. This new SPIF – "Offsite Water Set-Aside" will be payable at the building permit stage and will not be eligible to be offset by fee credits.

In connection with the Specific Plan amendments adopted in August 2024, the City will conduct an update to the Public Facilities Financing Plan.

Phasing of Development. For purposes of setting the PFFP costs, the City projected single family units would be sold and occupied within 13 years, multi-family low density units within 15 years, and multi-family medium and high density units within 18 years.

Backbone Infrastructure. The PFFP provides for the financing or collection of impact fees for and the construction of the backbone infrastructure required before construction in the Folsom Plan Area can proceed. Specifically, the PFFP recognizes the need for roadway improvements, on-site water system improvements, off-site water system improvements, recycled water system improvements, sanitary sewer system improvements, storm drainage system improvements, habitat mitigation, and construction of two freeway interchanges and improvements to an existing freeway interchange.

Public Facilities – the Folsom Plan Area. The PFFP describes plans for the financing of public schools, parks, transit services, trails, police and fire facilities and equipment, municipal service center, a corporation yard, solid waste facilities, a library, general capital improvements, transportation, and a community and aquatic center. The PFFP anticipates that the land for the public facilities will be dedicated to the City without cost to the City.

The Folsom Plan Area is currently being served by the existing fire resources of the City as well as other County, El Dorado County and Placer County fire agencies through mutual aid agreements with the City. As noted in the PFFP, the City's goal is to maintain a level of service that represents a rate of 1 station per 12,000 population. The City has completed construction of its first fire station within the Folsom Plan Area in the third quarter of 2024 and expects it to be operational by the end of September 2024.

Rate and Method of Apportionment

The following is a synopsis of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method which is attached as APPENDIX A. The

definitions of the capitalized terms used under this caption and under the caption "—Special Tax Calculation" are as set forth in APPENDIX A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as APPENDIX A.

The Special Tax is to be levied and collected against all Taxable Property within the District in accordance with the Rate and Method approved by the landowner electors of the District. The total annual levy of the Special Tax is calculated to satisfy the annual debt service during the ensuing Fiscal Year, to replenish the reserve fund for the Series 2024 Local Obligations, the allocable portion of administrative expenses, the amount necessary to cure any delinquencies or to fund any deficiency of the amount to be available for the payment of principal or interest on bonds which are expected to occur in the ensuing Fiscal Year, to fund authorized facilities funded on a pay-as-you-go basis, to fund authorized services expenses and to pay amounts required to establish or replenish certain funds related to authorized services, less any available capitalized interest and earnings on the funds that may be used to fund the aforementioned costs.

Included below are additional relevant defined terms used in the Rate and Method.

"Developed Property" means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

"Final Small Lot Single Family Residential Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates individual residential lots for which building permits may be issued without further subdivision of such property for the construction of single family residential units within an Assessor's Parcel planned for single family use.

"Folsom Heights Parcels" means at the time of the formation of the District, the Assessor's Parcels identified in the Rate and Method by Assessor's Parcel Number. Folsom Heights Parcels will also include any successor parcels created as a result of subdivision or merger of the three original Folsom Heights Parcels.

"Permit Ready Multi Family/Non-Residential Property" means an Assessor's Parcel of Taxable Property zoned for multifamily or non-residential use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multifamily residential units or non-residential buildings within such Assessor's Parcel. Under the Rate and Method, the City has sole discretion, based upon available development information, to classify an Assessor's Parcels as Permit Ready Multi Family/Non-Residential Property.

"Residential Property" means all Assessor's Parcels of Taxable Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

"Single Family Final Map Property" means, for each Fiscal Year, all Taxable Property for which a Final Small Lot Single Family Residential Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Permit Ready Multi Family/Non-Residential Property, or Single Family Final Map Property.

"Area-Wide Facilities" means the public improvements authorized to be funded by CFD No. 18, excluding the Willow Hill Pipeline Improvements.

"Area-Wide Facilities Equivalent Dwelling Units-A" or "Area-Wide Facilities EDU-A" means a measure of anticipated public facilities demand for an Assessor's Parcel at build-out. One Area-Wide Facilities EDU-A is equivalent to the annual water use of a high density single family residence, which is identified in the Specific Plan dated June 28, 2011 with the zoning designation SP-SFHD. Area-Wide Facilities EDU-A's are assigned to land use categories as shown in Attachment C of the Rate and Method. Assessor's Parcels classified as Folsom Heights Parcels are assigned Area-Wide Facilities EDU-A's according to the land use categories as shown in Attachment D of Rate and Method, as adjusted to reflect changes necessary as a result of Specific Plan amendments approved by the City Council prior to June 30, 2016.

"Area-Wide Facilities Equivalent Dwelling Units-B" or "Area-Wide Facilities EDU-B" means a measure of anticipated public facilities demand for an Assessor's Parcel at build-out. One Area-Wide Facilities EDU-B is equivalent to the number of persons served for a single family residence. Area-Wide Facilities EDU-B's are assigned to land use categories as shown in Attachment C of the Rate and Method. Assessor's Parcels classified as Folsom Heights Parcels are assigned Area-Wide Facilities EDU-B's according to the land use categories as shown in Attachment D of Rate and Method, as adjusted to reflect changes necessary as a result of Specific Plan amendments approved by the City Council prior to June 30, 2016.

"Area-Wide Facilities Special Tax Requirement" means that amount of Area-Wide Facilities Special Tax revenue required in any Fiscal Year to: (i) Pay that proportional amount of Administrative Expenses allocated to the Area-Wide Facilities Special Tax per the allocation method as set forth in the Administrative Expenses definition in Section A of the Rate and Method; (ii) pay annual debt service on all Area-Wide Facilities Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Area-Wide Facilities Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Area-Wide Facilities Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Area-Wide Facilities Outstanding Bonds in accordance with the Local Obligations Indenture; (v) pay for reasonably anticipated delinquent Area-Wide Facilities Special Taxes based on the delinquency rate for Area-Wide Facilities Special Taxes levied in the previous Fiscal Year; and (vi) pay directly for the acquisition and/or construction of Area-Wide Facilities; less (vii) a credit for funds available to reduce the annual Area-Wide Facilities Special Tax levy as determined by the CFD Administrator pursuant to the Local Obligations Indenture.

"Maximum Area-Wide Facilities Special Tax" means the sum of the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B.

"Maximum Area-Wide Facilities Special Tax-A" means that portion of the maximum annual Area-Wide Facilities Special Tax based upon the number of Area-Wide Facilities EDU-As, determined in accordance with the Rate and Method, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Maximum Area-Wide Facilities Special Tax-B" means that portion of the maximum annual Area-Wide Facilities Special Tax based upon the number of Area-Wide Facilities EDU-B's, determined in accordance with the Rate and Method, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Original Area-Wide Facilities Parcel" means the specified Assessor's Parcels in the Rate and Method.

"Successor Area-Wide Facilities Parcel" means an Assessor's Parcel created by the subdivision or lot line adjustment from an Original Area-Wide Facilities Parcel. Once created, the Successor Area-Wide Facilities Parcel will be treated in the same manner as an Original Area-Wide Facilities Parcel in the creation of any additional Successor Area-Wide Facilities Parcels from such Successor Area-Wide Facilities Parcel.

Maximum Area-Wide Facilities Special Tax.

Original Area-Wide Facilities Parcels. The Maximum Area-Wide Facilities Special Tax-A rate per Area-Wide Facilities EDU-A for each Original Area-Wide Facilities Parcel for Fiscal Year 2024-25 is $351.50.

The Maximum Area-Wide Facilities Special Tax-B rate per Area-Wide Facilities EDU-B for each Original Area-Wide Facilities Parcel for Fiscal Year 2024-25 is $205.04.

The total Maximum Area-Wide Facilities Special Tax for each Original Area-Wide Facilities Parcel is the sum of the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B.

Successor Area-Wide Facilities Parcels. When an Original Area-Wide Facilities Parcel(s) changes or subdivides, the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax shall be apportioned to each Successor Area-Wide Facilities Parcel so that there is no net loss in Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax revenue. The process for apportioning the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax of the Original Area-Wide Facilities Parcel(s) to the Successor Area-Wide Facilities Parcel(s) is specified in the Rate and Method.

Once created, if a Successor Area-Wide Facilities Parcel further changes or subdivides, the above steps shall be repeated to determine the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and total Maximum Area-Wide Facilities Special Tax for each additional Successor Area-Wide Facilities Parcel created from the change or subdivision.

Increase in the Maximum Area-Wide Facilities Special Tax-A, Maximum Area-Wide Facilities Special Tax-B, and the Maximum Area-Wide Facilities Special Tax.

On each July 1, the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B shall be increased by an amount equal to two percent (2%) of the Maximum Area-Wide Facilities Special Tax-A and the Maximum Area-Wide Facilities Special Tax-B amount in effect for the previous Fiscal Year.

Method of Apportionment of the Area-Wide Facilities Special Tax.

For each Fiscal Year, the CFD Administrator shall determine the Area-Wide Facilities Special Tax Requirement and levy the Area-Wide Facilities Special Tax until the amount of Area-Wide Facilities Special Taxes equals the Area-Wide Facilities Special Tax Requirement. The Area-Wide Facilities Special Tax shall be levied each Fiscal Year as follows:

First: The Area-Wide Facilities Special Tax shall be levied on each Assessor's Parcel of Developed Property at 100% of the applicable Maximum Area-Wide Facilities Special Tax. If all

Area-Wide Facilities have been funded through the sale of Area-Wide Facilities Bonds or through the collection of Area-Wide Special Tax revenues, as determined by the City Council, the Area-Wide Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Area-Wide Facilities Special Tax.

Second: If additional monies are needed to satisfy the Area-Wide Facilities Special Tax Requirement after the first step has been completed, the Area-Wide Facilities Special Tax shall be levied Proportionately on all Single Family Final Map Property at a rate up to 100% of the Maximum Area-Wide Facilities Special Tax. The Area-Wide Facilities Special Tax shall be levied on Single Family Final Map Property only for that portion of the Area-Wide Facilities Special Tax Requirement that is related to existing debt service and Administrative Expenses. The Area-Wide Facilities Special Tax shall not be levied on Single Family Final Map Property for that portion of the Area-Wide Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of Area-Wide Facilities.

Third: If additional monies are needed to satisfy the Area-Wide Facilities Special Tax Requirement after the first two steps have been completed, the Area-Wide Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi Family/Non-Residential Property at a rate up to 100% of the Maximum Area-Wide Facilities Special Tax. The Area-Wide Facilities Special Tax shall be levied on Permit Ready Multi Family/Non-Residential Property only for that portion of the Area-Wide Facilities Special Tax Requirement that is related to existing debt service and Administrative Expenses. The Area-Wide Facilities Special Tax shall not be levied on Permit Ready Multi Family/Non-Residential Property for that portion of the Area-Wide Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of Area-Wide Facilities.

In accordance with the flow of Special Tax proceeds under the Local Obligations Indenture, in the event of a shortfall in the Facilities Special Tax to pay the Facilities Special Tax Requirement, the proceeds of the Services Special Tax will be applied to help cover the Facilities Special Tax shortfall before being applied to fund authorized services. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Series 2024 Local Obligations Flow of Funds."

Residential Property Limitation. Under no circumstances will the District special taxes be levied in any fiscal year against any Assessor's Parcel of Developed Property classified as Residential Property be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than 10% above the amount that would have been levied against such Assessor's Parcel in that fiscal year had there never been any such delinquencies or defaults. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

Historical Special Tax Levy

The Special Tax (including both the Facilities Special Tax and the Services Special Tax) was first levied in the District for Fiscal Year 2019-2020. The following table is a summary of Facilities Special Tax levy, collections, and delinquencies for the past five years.

Table 3
City of Folsom
Facilities Special Tax Levies, Delinquencies and Delinquency Rates

At Fiscal Year End	As of June 30, 2024

Fiscal Year	Levy Amount	Parcels Delinquent	Aggregate Amount Delinquent	Percent Delinquent	Parcels Delinquent	Aggregate Amount Delinquent	Percent Delinquent
2019-20	$135,311	1	$274	0.20%	0	$0	0.00%
2020-21	307,860	15	4,098	1.33%	0	0	0.00%
2021-22	709,151	22	6,292	0.89%	0	0	0.00%
2022-23	1,225,757	63	18,159	1.48%	3	705	0.06%
2023-24	1,777,594	14	4,739	0.27%	14	4,739	0.27%

Source: NBS.

Special Tax Calculation

The following table reflects the calculation of the Maximum Facilities Special Tax for Fiscal Year 2024-25 based on development status as of July 29, 2024. The following table does not reflect the Special Tax that will actually be levied in Fiscal Year 2024-25 and does not necessarily reflect the Special Tax that will be actually levied in any other year. The Facilities Special Tax was levied on property classified as Developed for Fiscal Year 2024-25 in the aggregate amount of $2,270,890.

Table 4
Maximum Special Tax Calculation
Fiscal Year 2024-25

Development Status[1]	Parcel Count	Maximum Facilities Special Tax Rate[2]	Total 2024-25 Maximum Facilities Special Tax	% of 2024-25 Maximum Facilities Tax
Developed Property:				
Single Family	316	$644	$203,631	7.72%
Single Family – High Density	2,687	557	1,539,736	58.39%
Multi Family – Low Density	894	353	327,295	12.41%
Multi Family – High Density	1	308	85,501	3.24%
Mixed Use	1	286	43,543	1.65%
Non-Residential	5	1,462	102,648	3.89%
Developed Property Total:	**3,904**		**$2,270,890**	**87.32%**
Single Family Final Map Property:				
Single Family	76	$644	$48,975	1.86%
Single Family – High Density	383	557	216,619	8.22%
Multi Family – Low Density	49	353	17,309	0.66%
Small Lot Final Map Property Total:	**508**		**$282,903**	**10.73%**
Permit Ready Multi Family/Non-Residential Property:				
Multi Family – Medium Density	4		$50,334	1.91%
Non-Residential	1		1,233	0.05%
Permit Ready Multi Family/Non-Residential Property Total:	**5**		**$51,567**	**1.96%**
Totals:	**4,417**		**$2,636,823**	**100.00%**

(1) Excludes categories with no parcels, including parcels categorized as Folsom Heights.
(1) Increases by 2% each Fiscal Year.
Source: NBS.

DEVELOPMENT STATUS, PROPERTY VALUES AND OWNERSHIP WITHIN THE DISTRICT

Development Entitlements

Specific Plan. On June 28, 2011, the City Council approved the original Specific Plan for the development of the Folsom Plan Area. Various property owners have submitted and received approvals of Specific Plan amendments since the 2011 City Council adoption. Most recently, the City revised its Specific Plan to provide for an increase in housing density in order to provide for more affordable housing options. Such Specific Plan amendments were approved by the City Council on August 27, 2024.

The Specific Plan provides for 13,343 total dwelling units and 2.5 million square feet of commercial, office/industrial and mixed use. The Specific Plan also provides for 275.7 acres of public and quasi-public use (public and private schools, parks and infrastructure); 182 acres of major roads and 1,114.5 acres of open space.

The Specific Plan is designed to guide and regulate the development for the area within the City south of US Route 50.

Tentative Mapping. As of June 30, 2024, 1,140 parcels (representing 1,456 residential units at buildout) were subject to vesting tentative maps.

Development Agreements. Through City entered into a Tier 1 Development Agreement with property owners within the Folsom Plan Area, which vests certain rights of the property owners and of the City and commits each party to the agreements to subsequent actions before development may proceed within the Folsom Plan Area. Separate First Amended and Restated Tier 1 Development Agreements (the "ARDAs") were entered into among certain property owners and the City for their applicable properties.

Article 2.5 (commencing with Section 65864), of Chapter 4, Division 1, Title 7 of the State Government Code, pertaining to development agreements, has the general effect of authorizing development to continue in accordance with then existing General Plan, Specific Plan, zoning and subdivision regulations notwithstanding any subsequently enacted conflicting regulations, except for regulations the failure of which to enact would place the residents in a condition which is dangerous to their health or safety or both.

Final Mapping. As of June 30, 2024, final maps have been approved for 4,603 total dwelling units within the Folsom Plan Area. An initial design review approval, which provides for City review of the home plans, architecture and conformance to certain development standards, has been completed for all 4,603 units. However, the City may undertake additional design reviews for units already approved and add additional units for review during the development process.

Design Guidelines. The Folsom Ranch Central District Design Guidelines were approved by the City concurrent with certain Tentative Map approvals on June 23, 2015. The design guidelines provide for the orderly development of the proposed single family residential subdivision. The primary purpose of these design guidelines is to articulate the general architectural and design expectations for the proposed residential neighborhood, the landscapes, hardscapes, open spaces, fencing, entry features and site lighting. The goal of the design guidelines is to establish a regulatory framework for the design of individual homes on the residential lots. The final design details of the homes are subject to review and approval by the City's Planning Commission as part of future Design Review applications for each applicable development.

Development Conditions/Building Permit Limitations. Certain provisions of the PFFP for the Folsom Plan Area, as implemented through tentative subdivision map conditions, require certain infrastructure be installed or place other limits on the number of building permits that can be issued before certain facilities and/or backbone infrastructure is in place.

For example, certain tentative maps require a fire station to be operational prior to the occupancy of the 1,500th home in the Folsom Plan Area. Such first fire station was constructed by the City and opened in the third quarter of 2024.

Army Corps of Engineers Wetland Permitting, Biological Opinion, Streambed Alteration Agreements and Section 106 Compliance. On May 22, 2014, the U.S. Army Corps of Engineers (the "USACOE") issued a Record of Decision ("ROD") for the Folsom South of U.S. Highway 50 Specific Plan Project - City of Folsom Backbone Infrastructure. This wetland permit covered the wetland permitting requirements for the entire backbone infrastructure necessary to serve the Folsom Plan Area. To the extent backbone infrastructure was required within a property owner's land, the backbone wetland permit authorized the filling of waters of the U.S. necessary for such construction. Each landowner thereafter is required to obtain their own wetland permit for the fill of jurisdictional wetlands not included in the footprint of the backbone wetland permit. As discussed in greater detail below, the Folsom Plan Area has received all required environmental permits.

Environmental Permits and Approvals. CEQA requires that an Environmental Impact Report (an "EIR"), detailing the significant environmental effects of the project and proposed mitigation measures, be prepared, considered and certified as complete by a public agency prior to its taking discretionary action on any project which may have a significant effect on the environment.

In June 2011, after statutorily required public notice, hearing and comment, the City Council certified as adequate and complete a final EIR/EIS for the Specific Plan for the development of the Folsom Plan Area. The EIR/EIS satisfied both CEQA and the National Environmental Policy Act for the entirety of the Folsom Plan Area. In February 2015, the City Council adopted the South of Highway 50 Backbone Infrastructure Project Initial Study/Mitigated Negative Declaration (Backbone Infrastructure MND), dated December 9, 2014. In addition, in connection with amendments to the Specific Plan, after statutorily required public notice, hearing and comment, the City Council certified as adequate and complete a final subsequent environmental impact report addressing increased density in light of the impact analysis provided in the EIR/EIS for the Specific Plan.

The Folsom Plan Area has received all required environmental permits, including a Section 404 Permit for the entire Folsom Plan Area pursuant to Section 404 of the federal Clean Water Act. This permit allows for any necessary fill of jurisdictional wetlands and streambed alterations for the construction of backbone infrastructure to serve the entire Folsom Plan Area at build-out. In addition, a Biological Opinion has been obtained from the US Fish and Wildlife Service for the entire Folsom Plan Area, together with a California Department of Fish and Wildlife Master Streambed Alteration Permit with conditions for the whole of the Folsom Plan Area. However, individual subdivisions may require further approvals.

Affordable Housing. All residential projects receiving funding assistance from the City or otherwise with ten or more units within the Folsom Plan Area must comply with the City's inclusionary housing ordinance, which requires that ten percent of the units built consist of inclusionary housing units. Residential project developers may satisfy this requirement by the payment of an in-lieu fee. In addition, the City entered into a memorandum of understanding with landowners within the Folsom Plan Area whereby the landowners committed to deed-restrict certain lots for the development of 890 units affordable to lower-income households.

Water Supply; Utilities

Water Supply. The City entered into an agreement (the "Water Supply Agreement") with the property owners in the Folsom Plan Area providing for a water supply for new development south of US Route 50. The Water Supply Agreement was supported by an addendum to the EIR. The Water Supply Agreement provides adequate water supply for full build out of the Folsom Plan Area (except the portion of the Folsom Plan Area serviced by the El Dorado Irrigation District). The amount of water provided in the Water Supply Agreement to meet the build-out demands of the Folsom Plan Area project is projected to be 5,600 acre-feet annually.

Water Supply in Folsom Generally. The primary water supply source for the City is Folsom Reservoir, which provides the water supply for all of the City south of the American River. The City has water rights and contracts for up to 34,000 acre-feet annually ("afa") through three different contracts with the United States Bureau of Reclamation ("Reclamation"). The surface water supplies were developed through different circumstances and, as such, are subject to unique conditions and limitations. These attributes and issues affect the volume of water available under certain conditions. Surface water supply for the portions of the City north of the American River is obtained through a contract with the San Juan Water District, and therefore is not a directly owned City supply. The surface water supplies for the City's water service area are listed below.

- A pre-1914 appropriative water right for 22,000 acre-feet per year (Agreement with Reclamation)

- A pre-1914 appropriative water right for 5,000 acre-feet per year (Co-Tenancy agreement with Golden State Water Company)

- A Central Valley Project ("CVP") repayment contract for 7,000 acre-feet per year

The City's 22,000 acre-foot entitlement is based on a pre-1914 appropriative right from the South Fork of the American River established by the Natoma Water Company ("Natoma") in 1851. Natoma's original pre-1914 water right established a maximum diversion rate "to fill a Canal Eight feet wide and Four feet deep with a current running Ten miles per hour." This correlates to a diversion rate of 60 cubic feet per second and a maximum allocation of 32,000 afa. This right is held with Golden State Water Company pursuant to a co-tenancy agreement. The City's 5,000 acre-foot entitlement is also based on Natoma's pre-1914 appropriative right from the South Fork of the American River. In November 1994, the City executed a contract with Southern California Water Company-Folsom Division ("SCWC") under which the City acquired the right to lease 5,000 afa (of SCWC's remaining 10,000 afa under the original Natoma purchase) for an indefinite period. This right is held with Golden State Water Company pursuant to a co-tenancy agreement. This water right was also formally recognized in the settlement agreement between Reclamation and the City. As authorized by Public Law No. 101-514, the City was a subcontractor under Sacramento County Water Agency's (SCWA) CVP water-service contract for 7,000 afa. In 2016, the United States, the City and SCWA completed an assignment of this portion of SCWA's CVP water-service contract from SCWA to the City. In February 2020, the City and Reclamation executed a contract that converted the CVP water-service contract into a CVP repayment contract as authorized under the Water Infrastructure Improvements for the Nation Act.

Under the agreements with Reclamation for 22,000 afa and 5,000 afa, Reclamation delivers this entire water supply without reduction on a permanent basis. Under the agreement with Reclamation for 7,000 afa of CVP water, this water supply faces possible reductions pursuant to Reclamation's Municipal and Industrial Water Shortage Policy. In 1994, the City entered into an agreement with Golden State Water Company (f/k/a Southern California Water Company, herein "GSWC") to acquire the right to divert up to

5,000 acre feet of pre-1914 water rights annually (the "GSWC Agreement"), subject to the terms and conditions of that agreement. Under the GSWC Agreement, the City is required to pay for the entire 5,000 acre-feet annual water supply regardless of whether the City is able to divert and use that quantity of water. The City uses the supplies provided in the GSWC Agreement to serve the Folsom Plan Area. The cost of water under the GSWC Agreement is paid for by Folsom Plan Area landowners and water customers.

Source of Water for the Folsom Plan Area. The City has determined that its Water Systems Optimization Review Program and implementation of metered rates will provide additional water supplies in an estimated amount of 6,450 acre-feet per year, which is in addition to the present and forecasted demands of the City's existing water users. The City intends to use a portion of this 6,450 acre-feet per year of available water to meet present and future water demand in the East Area in order to make the 5,000 acre-feet per year of GSWC Agreement water supply available for use in the Folsom Plan Area, on the terms and conditions of that Agreement. To meet this intent, the City converted the East Area water supply from the GSWC Agreement to the less expensive CVP repayment contract. The City would meet the additional build-out water demand of the Folsom Plan Area with approximately 600 acre-feet per year of water produced by the Water Systems Optimization Review Program that is in excess of the water demand in the East Area. The water made available under the GSWC Agreement and Water Systems Optimization Review Program will be sufficient to supply the projected water demand in the Folsom Plan Area. Pursuant to the provisions of Sections 860 *et seq.* of the State Code of Civil Procedure and Government Code Sections 53511 and 53589.5, the City filed a complaint in the Superior Court of the State for the County to validate the agreement. The Superior Court determined that the agreement: (a) is lawful, valid, enforceable and in the best interests of the City and all persons in any way interested therein and (b) is consistent with all applicable laws and obligations, including the Measure W water supply requirement.

The City's Community Facilities District No. 2013-1 (Water Facilities and Supply) (the "Water CFD") was formed by the City in 2014. The cost of the GSWC Agreement water will initially be paid for by the Folsom Plan Area through special taxes collected for the Water CFD on certain property in the Folsom Plan Area. When a building permit has been issued and a customer billing account has been established, the developed parcel is no longer subject to the levy of the special tax for the Water CFD and thereafter pays for water through water rates.

Water Conservation. The City maintains a five-stage water conservation program with conservation goals and water use restrictions. The City Manager is authorized to implement and enforce whatever conservation measures are deemed necessary to achieve the water reduction requirements of the declared conservation stage.

Water Supply Infrastructure. For the first phase of development to occur within the Folsom Plan Area, the developers of the Folsom Plan Area constructed improvements to connect water supply from the north of US Route 50 and extend water infrastructure pipelines (the "Phase 1 Water Facilities").

The Phase 1 Water Facilities were completed in August 2018. The City estimates the Phase 1 Water Facilities are adequate for a sustained maximum day demand of up to 2.0 million gallons. A study prepared by Peterson Brustad, Inc. in April 2019 then estimated that water usage would equal or exceed a sustained maximum day demand of up to 2 million gallons when approximately 2,800 to 3,300 dwelling units within the Folsom Plan Area had been occupied. During summer 2021 as a result of high levels of construction activity, the maximum day water demand exceeded 2 million gallons for several days with no service interruption to the water system.

Additional water facilities (collectively, the "Phase 2 Water Facilities") will be constructed to provide expanded water transmission conveyance capabilities to deliver water from the water treatment plant to the Folsom Plan Area. The Phase 2 Water Facilities include (i) the Phase 2 Water Transmission

Facilities to be constructed with the proceeds of the Bonds, (ii) the Zone 4 Water Facilities (consisting of a zone-specific water tank and booster pump station), and (iii) the remaining Phase 2 Water Facilities (consisting of another zone-specific water tanks and booster pump station), which will be constructed at a later date.

The Phase 2 Water Transmission Facilities, when complete, are expected to increase capacity to up a 3.0 million gallon sustained maximum day demand in the Folsom Plan Area (which the City expects will occur when approximately 4,100 dwelling units within the Folsom Plan Area have been occupied). Following completion of the Phase 2 Water Transmission Facilities, the City anticipates that the Zone 4 Water Facilities will need to be built to provide water to zones 4, 5 and 6 of the Folsom Plan Area when the water facilities for the Folsom Plan Area approach a sustained maximum day demand of 3.0 million gallons. The City expects that a series of Additional Local Obligations will be issued to help finance the Zone 4 Water Facilities, although the City has not yet determined the timing and amount of this expected issuance.

The timing by which the Remaining Phase 2 Water Facilities will be needed will depend on a variety of factors, including water demand amounts within the Folsom Plan Area, the amount of additional water transmission conveyance capability generated by the Phase 2 Water Transmission Facilities and the Zone 4 Water Facilities, any events impacting the capacity of the existing water infrastructure, and any other factors that increase water demand or decrease water transmission capacity. As a result, despite the occupancy and water capacity estimates included herein, which are based on water system modeling and analysis conducted by or prepared for the City, the City cannot yet fully predict by when the Remaining Phase 2 Water Facilities will be needed. The City expects to use the proceeds of Additional Local Obligations to finance all or a portion of the Remaining Phase 2 Water Facilities. However, the timing of issuance of future obligations is dependent upon market conditions and development within the Folsom Plan Area and there can be no assurance that proceeds will be available when needed to timely construct the Remaining Phase 2 Water Facilities.

As described herein, as of June 30, 2024, final maps had been approved and recorded for 4,603 dwelling units within the Folsom Plan Area. Also as of June 30, 2024, building permits for 3,871 units and 3,266 certificates of occupancy had been issued in the Folsom Plan Area for projects underway.

The City continues to evaluate water usage and needs within the Folsom Plan Area but there can be no assurance that the construction of the Phase 2 Water Facilities will be completed in time to prevent delays to residential and commercial development in the Folsom Plan Area. If the Phase 2 Water Facilities are not constructed in a timely manner, future development in portions of the Folsom Plan Area may be metered, stopped, or the City may take other remedial actions, such as implementing water conservation measures to the existing residents, halting discretionary approvals, or taking other actions. If the Phase 2 Water Facilities are not constructed in a timely manner, water pressure to portions of the Folsom Plan Area could be impacted for existing water connections, which could have a negative impact on property values. Additionally, increased residential water usage approaching the maximum capacity of the current water facilities (including if exacerbated by the Phase 2 Water Facilities not being constructed in a timely fashion) or a reduction in the capacity of the current water facilities could cause the City to consider restricting the continued development of the Folsom Plan Area. See "CERTAIN RISKS TO BONDHOLDERS—Failure to Develop."

To help alleviate the demand on the current water facilities, certain developers within the Folsom Plan Area have made arrangements to obtain construction water from the El Dorado Irrigation District ("EID"), an alternative water provider that has existing facilities adjacent to the Folsom Plan Area. For instance, Lennar Homes has previously received construction water from EID for portions of its Russell Ranch project. Such arrangements augment, but do not replace, the need for and the use of City water,

which is currently provided through the Phase 1 Water Facilities. Due to such alternative arrangements for construction water and the amount of development that has already occurred in the Folsom Plan Area, the City does not expect that the demand for construction water will reach 2021 levels in coming years.

Wastewater Treatment. The Sacramento Area Sewer District has an existing wastewater treatment plant with its ongoing and permitted improvement projects projected to accommodate all wastewater from development in the Folsom Plan Area. Existing sewer transmission mains are capable of conveying wastewater from the Folsom Plan Area to the existing treatment plant. Developers of property within the Folsom Plan Area will need to extend infrastructure to their sites and pay appropriate connection fees for access to the existing wastewater infrastructure.

Other Utilities. All typical urban utility services for finished lots will be extended to the lots. These utilities include electric power, natural gas, telephone, cable television, water, refuse, and sanitary sewer and storm water facilities. The City provides water, sewer, refuse and storm water facilities, and police and fire services. Pacific Gas & Electric provides natural gas and the Sacramento Municipal Utility District provides electric service. Comcast provides cable service.

Hazard Zones

Flood Zones. According to the Federal Emergency Management Agency flood map, the entirety of the planned development in the District is in Zone X, which consists of areas determined to be outside of the 500-year flood plain.

Fire Zones. The District is located within an area identified as a moderate fire hazard severity zone. More information regarding Fire Hazard Severity Zones can be found at the California Department of Forestry and Fire Protection website at https://frap.fire.ca.gov, though such website is not incorporated herein by reference. The development within the District is subject to mitigation measures set forth in a fuel modification plan approved by the City Fire Department. The mitigation measures include, among others, limitations on the type of vegetation that may be planted within fuel modification zones established in open space areas along certain portions of the perimeter of the District, minimum setback of structures and irrigation requirements of the fuel modification zones. Maintenance of such zones is expected to initially be the responsibility of the property owners but upon build-out of the District and dedication of the open space to the City will be maintained by the City from funds provided through the District's Maintenance Special Tax. Homeowner's insurance is expected to be available to property owners within the District, and the coverage provided by such insurance typically insures against fire damage, although there is no assurance that homeowners within the District will purchase or maintain such insurance.

Drought Conditions and Construction Water Usage. In response to drought conditions in 2021, the City imposed a state-mandated 20% reduction in water use on its water customers. In addition, use of City water for construction purposes required City approval. At the time, the City allowed construction within the Folsom Plan Area to proceed, including the use of City water. The City rescinded this requirement in June 2023. However, if prolonged drought conditions return, this could result in mandatory reductions in water usage that may adversely impact the ability of the builders within the District to develop the District in the planned development timelines.

Development Status Summary

The following table reflects latest stage of development for property within the District as of June 30, 2024, based on permits and map approvals.

Table 5
Development Status By Category
As of June 30, 2024

Residential/Mixed Use Residential	
Total Occupancy Permitted Units	3,266
Total Building Permitted Units	4,281
Total Final Mapped Units	4,603
Total Tentative Mapped Units	5,743
Total Specific Plan Residential Units[1]	13,343
Commercial/Industrial	
Total Conditional Use Square Feet	207,719
Total Permit Ready Square Feet	33,036
Total Specific Plan Commercial/Industrial Square Feet[1]	2,546,982

[1] Based on Specific Plan as amended on August 27, 2024.
Source: City of Folsom.

The following table summarizes certain information about the residential developments underway with Taxable Property within the District.

Table 6
Residential Development Projects and Status of Development
By Total in Each Category
As of June 30, 2024

Project Description	Specific Plan Units	Tentative Mapped Units	Final Mapped Units	Residential Units with Building Permits
Mangini Ranch[1]	2,973	2,973	2,270	1,869
Russell Ranch	1,025	1,025	907	881
White Rock Springs Ranch	395	395	395	395
Folsom Ranch[2]	1,241	1,241	922	692
Broadstone Estates	81	81	81	6
Folsom Heights	530	407	0	0

[1] Comprises multiple neighborhoods including projects being built out by Lennar Homes, described below.
[2] Comprises multiple neighborhoods including projects being built out by Toll Brothers and Lennar Homes, described below.
Source: City of Folsom.

The following table shows a 7-year summary of the number of building permits issued in the District.

Table 7
District Historical Building Permits Issued

Fiscal Year	Single Family	Single Family – High Density	Multi Family – Low Density	Multi Family High Density	Mixed Use Residential	Non-Residential	Total
2023-24	42	622	212	0	0	3	879
2022-23	75	358	165	1	1	2	602
2021-22	110	641	237	0	0	0	988
2020-21	87	484	243	0	0	0	814
2019-20	2	292	29	0	0	0	323
2018-19	0	236	0	0	0	0	236
2017-18	0	18	0	0	0	0	18
Total:	**316**	**2,651**	**886**	**1**	**1**	**5**	**3,860**

Source: City of Folsom.

Property Ownership Summary

Through multiple acquisitions beginning in 2012, affiliates of WestLand Capital Partners, L.P. ("WestLand") acquired nearly 2,400 acres within the Folsom Plan Area, including property planned for development of approximately 8,350 dwelling units, 1.2 million square feet of commercial, office and industrial space, as well as several sites for elementary, middle and high schools.

Since development began in May 2017, WestLand affiliates have invested more than $250 million into backbone infrastructure and subdivision improvements. WestLand affiliates' remaining land holdings include land planned for development of nearly 3,500 dwelling units and 1.2 million square feet of commercial and office uses.

Many of the region's largest public and private homebuilders have been actively building in the Folsom Plan Area, including Toll Brothers, Lennar Homes, Tri Pointe Homes, Taylor Morrison, KB HOME Sacramento, Beazer Homes, Woodside Homes and Richmond American in more than ten separate development communities. Multifamily developers undertaking high density projects include Van Daele Homes, A.G. Spanos Company, and St. Anton Communities.

Dignity Health and UC Davis Health, two of the region's major healthcare providers, own a total of approximately 70 acres within the Folsom Plan Area that are being developed into hospital and medical campus facilities. Development for the Dignity Health campus began in 2021, and significant land development has progressed. The UC Davis Health property commenced development in August 2023.

The following table summarizes the top taxpayers of the Facilities Special Tax for Fiscal Year 2024-25, based on development status and ownership as of June 30, 2024.

Table 8A
Top Taxpayers
Fiscal Year 2024-25
Actual Levy – Developed Property

Owner	Parcel Count	Planned Use	Facilities Special Tax Levy[1]	Percent of Levy
Toll Brothers[2]	262	Residential	$145,418	6.40%
Lennar Homes[2]	238	Residential	124,391	5.48
UC Davis Medical	1	Commercial	95,267	4.20
Other Developer Owned Residential	230	Residential	249,473	10.99
Non-Residential	4	Commercial	7,381	0.33
Individual Homeowners	3,110	Residential	1,648,960	72.61
Total	**3,845**		**$2,270,890**	100.00%

(1) Based on actual 2024-25 Facilities Special Tax levy.
(2) Includes property for which the homebuilder holds an option to purchase in connection with a landbanking arrangement.
Source: NBS; County of Sacramento Assessor's Office.

Table 8B
Top Taxpayers
Fiscal Year 2024-25
Maximum Facilities Special Tax – All Taxable Property

Owner	Parcel Count	Planned Use	Maximum Special Tax [1]	Percent of Levy
Toll Brothers[2]	461	Residential	$256,167	9.71%
Lennar Homes[2]	318	Residential	157,326	5.97
UC Davis Medical	1	Commercial	95,267	3.61
Other Developer Owned Residential	522	Residential	470,488	17.84
Non-Residential	5	Commercial	8,614	0.33
Individual Homeowners	3,110	Residential	1,648,960	62.54
Total	**4,417**		**$2,636,823**	**100.00%**

(1) Reflects levy on total Taxable Property, which includes Developed Property, Single Family Final Map Property, and Permit Ready Multi Family/Non-Residential Property.
(2) Includes property for which the homebuilder holds an option to purchase in connection with a landbanking arrangement.
Source: NBS; County of Sacramento Assessor's Office.

Toll Brothers Development

Toll Brothers.

Toll West Coast, Inc. ("Toll Brothers") is a subsidiary of Toll Brothers, Inc., a Delaware corporation ("TBI"). TBI is a publicly traded company whose common stock is listed on the New York Stock Exchange under the symbol "TOL." Audited financial statements for TBI can be found online at https://www.tollbrothers.com/investor_relations. TBI is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files annual and quarterly reports, proxy statements and other information with the Securities Exchange Commission ("SEC"). Such reports, proxy statements and other information, including its Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, are available to the public via the SEC's website at www.sec.gov.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Toll Brothers and TBI are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Tax and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the City, the District or the Underwriter.

Toll Brothers Development Plan and Status.

Toll Brothers plans to construct a total of 1,130 homes in the District in two separate neighborhoods known as "Preserve" and "Regency". Toll Brothers either owns, or is under an option agreement to purchase, all of said homes, other than those already conveyed to individual homeowners.

The following table reflects the status of development of each neighborhood.

Table 9
Toll Brothers Development Status
As of June 30, 2024

	Preserve	Regency
Total Planned Homes (Tentative Mapped)	211	919
Final Mapped Units	135	628
Building Permits	75	514
Closed Homes	0	331
Expected Home Closings per Quarter	21	45
Expected Closeout Date	February 2027	October 2027

Source: Toll Brothers.

The Preserve includes two collections, Oak Trails with homes ranging from 2,940 to 3,368 square feet priced from $904,995 and Heritage Trails with homes from 2,539 to 3,788 square feet priced from $1,002,995. The Preserve is located in the central southern portion of the District, bordered to the south by White Rock Road and to the north by Mangini Parkway. The Preserve development is approximately [35]% complete as of July 30, 2024.

The Regency is an active adult community for individuals 55 years and older. The Regency is also located in the central southern portion of the District, bordered to the south by White Rock Road and The Regency features five different collections described in the table below. The Regency development is approximately [56]% complete as of July 30, 2024.

Table 10
Toll Brothers Regency

	Duet/Single	Square Foot Range	Priced From
Sequoia	Duet	1,398-1,446	$548,995
Redwood	Single	1,542-1,596	654,995
Mendocino	Single	1,815-1,925	702,995
Shasta	Single	2,012-2,148	765,995
Tahoe	Single	2,316-2,441	880,995

Source: Toll Brothers.

Lennar Homes Development

Lennar Homes.

Lennar Homes of California, LLC ("Lennar Homes") is wholly-owned by U.S. Home, LLC, a Delaware limited liability company ("U.S. Home"). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida ("Lennar Corporation"). Lennar Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is www.sec.gov. All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of Lennar Corporation's Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation's website at www.lennar.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Lennar Corporation and Lennar Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Tax, and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the City, the District or the Underwriter.

Lennar Homes Development Plan and Status.

Lennar Homes has constructed or expects to construct a total of 745 homes in the District in seven separate neighborhoods known as "Brass Pointe", "Silver Knoll", "Gold Cliff", "Platinum Peak", "Sterling

Hills", "Rockcress," and "Rockcress II". Lennar Homes either owns, or is under an option agreement to purchase, all of said homes, other than those already conveyed to individual homeowners.

The following table reflects the status of development of each of the above described neighborhoods. In addition, Lennar Homes expects to construct 118 townhomes with a final map expected in fourth quarter 2024.

Table 11
Lennar Development Status
As of June 30, 2024

	Brass Pointe	Silver Knoll	Gold Cliff	Platinum Peak	Sterling Hills	Rockcress	Rockcress II
Total Planned Homes (Tentative Mapped)	143	96	63	100	112	118	115
Final Mapped Units	143	96	63	100	112	118	115
Building Permits	132	96	63	100	103	118	63
Closed Homes							
Expected Closings per Quarter	12	12	Complete	12	12	Complete	12
Expected Closeout Date	9/2025	2/2025	Complete	3/2025	7/2025	Complete	7/2026

Source: Lennar.

The following table generally describes the homes constructed or being constructed by Lennar in each neighborhood.

Table 12
Lennar Homes Neighborhood Summary

Neighborhood	Home Type	Square Foot Range	Priced From	Location	Status
Brass Pointe	Next Gen®(1) and Single Family	2,143-3,159	$848,796	Russell Ranch, southeastern end of the District, bordered to the south by White Rock Road	[50]% complete
Silver Knoll	Next Gen®(1) and Single Family	2,309-2,793	817,831	Russell Ranch, southeastern end of the District, north of Sterling Hills	[50]% complete
Gold Cliff	Next Gen®(1) and Single Family	2,705-3,940	Sold out	Russell Ranch, northeastern end of the District, bordered to the north by Highway 50	Complete
Platinum Peak	Next Gen®(1) and Single Family	3,460-4,242	1,685,359	Russell Ranch, northeastern end of the District, bordered to the north by Gold Cliff	[95]% complete
Sterling Hills	Next Gen®(1) and Single Family	2,154-3,308	849,722	Russell Ranch, southeastern end of the District, north of Silver Knoll	[50]% complete
Rockcress	Single	1,638-2,018	Sold out	Central District, bordered on the west by E. Bidwell Street	Complete
Rockcress II	Single	1,632-2,024	676,184	Russell Ranch, southeastern end of the District, bordered to the south by White Rock Road, west of Brass Pointe	[35]% complete

(1) Next Gen is a registered service mark of Lennar Corporation, used to describe homes with a separate suite with independent access.
Source: Lennar Homes.

Property Values

An appraisal of a portion of the Taxable Property (such portion, the "Appraised Property") within the District has been prepared by the Appraiser in connection with the issuance of the Bonds. The purpose of the appraisal was to estimate the market value, subject to the Special Tax and based upon a hypothetical condition, for such portion of the property. The appraisal estimates the market value of the property as of July 29, 2024 (the "Appraisal"). The Appraisal is attached to this Official Statement as APPENDIX G.

As of the date of inspection, the Appraiser notes that development of portions of the property is underway. The subject property was valued based on the hypothetical conditions that proceeds from the Bonds will be used to finance the Phase 2 Water Transmission Facilities. The Appraisal is based on property values at the time of inspection.

Subject to the assumptions, hypothetical condition and limiting conditions, the Appraiser estimated that the value of the Appraised Property within the District had an estimated not-less-than aggregate land value of $432,321,000 as of July 29, 2024. See APPENDIX G – "APPRAISAL."

The parcels of Taxable Property within the District that were not appraised had aggregate assessed land and improvements value of $2,511,251,291, based on current assessed values maintained by the County, which reflect the 2024-25 assessed values as of January 1, 2024, as reported on July 1, 2024. Any assessed values are the property values determined by the County assessor's office for property tax purposes. Such assessed value determinations may be subject to appeal by property owners. The resolution of an appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant/property owner. Although such a result would not reduce the special taxes on the property, any reduction in the assessed values of property would have an adverse impact on the value-to-debt ratios discussed herein and could lessen the ability or willingness of the owners of such property to pay their assessments. Moreover, assessed values do not necessarily represent the current market value for any parcel.

Collectively, the value of the Taxable Property within the District is $2,943,572,291.

The following table reflects the assessed value and the annual change in assessed value for all Taxable Property in the District for Fiscal Year 2019-20 through Fiscal Year 2024-25.

Table 13
Historical Assessed Valuation
Taxable Property Only

Fiscal Year	Aggregate Assessed Value	% Change
2024-25	$2,852,479,553	32%
2023-24	2,162,982,833	68%
2022-23	1,287,351,620	83%
2021-22	702,326,507	85%
2020-21	379,588,212	146%
2019-20	154,181,942	--

Source: NBS. Based on Sacramento County secured roll information as of January 1 for each fiscal year.

Value-to-Lien Analysis

The following tables set forth the ratios of the property values of the Taxable Property to the liens on such property based on the development status as of July 29, 2024. The value-to-lien ratio for the District

based solely on the Series 2024 Local Obligations is 98.1*:1.0. The overall value to overlapping debt ratio, including assessment debt and special tax debt, is 11.5*:1.0 (see "—Overlapping Debt"). The City expects that additional bonds secured by special assessments or special taxes on Taxable Property within the District will be issued from time to time. As described herein, the City expects that its Community Facilities District No. 23 will issue debt for Improvement Area No. 4 in the fourth quarter of 2024. Overlapping debt issued from time to time will have the effect of reducing the value to lien ratio on property within the District.

* Preliminary, subject to change.

Table 14
Value-to-Lien Ratios
Fiscal Year 2024-25
Development Status as of July 29, 2024
By Development Status

	Parcel Count	2024-25 Facilities Special Tax Levy[1]	Assessed Values[2]	Appraised Values[2]	Total Values[2]	Share of Series 2024 Local Obligations[3] *	Overlapping Debt[4]	Value to Series 2024 Local Obligations[5]*	Overall Value to Lien[5]*
Developed Property									
Single Family	316	$203,631	$348,989,897	$9,707,000	$358,696,897	$2,316,779	$24,705,609	154.8	13.3
Single Family – High Density	2,687	1,511,098	1,683,535,277	221,084,000	1,904,619,277	17,518,078	146,542,176	108.7	11.6
Multi Family – Low Density	894	324,469	454,043,317	60,867,000	514,910,317	3,723,738	43,097,037	138.3	11.0
Multi Family – High Density	1	85,501	0	6,390,000	6,390,000	972,770	459,617	6.6	4.5
Mixed Use	1	43,543	24,682,800	0	24,682,800	495,403	3,074,034	49.8	6.9
Non-Residential	5	102,648	0	37,950,000	37,950,000	1,167,865	369,954	32.5	24.7
Developed Property Total	**3,904**	**$2,270,890**	**$2,511,251,291**	**$335,998,000**	**$2,847,249,291**	**$26,194,632**	**$218,248,428**	**108.7**	**11.6**
Final Map Property									
Single Family	76	N/A	$0	$21,134,000	$21,134,000	$557,200	$299,698	37.9	24.7
Single Family – High Density	383	N/A	0	63,269,000	63,269,000	2,464,542	6,843,751	25.7	6.8
Multi Family – Low Density	49	N/A	0	6,860,000	6,860,000	196,933	476,041	34.8	10.2
Final Map Property Total	**508**	**N/A**	**$0**	**$91,263,000**	**$91,263,000**	**$3,218,675**	**$7,619,490**	**28.4**	**8.4**
Permit Ready Property									
Multi Family – Medium Density	4	N/A	$0	$3,970,000	$3,970,000	$572,664	$261,943	6.9	4.8
Non-Residential	1	N/A	0	1,090,000	1,090,000	14,029	27,112	77.7	26.5
Permit Ready Total	**5**	**N/A**	**$0**	**$5,060,000**	**$5,060,000**	**$586,693**	**$289,055**	**8.6**	**5.8**
Total	**4,417**	**$2,270,890**	**$2,511,251,291**	**$432,321,000**	**$2,943,572,291**	**$30,000,000**	**$226,156,974**	**98.1**	**11.5**

* Preliminary, subject to change.
(1) Increases by 2% each Fiscal Year.
(2) Appraised values from Appraiser and assessed values from the County Assessor. See "—Property Values."
(3) Allocated based on share of Fiscal Year 2024-25 Maximum Facilities Special Tax.
(4) See "—Overlapping Debt."

(5) Value to lien ratio is for the Series 2024 Local Obligations. Series 2024 Local Obligations are issued in the same principal amount of the Bonds.
Source: Except as otherwise noted, NBS.

Table 15
Value-to-Lien Ratios
Fiscal Year 2024-25
Development Status as of July 29, 2024
By Stratification

	Parcel Count	2024-25 Facilities Special Tax Levy(1)	Assessed Values(2)	Appraised Values(2)	Total Values(2)	Share of Series 2024 Local Obligations(3) *	Overlapping Debt	Value to Series 2024 Local Obligations(4)*	Overall Value to Lien(4)*
Less than 3.00:1	1	$395	$0	$139,000	$139,000	$4,492	$48,273	30.9	2.6
3.00 to 4.99:1	266	150,508	2,968,433	49,253,684	52,222,117	2,914,074	10,043,626	17.9	4.0
5.00 to 9.99:1	1,552	814,423	1,014,975,041	34,076,316	1,049,051,357	10,150,233	112,261,141	103.4	8.6
10.00 to 19.99:1	1,995	928,323	1,192,213,225	162,782,000	1,354,995,225	12,067,977	92,710,561	112.3	12.9
Greater than 20.00:1	603	377,241	301,094,592	186,070,000	487,164,592	4,863,224	11,093,373	100.2	30.5
Total	4,417	$2,270,890	$2,511,251,291	$432,321,000	$2,943,572,291	$30,000,000	$226,156,974	98.1	11.5

* Preliminary, subject to change.
(1) Increases by 2% each Fiscal Year.
(2) Appraised values from Appraiser and assessed values from the County Assessor. See "—Property Values."
(3) Allocated based on share of Fiscal Year 2024-25 Maximum Facilities Special Tax.
(4) Value to lien ratio is for the Series 2024 Local Obligations. Series 2024 Local Obligations are issued in the same principal amount of the Bonds.
Source: Except as otherwise noted, NBS.

Estimated Tax Burden on Single Family Home

The following table sets forth the estimated total tax burden on different home types, presented as an average, based on estimated tax rates for Fiscal Year 2023-24.

Table 16
Single Family Residential Property Sample Property Tax Bill
Estimated Charges for Fiscal Year 2023-24

		SFHD - CFD 19	SFHD - CFD 20	SFHD - CFD 21	SFHD - CFD 23 IA1	SFHD - CFD 23 IA3	MLD - CFD 23 IA2	MLD - Enclave
Assessed Value[1]		**$750,000**	**$920,000**	**$775,000**	**$720,000**	**$730,000**	**$580,000**	**$620,000**
Less: Homeowner Exemption		($7,000)	($7,000)	($7,000)	($7,000)	($7,000)	($7,000)	($7,000)
Net Assessed Value		**$743,000**	**$913,000**	**$768,000**	**$713,000**	**$723,000**	**$573,000**	**$613,000**
Ad Valorem[2]	**Tax Rate**							
Ad Valorem Tax (Proposition 13)	1.0000%	$7,430.00	$9,130.00	$7,680.00	$7,130.00	$7,230.00	$5,730.00	$6,130.00
Los Rios College General Obligation	0.0192%	142.66	175.30	147.46	136.90	138.82	110.02	117.70
Folsom-Cordova USD Imp. Dist. 2	0.0206%	153.06	188.08	158.21	146.88	148.94	118.04	126.28
Folsom-Cordova USD Imp. Dist. 3	0.2063%	1,532.81	1,883.52	1,584.38	1,470.92	1,491.55	1,182.10	1,264.62
Total Ad Valorem Taxes	**1.2461%**	**$9,258.52**	**$11,376.89**	**$9,570.05**	**$8,884.69**	**$9,009.30**	**$7,140.15**	**$7,638.59**
Special/Direct Assessments and Taxes								
Folsom CFD No. 18 (Folsom Plan Area)[3]		$1,072.42	$1,072.42	$1,072.42	$1,072.42	$1,072.42	$794.10	$794.10
Folsom CFD No. 17 (Willow Hill Pipeline)[4]		78.50	108.32	78.50	78.50	78.50	48.66	48.66
Project Specific CFD or Assessment[5]		3,058.24	1,576.62	2,928.02	2,468.78	720.82	2,520.24	2,594.06
Sacramento Area Flood Control[6]		1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total Special/Direct Assessments and Taxes		**$4,210.66**	**$2,758.86**	**$4,080.44**	**$3,621.20**	**$1,873.24**	**$3,364.50**	**$3,438.32**
Total Estimated Annual Property Taxes		**$13,469.18**	**$14,135.75**	**$13,650.49**	**$12,505.89**	**$10,882.54**	**$10,504.65**	**$11,076.91**
Effective Tax Rate		**1.796%**	**1.536%**	**1.761%**	**1.737%**	**1.491%**	**1.811%**	**1.787%**

(1) Estimated based upon approximate average value for property within the category presented.
(2) Based upon FY 2023-24 Sacramento County ad valorem property tax rates.
(3) Fiscal Year 2023-24 Special Tax. The Special Tax excludes the Willow Hill Pipeline Special Tax, which is not currently levied while CFD No. 17 is in place. Escalates annually as further specified in the Rate and Method.
(4) Fiscal Year 2023-24 Maximum Annual Special Tax. The Maximum Annual Special Tax escalates annually at 2%.
(5) Fiscal Year 2023-24 Special Tax amounts levied for either SFHD or MLD property.
(6) Approximate assessment for residential lots. Based upon lot size.

Source: NBS, based upon records and official documents provided by various governmental agencies and third-party sources.

Overlapping Debt

The City has previously formed Community Facilities District No. 17 (Willow Hill Pipeline) ("CFD 17") to finance certain water infrastructure necessary to provide water supply and infrastructure for the first phase of development within the District. CFD 17 encompasses nearly all of the property within the Folsom Plan Area, excluding approximately 190 acres bordering El Dorado County in the eastern portion of the City south of US Route 50. The City has issued bonds for CFD 17 in the principal amount of $6,675,000, of which $5,575,000 are currently outstanding. The bonds previously issued for CFD 17 constitute overlapping debt. In addition, other community facilities districts and assessment districts have been formed from time to time for individual subdivision projects within the boundaries of the District to finance subdivision-related improvements and services. Overlapping debt has included obligations issued to fund subdivision infrastructure for City of Folsom Community Facilities District No. 19 (Mangini Ranch) ("CFD 19"), the City of Folsom Community Facilities District No. 20 (Russell Ranch) ("CFD 20"), the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) ("CFD 21"), the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 1 ("CFD 23 IA1"), the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 2 ("CFD 23 IA2"), and the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 3 ("CFD 23 IA3"). In addition, the City expects that its Community Facilities District No. 23 will issue approximately $10.7 million dollars in special tax obligations for Improvement Area No. 4 in the fourth quarter of 2024.

[Direct assessments and levies payable with respect to property within the District could potentially include up to $750 million of general obligation bonds for the School Facilities Improvement District No. 3 of the Folsom Cordova Unified School District ("SFID 3"), approved by voters on March 27, 2007. SFID 3 encompasses approximately 52.6 square miles of land including the District and additional territory outside of the District, including territory in the City of Rancho Cordova and unincorporated Sacramento County. As of November 13, 2023, general obligation bonds in the aggregate principal amount of approximately $195.6 million had been issued and approximately $182.2 million were outstanding for SFID 3. At the time of the election approving the SFID 3 general obligation bonds, the ballot summary indicated the average tax rate per $100,000 assessed valuation would be $73.61. For 2023-24, the actual SFID 3 tax rate per $100,000 was approximately $206.30. The following table sets forth the ad valorem tax rates for SFID 3 over the past five years. The future tax levy per property owner in SFID 3 may vary depending on future bond issuance and/or changes in assessed value.]

Table 17
SFID 3 Ad Valorem Rates

Year	Rate[1]
2023-24	0.2063%
2022-23	0.2758%
2021-22	0.3881%
2020-21	0.2065%
2019-20	0.1366%
2018-19	0.1451%
2017-18	0.1878%

[1] TRA 04-035
Source: NBS.

Set forth below is an overlapping debt table showing the existing authorized indebtedness payable with respect to property within the District. Additional indebtedness could be authorized by other public agencies at any time. Further, a portion of the overlapping debt shown in the table below is based on the assessed value of the underlying property, which can be expected to increase over time as development

occurs and the assessed value grows. This table (excluding the footnotes) has been prepared by California Municipal Statistics, Inc. as of August 1, 2024, and is included for general information purposes only. Other than with respect to CFD 17, the table below allocates overlapping debt based on the assessed value of property and not on taxes paid. The District and the Authority have not reviewed the data for completeness or accuracy and make no representations in connection therewith.

Table 18
Overlapping Debt

2023-24 Local Secured Assessed Valuation: $2,370,245,209 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 8/1/24
Los Rios Community College District	0.888%	$3,109,993
Folsom-Cordova Unified School District School Facilities Improvement District No. 2	12.447	1,257,406
Folsom-Cordova Unified School District School Facilities Improvement District No. 3	51.022	92,962,803
City of Folsom Community Facilities District No. 17	100.000	5,575,000
City of Folsom Community Facilities District No. 18	**100.000**	- [1]
City of Folsom Community Facilities District No. 19	100.000	41,180,000
City of Folsom Community Facilities District No. 20	100.000	24,120,000
City of Folsom Community Facilities District No. 21	100.000	21,130,000
City of Folsom Community Facilities District No. 23, I.A. 1	100.000	24,510,000
City of Folsom Community Facilities District No. 23, I.A. 2	100.000	10,760,000
City of Folsom Community Facilities District No. 23, I.A. 3	100.000	9,430,000
California Statewide Community Development Authority Assessment District No. 19-18	100.000	3,654,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$237,689,202

[1] Does not include the Bonds.

Ratios to 2023-24 Local Secured Assessed Valuation:
Direct Debt ($0) 0.00%
Total Direct and Overlapping Tax and Assessment Debt 10.03%

Source: California Municipal Statistics, Inc.

CERTAIN RISKS TO BONDHOLDERS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Levy of the Special Tax

The principal source of payment of debt service on the Series 2024 Local Obligations, from which funds for the payment of the Bonds are derived, is the proceeds of the annual levy and collection of the Special Tax against property in the District. The annual levy of the Special Tax is subject to the Maximum Facilities Special Tax rates authorized within the District. The levies cannot be made at higher rates even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available moneys, will not be sufficient to pay debt service on the Series 2024 Local Obligations. Other funds which might be available include funds derived from the payment of delinquent

Special Tax and funds derived from the tax sale or foreclosure and sale of related Taxable Property on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the Series 2024 Local Obligations, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and application of the Rate and Method. Application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each parcel of Taxable Property by comparison with similar development factors with respect to the other Taxable Property in the District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

- Reduction in the amount of Taxable Property for such reasons as acquisition of Taxable Property by the federal government or an agency thereof, asserting immunity (however, see "Exempt Properties" below) from taxation, thereby resulting in an increased tax burden on the remaining Taxable Property.

- Failure of the related owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels, subject to the related Maximum Facilities Special Tax.

Collection of Special Tax

In order for the District to pay debt service on the Series 2024 Local Obligations, from which funds for the payment of the Bonds are derived, it is necessary that the Special Tax levied against land in the District be paid in a timely manner. The District has established the Series 2024 Local Obligations Reserve Account under the Local Obligations Indenture in the amount of the Reserve Requirement to pay debt service on the Series 2024 Local Obligations, in the event that a portion of the Special Taxes for the Series 2024 Local Obligations are not paid on time.

The Local Obligations Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Mello-Roos Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

Pursuant to the Mello-Roos Act, in the event of any delinquency in the payment of the Special Tax, the District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted that it will conduct foreclosure proceedings against delinquent installment payments when there is a greater than 5% deficiency in the amount of the Special Tax levied or any single property owner is then delinquent on four or more installments of the Special Tax, except where the District has received 100% of such installment from the County pursuant to the Teeter Plan. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Foreclosure."

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the District of the proceeds of sale if the Series 2024 Local Obligations Reserve Account with respect to the Series 2024 Local Obligations is depleted.

The District may be unable to make full or timely payment of debt service on the Series 2024 Local Obligations if property owners in the District fail to pay installments of the Special Tax when due, if the Series 2024 Local Obligations Reserve Account is depleted, or if the District is unable to sell related foreclosed parcels for amounts sufficient to cover the delinquent installments of the Special Tax.

Payment of the Special Tax is Not a Personal Obligation of a Property Owner

A PROPERTY OWNER IS NOT PERSONALLY OBLIGATED TO PAY THE SPECIAL TAX. RATHER, THE SPECIAL TAXES ARE OBLIGATIONS ONLY AGAINST THE PROPERTY. IF THE VALUE OF THE PARCELS OF PROPERTY IS NOT SUFFICIENT, TAKING INTO ACCOUNT OTHER OBLIGATIONS ALSO PAYABLE THEREBY, TO FULLY DISCHARGE THE SPECIAL TAX, THE DISTRICT WILL HAVE NO RECOURSE AGAINST THE PROPERTY OWNER.

Potential Early Redemption of Bonds from Prepaid Special Taxes

Property owners within the District are permitted to prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such payments will result in a redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Trust Agreement following the receipt of the prepayment. The resulting redemption of Bonds purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See "THE BONDS—Redemption Provisions—*Extraordinary Redemption from Prepayment of Special Taxes*."

Special Tax Delinquencies

The Special Taxes are billed to the properties within the District on the *ad valorem* property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments. In each year the County includes the District in the Teeter Plan, the County will be obligated to pay the District 100% of the amount of the Special Taxes actually levied in the District, regardless of any delinquencies. However, the County is required to terminate the Teeter Plan if two-thirds of the participants so petition the Board of Supervisors and may discontinue the Teeter Plan as to the District if the delinquency rate in the District exceeds 3%. Moreover, the County determines annually whether to include a particular district in the Teeter Plan. See "—Teeter Plan Termination" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Teeter Plan." Significant delinquencies in the payment of annual Special Tax installments, or delays in the prosecution of foreclosure proceedings to collect such Special Taxes, could result in a default in the payment of the debt service on the Bonds. See "—Bankruptcy" and "—FDIC/Federal Government Interests in Properties" below, for a discussion of the limitations on the District's ability to foreclose on the lien of the Special Taxes in certain circumstances and the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes.

Teeter Plan Termination

The County has implemented its Teeter Plan as an alternate procedure for the distribution of certain property tax and assessment levies on the secured roll. The County determines annually which special taxes and assessment levies to include in the Teeter Plan. Pursuant to its Teeter Plan, once the County

determines to include special taxes and assessment levies in the Teeter Plan, the County provides the local agency and taxing area with full tax and assessment levies instead of actual tax and assessment collections. In return, the County is entitled to retain all delinquent tax and assessment payments, penalties and interest. Thus, the County's Teeter Plan may help protect Owners from the risk of delinquencies in the payment of Special Taxes. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby. In addition, the County may decide not to include certain special taxes and assessment levies, including the District, in the Teeter Plan in any fiscal year. Any termination of the Teeter Plan with respect to the District would eliminate such protection from delinquent Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Teeter Plan."

Land Values

If a property owner defaults in the payment of the Special Tax, from which funds for the payment of the Bonds are derived, the District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. The value of Taxable Property in the District is therefore an important consideration in evaluating the security for the Bonds. Land values could be adversely affected by economic factors beyond the District's control, such as relocation of employers out of the area, stricter land use regulations, the absence of water, or destruction of property caused by, among other eventualities, earthquake, flood or other natural disaster, or by environmental pollution or contamination.

Appraisal Risks

The Appraiser has estimated the market value of the Appraised Property in the District on the basis of certain assumptions which the Appraiser believes to be reasonable under the circumstances. See the Appraisal included in APPENDIX G hereto. However, certain of the assumptions made by the Appraiser may prove to be untrue.

Although the District believes that the Appraiser's methodology and assumptions are reasonable under the circumstances, the Appraiser's aggregate value conclusions are expressions of professional opinion only. No assurance can be given that the aggregate values of property in the District are equal to or greater than the Appraiser's estimated values, nor can any assurance be given that such aggregate values will not decline during the period of time the Bonds are Outstanding. The values of the property in the District can be adversely affected by a variety of factors, including, but not limited to, the occurrence of one or more of the special risk events discussed herein. A decline in the value of a parcel in the District could lower the ability or willingness of the owner of such parcel to pay Special Taxes when due and would decrease the amount recoverable at a foreclosure sale of such parcel.

See "THE COMMUNITY FACILITIES DISTRICT—Property Values" for a further discussion of estimated property values in the District.

Exempt Properties

Certain properties within the District are or may become exempt from the Special Tax in accordance with the Rate and Method. In addition, the Mello-Roos Act provides that properties or entities of the state, federal or local government are exempt from Special Tax; provided, however, that property acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. In addition, the Mello-Roos Act provides that if property subject to Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay Special Tax with respect to that property is to be treated as if it were a

special assessment. Further, properties receiving a welfare exemption under subsection (g) of Section 214 of the California Revenue and Taxation Code are exempt from the Special Tax unless debt is outstanding and the property was subject to the Special Tax prior to receiving the exemption. The constitutionality and operation of these provisions of the Mello-Roos Act have not been tested.

In particular, insofar as the Mello-Roos Act requires payment of a special tax by a federal entity acquiring property within the community facilities district, it may be unconstitutional. If for any reason property within the District becomes exempt from taxation, then, subject to the Rate and Method, including the limitation on the maximum special tax rates set out in the Rate and Method, the special tax will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of land within the District becomes exempt from the Special Tax because of public ownership, or otherwise, the maximum rate that could be levied upon the remaining property might not be sufficient to pay principal of and interest on the related Series 2024 Local Obligations and could adversely affect the ability of the District to pay principal of and interest on the Bonds when due.

Maximum Special Tax

Within the limits of the Special Tax, the District may adjust the Special Tax on all property in the District to provide an amount required to pay interest on, principal of, and redemption premiums, if any, on the Series 2024 Local Obligations, and the amount, if any, necessary to cure delinquencies and replenish the Series 2024 Local Obligations Reserve Account to an amount equal to the Reserve Requirement, and to pay all current Expenses.

Although the Maximum Facilities Special Tax is designed to provide Special Tax revenues on an annual basis, there is no assurance that the Maximum Facilities Special Tax on the property in the District will be sufficient to pay the amounts required to be paid by the Local Obligations Indenture at all times, from which funds for the payment of the Bonds are derived. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Special Tax Authorization" and APPENDIX A—"RATE AND METHOD."

Under the Rate and Method, the Facilities Special Tax levied in any fiscal year against any Assessor's Parcel (as defined in the Rate and Method) of Developed Property classified as Residential Property may not be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than 10% above the amount that would have been levied against such Assessor's Parcel in that fiscal year had there never been any such delinquencies or defaults. Pursuant to the Rate and Method, property is considered "Residential Property" once a building permit could be issued for the purposes of constructing one or more Residential Units, including either single family detached homes or multi-family attached properties, such as apartments, and property is considered "Developed Property" if a building permit for new construction was issued prior to June 30 of the previous fiscal year.

No Acceleration Provision

The Local Obligations Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms thereof.

Loss of Tax Exemption

As discussed under "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the District subsequent to the issuance of the Bonds in violation of the District's covenants with respect to the Bonds. Should interest become includable in gross income, the Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to optional or mandatory redemption.

Parity Taxes and Special Assessments

The ability or willingness of a property owner in the District to pay the Special Tax, from which funds for the payment of the Bonds are derived, could be affected by the existence of other taxes and assessments imposed upon the property either currently existing or imposed in the future. The assessments and any penalties thereon constitute a lien against the lots and parcels of land on which they have been levied until they are paid. Such lien is on parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes and other special assessments regardless of when they are imposed upon the same property. The Special Tax has priority over all existing and future private liens imposed on the property. In addition, other public agencies whose boundaries overlap those of the District could, with or in some circumstances without the consent of the owners of the land in the District, impose additional taxes or assessment liens on the property in the District in order to finance public improvements to be located inside or outside of the District.

Although the District has covenanted not to impose additional special taxes or assessments on property within the District except in accordance with the Local Obligations Indenture, the Authority and the District have no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property in the District. The imposition of additional liens on parity with the assessments could reduce the ability or willingness of the owners of parcels in the District to pay the Special Tax and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes or the principal of and interest on the Series 2024 Local Obligations when due. As described under "FOLSOM PLAN AREA—Public Facilities Financing Plan," and "THE COMMUNITY FACILITIES DISTRICT—Overlapping Debt" the City plans to issue additional obligations secured by special taxes from time to time to finance backbone infrastructure and public improvements within the Folsom Plan Area and the boundaries of the District, including for remaining Phase 2 Water Facilities as described under "THE COMMUNITY FACILITIES DISTRICT—Water Supply; Utilities." In addition, property owners may choose to participate in a residential PACE program (a mechanism for financing energy efficiency and renewable energy improvements on private property), consenting to assessments on their parcels that would be on a parity with the Special Taxes.

Future Private Indebtedness

At the present time, the District includes properties that are undergoing development or are developed. In order to develop any improvements on that undeveloped land, the property owners will need to construct private improvements, the cost of which may increase the private debt for which the land in the District or other land or collateral owned by the property owners is security over that contemplated by the Series 2024 Local Obligations, and such increased debt could reduce the ability or desire of the property owners to pay the Special Tax secured by the land in the District. It should be noted however, that the lien of any private financing secured by the land within the District would be subordinate to the lien of the Special Tax.

Disclosures to Future Purchasers

The District has recorded notice of the Special Tax Lien in the Office of the County Recorder of the County of Sacramento. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land, a home or a commercial or industrial facility in the District or the lending of money thereon. The Mello-Roos Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. State Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax, from which funds for the payment of the Bonds are derived, when due.

Bankruptcy

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of the Special Tax to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale of tax sale proceedings, thereby delaying such proceedings perhaps for an extended period. Any such delays would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Local Obligations Reserve Fund could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Local Obligations Reserve Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the Series 2024 Local Obligations on a timely basis. The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax could be delayed by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting rights of creditors generally or by the laws of the State relating to judicial foreclosure. Further, should remedies be exercised under the federal bankruptcy laws against parcels in the District, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

FDIC/Federal Government Interests in Properties

The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Under the Supremacy Clause of the United States Constitution, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments. Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson*, 597 F.2d 174 (1979), the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

Neither the Authority nor the District have undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, then the ability of the Authority to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "FDIC Policy Statement") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the FDIC Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The FDIC Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The FDIC Policy Statement states that the FDIC generally will not pay non-ad *valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the FDIC Policy Statement as being imposed each year and therefore covered by the FDIC's federal

immunity. The Ninth Circuit has issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes. According to information available from the Sacramento County assessment roll, the FDIC does not currently own any of the property in the District.

The Authority and the District are unable to predict what effect the application of the FDIC Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at foreclosure sale. Such an outcome could cause a draw on the reserve account for the Series 2024 Local Obligations and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Series 2024 Local Obligations and the Bonds.

Zoning and Land Use Decisions

The Special Taxes, from which funds for the payment of the Bonds are derived, are to be levied annually based upon the land use categories in effect for the property. Decisions made by the City Council, which has control over zoning and land use decisions for property in the City, will affect the prospective use of the property and, therefore, the tax base for the Special Tax.

Ballot Initiatives and Measures

From time to time constitutional initiatives or other initiative measures may be adopted by State voters or voters of the City, such as Measure W adopted by City residents in November 2004 described herein. The adoption of any such initiative in the future might place limitations on the ability of the State or any political subdivisions thereof, including the Authority or the City, to increase revenues or to increase appropriations, the ability of the landowners to complete their developments, or the ability of the District to collect the Special Tax.

Shapiro v. San Diego

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *Shapiro v. San Diego City Council*, 117 Cal. Rptr. 2d 631, 96 Cal. App. 4th 904 (2002). The case involved a Convention Center Facilities District (the "CCFD") established by the City of San Diego, much like a community facilities district established under the provisions of the Mello-Roos Act. The CCFD is comprised of all of the real property in all of the City of San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties.

At the election to authorize such special tax, the electorate was limited to owners of hotel properties and lessees of certain of such hotel properties. Thus, the election was a landowner election limited to owners and lessees of properties on which the special tax would be levied, and not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was based on Section 53326(c) of the Mello-Roos Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the State Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

In the case of the CCFD, at the time of the election there were many, many registered voters within the CCFD (viz., all of the registered voters in the City of San Diego). There were no registered voters within the District at the time of the election to authorize the Special Tax. In City of San Diego, the Court

expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court's holding does not apply to the Special Tax election in the District. Moreover, Section 53341 of the Mello-Roos Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax shall be commenced within 30 days after the special tax is approved by the voters." The Special Tax with respect to the District was approved by the voters on March 28, 2023. Based on Section 53341 of the Mello-Roos Act and its analysis of existing laws, regulations, rulings and court decisions, the District does not believe that a challenge to the Special Tax may now be brought.

Risks of Real Estate Secured Investments Generally

The owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in national and local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species, and hazardous materials and seismic safety) and fiscal policies; (iii) increased construction costs, workforce shortages, supply chain disruptions or other similar factors affecting the development, financing or marketing capabilities of the Homebuilders; (iv) natural disasters (including but not limited to severe weather, earthquakes, wildfires, and floods) or other calamities, which may result in uninsured losses; (v) costs of remediation and liabilities associated with unknown environmental conditions affecting properties; and (vi) increased delinquency or reduced demand due to high rate of inflation, rising interest rates, increased cost of insurance, and other economic trends that adversely affects consumers, whether cyclical or resulting from geopolitical events.

No assurance can be given that the Homebuilders or any other current or future homeowners within the District will pay the Special Tax in the future or that they will be able to pay such Special Tax on a timely basis. See "—Bankruptcy" below, for a discussion of certain limitations on the District's ability to pursue judicial proceedings with respect to delinquent parcels. Further, many homes within the District will have a higher-than-average price point as compared to other homes in the region, which may impact the absorption of the residential units within the District.

Current Challenges to the Homebuilding Industry

The pace of homebuilding in the District may be adversely affected by a variety of factors, including changes in economic conditions, interest rates, water shortages, and other similar factors, and recently including workforce shortages and supply chain disruptions. For example, obtaining garage doors and windows have recently been challenging for home builders generally. Additionally, some State municipalities have been experiencing supply chain disruptions for the electrical transformers and water meters needed for new development, having been advised in some cases of up to a 2-year delay for new electrical transformer orders. Additionally, the City has taken steps to prevent a water meter supply chain disruption. The City has made arrangements with a supplier to have approximately 500 new water meters set aside for its future use. Also, City staff have obtained authorization from the City's City Council to purchase additional new water meters as needed for new development in the City so that such purchases can be made expeditiously and without the need for further City Council action. However, no assurance can be given that supply chain disruptions for the materials needed to complete development within the District will not occur.

Increasing Mortgage Interest Rates and Banking Uncertainty

Most of the expected purchasers of homes within the District will finance their acquisitions with mortgage financing. As such, rising interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements, or increased monthly mortgage costs could have a negative impact on the estimated absorption rates of planned for-sale homes in the District. Further, a combination of higher mortgage rates, delays in construction stemming from delays in the supply chain, homebuyers' inability to sell their existing homes and adverse changes in local, regional or national economic conditions, among other factors, could contribute to an increase in the rate of home order cancellations, which could similarly have a negative impact on the estimated absorption rates of for-sale homes in the District.

Failure to Develop

Land development operations are subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. It is possible that the approvals necessary to complete development of all taxable property within the District are not obtained on a timely basis or that litigation could be filed regarding approvals. Failure to obtain any such agency approval or satisfy any such government requirement or any litigation concerning such agency approval or government requirement could adversely affect land development operations. In addition, current and future governmental restrictions, including, but not limited to, governmental policies restricting or controlling development within the District, could be enacted, and future land use initiatives approved by the voters in the City could add more restrictions and requirements on development within the District, which restrictions may increase the cost to develop the District. One such governmental restriction is the requirement to install rooftop photovoltaic solar systems for residential buildings under three stories constructed starting in 2020. Costs associated with the installation of solar to the homebuilders may reduce the willingness of homebuilders to construct homes and increased costs of those homes may decrease the willingness of homeowners to buy such homes.

Moreover, there can be no assurance that the means and incentive to conduct land development operations within the District will not be adversely affected by a deterioration of the real estate market or economic conditions generally, future local, State and federal governmental policies relating to real estate development, the income tax treatment of real property ownership, acts of war or terrorism, or other factors.

A portion of the Taxable Property in the District is presently being developed. Undeveloped property is less valuable per acre than developed property, especially if there are no plans to develop such property or if there are severe restrictions on the development of such property, and therefore provides less security to the owners of the Bonds should it be necessary for the District to foreclose due to the nonpayment of the Special Taxes. Delays in any property owner's ability to obtain discretionary approvals (including any delays caused by litigation) would in turn delay the construction of improvements and development of the Taxable Property within the District. Furthermore, an inability to develop the land within the District as currently proposed would result in slower rates of diversification of property ownership within the District. Concentration of ownership increases the risk of a failure to collect sufficient Special Taxes to pay debt service on the Bonds, all other things being equal. The timely payment of Special Taxes levied on final mapped and permit ready property depends primarily upon the ability and willingness of owners of such property to pay such taxes when due. Certain infrastructure improvements are required before development in the District is complete. Also, the Phase 2 Water Facilities described under the heading "DEVELOPMENT PLANS AND OWNERSHIP—Development Entitlements—*Water Supply*" are expected to be needed before the full development of the Folsom Plan Area. A slowdown in or cessation of the development of land within the District could reduce the ability and willingness of such owners to

make Special Tax payments, and could greatly reduce the value of such property in the event it has to be foreclosed upon to collect delinquent special taxes. See "—Bankruptcy" above for a discussion of certain limitations on the ability of the District to pursue judicial foreclosure proceedings with respect to taxpayers with delinquent Special Taxes.

No Independent Review of Valuation or Viability of Completed Projects

Property within the District is comprised of separate and distinct projects as described above. Payment of Special Taxes are inherently dependent upon the development within the District, and, with respect to residential properties, the ability of the buyers of completed homes to pay. The Authority, the District, and the Underwriter have not reviewed any business plan for continued ownership, development and/or operation of the property within the District. Similarly, the Authority, the District and the Underwriter have not conducted any independent evaluation of the existing or projected economic viability or profitability of any of the plans for development, including review and/or evaluation of financial statements of any owner or developer of any parcel subject to the Special Tax. The information contained herein regarding the proposed development and the owners of the parcels within the District has been supplied by such owners and the Underwriter has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of such information.

In the event an owner or developer experiences financial difficulties, including difficulties resulting from construction or operation of the development within the District, the value of the affected parcel within the District may decline and/or such owner or developer may elect to refrain from payment of future Special Taxes for such parcel. See also "—Failure to Develop."

Potential Impact of Global Health Crises or Concerns

The COVID-19 global pandemic had a severe and continuing effect on the nation and the State, with ongoing concerns relating to health and safety, preventive protocols, fiscal and economic issues, business operations, and global trade. Although at present there are no restrictions on operations within the State relating to the COVID-19 pandemic, the response to COVID-19 had a profound effect on housing construction and the housing market. Pandemic-related shutdowns severely disrupted global supply chains, resulting in difficulty for homebuilders to access necessary materials for home completion, including wood, windows, electrical transformers, water meters, and appliances. Supply chains have substantially recovered, but many goods still experience a backlog, which has resulted in, or may in the future result in, development delays within the District, and which has further resulted in increased construction costs. Lingering supply chain issues, labor shortages, increased interest rates, and an uncertain economy can increase costs to individual homeowners and therefore slow demand. Further, the pandemic saw changing trends in where people choose to live and the types of homes people choose to live in, which may impact demand for the types of homes being constructed by the Homebuilders. The impacts of the COVID-19 pandemic continue to have a lasting effect, and the Authority, the City and the District cannot predict the effect of any potential future outbreak of COVID-19 or any other infectious disease.

Cybersecurity

The City, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. The City and its departments could face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. Such cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's information technology systems to misappropriate assets and/or information or to cause operational disruption and damage. The City maintains

insurance to cover cybersecurity incidents, has cybersecurity risk management policies and procedures and periodically trains its employees on cybersecurity risks. The City, in addition to conducting regular internal reviews, also hires external auditors to perform quarterly and annual reviews of its cybersecurity program.

While the City conducts periodic tests and reviews of its networks, no assurances can be given that such security and operational control measures will be successful in guarding against all cyber threats and attacks. New technical cyber vulnerabilities are frequently discovered in the United States. In addition, cyber attacks have become more sophisticated and increasingly are capable of impacting municipal control systems and components. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the City and damage the digital networks and systems. The City cannot predict the outcome of any such attack, nor the effect on the operations and finances of the City.

Geologic, Topographic and Climatic Conditions

The value of the property in the District in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts and wildfire.

The occurrence of seismic activity in the District could result in substantial damage to properties in the District which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay the Special Tax on their property. The District is not located in any existing special study zone delineated by the Chief of the Division of Mines and Geology of the State as an area of known active faults and is not otherwise known to be located within an area of any significant seismic activity. However, it may be expected that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the property may decline.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. In general, property damage due to wildfire could result in a significant decrease in the market value of property in the District and in the ability or willingness of property owners to pay Special Taxes.

The District is located within an area identified as a moderate fire hazard severity zone. More information regarding Fire Hazard Severity Zones can be found at the California Department of Forestry and Fire Protection website at https://frap.fire.ca.gov, though such website is not incorporated herein by reference. The development within the District is subject to mitigation measures set forth in a fuel modification plan approved by the City Fire Department. The mitigation measures include, among others, limitations on the type of vegetation that may be planted within fuel modification zones established in open space areas along certain portions of the perimeter of the District, minimum setback of structures and irrigation requirements of the fuel modification zones. Maintenance of such zones is expected to initially

be the responsibility of the property owners but upon build-out of the District and dedication of the open space to the City will be maintained by the City from funds provided through the Maintenance Special Tax. Homeowner's insurance is expected to be available to property owners within the District, and the coverage provided by such insurance typically insures against fire damage, although there is no assurance that homeowners within the District will purchase or maintain such insurance.

In the event of a wildfire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Folsom Dam, located on the American River within the jurisdictional boundaries of the City, was built in 1955 by the United States Army Corps of Engineers and is owned by the United States Bureau of Reclamation. An auxiliary spillway to enable the dam to more easily release water as it nears capacity was completed by the Army Corps of Engineers in October 2017. The City, together with the County and other local agencies, have established a hazard mitigation plan in the event of a dam failure. Geologic, topographic and climatic conditions, if severe, could result in damage to the dam which could further cause damage to the surrounding region and may limit water supply for the City and the District.

Endangered Species

During recent years, there has been an increase in activity at the State and federal level related to the possible listing of certain plant and animal species found in California as endangered species. An increase in the number of endangered species is expected to curtail development in a number of areas. The property within the District contains protected habitat and species, including but not limited to Swainson's hawk and tri-colored blackbird foraging habitats and wetlands regulated by state and federal agencies. Foraging habitat mitigation credits have been satisfied by the Original Developer for all backbone projects and all District project phases. At present, the property within the District is not known to be inhabited by any other plant or animal species listed as threatened or endangered under either the State or federal endangered species acts or which either the California Fish and Game Commission or the United States Fish and Wildlife Service has proposed for addition to the respective endangered species list. Notwithstanding this fact, new species are proposed to be added to the State and federal protected lists on a regular basis. Any action by the State or federal governments to protect species located on or adjacent to undeveloped property could negatively affect the developer's ability to complete development as planned. This, in turn, could reduce the likelihood of timely payment of the Special Tax, from which funds for the payment of the Bonds is derived, and would likely reduce the value of the land and the potential revenues available at a foreclosure sale for delinquent Special Taxes. See "CERTAIN RISKS TO BONDHOLDERS—Land Values."

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value of a parcel in the District is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything

to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels in the District be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the financial and legal liability of a property owner to develop the affected parcel or other parcels, as well as the value of the property that is realizable upon a delinquency and foreclosure.

The appraised value of property in the District does not take into account the possible reduction in marketability and value of any of the parcels by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. While the District is not aware that the owner (or operator) of any of parcels has such a current liability with respect to any of the parcels, it is possible that such liabilities do currently exist and that the District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel within the District that is realizable upon a delinquency.

Naturally Occurring Asbestos

California Air Resource Board ("CARB") adopted the Airborne Toxic Control Measure ("ATCM") for Construction, Grading, Quarrying and Surface Mining Operations. This statewide regulation is applicable to grading or any other projects disturbing soil in areas of the State where asbestos may exist, as determined by the California Geological Survey ("CGS"). The ATCM applies to any size construction project although there are additional notification requirements for projects that exceed one acre. Areas and parcels moderately likely to contain naturally occurring asbestos are located in eastern parts of the County, including in the City.

Natural weathering or human disturbance can break the asbestiform minerals down to microscopic fibers, which are easily suspended in air. There is no health threat if asbestos fibers in soil remain undisturbed and do not become airborne. When inhaled, these thin fibers irritate tissues and resist the body's natural defenses. Asbestos causes cancers of the lung (such as mesothelioma) and the lining of internal organs, asbestosis, and other diseases that inhibit lung function. Scientists consider certain types of asbestos fibers (i.e., tremolite fibers and similarly structured amphibole asbestos particles) that are frequently identified in the City to be more potent than other types in causing mesothelioma.

The EIR for the Folsom Plan Area required all new development to undertake a site investigation to determine the presence of naturally occurring asbestos and, if necessary, prepare and implement an asbestos dust control plan.

The health concerns associated with the presence of naturally occurring asbestos in the District may adversely affect the marketability of property in the area.

LEGAL MATTERS

The validity of the Bonds, the Series 2024 Local Obligations and certain other legal matters are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority

("Bond Counsel"). Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of this Official Statement and expresses no opinion as to the matters set forth herein. Certain legal matters will be passed upon for the District and the Authority by the City Attorney. Certain legal matters relating to the Series 2024 Local Obligations will be passed upon by Orrick, Herrington & Sutcliffe LLP, as bond counsel to the District. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling, Yocca, Carlson & Rauth LLP. The fees of Bond Counsel, Disclosure Counsel, and counsel to the Underwriter are contingent upon the issuance of the Bonds.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth as APPENDIX E hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority, the City and the District have made certain representations and covenanted to comply with certain

restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, the City or the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority, the City and the District have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the City, the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority, the City or the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the City, the District or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale,

exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

NO LITIGATION

At the time of delivery of and payment for the Bonds and the Series 2024 Local Obligations, the Authority and/or the District, as applicable, will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or regulatory agency, public board or body pending or threatened against the Authority or the District affecting their existence, or the titles of their respective officers, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the Series 2024 Local Obligations, the application of the proceeds thereof in accordance with the Trust Agreement, or the collection or levy of the Special Taxes to pay the principal of and interest on the Series 2024 Local Obligations, or in any way contesting or affecting the validity or enforceability of the Series 2024 Local Obligations and the Bonds, the Trust Agreement, the Local Obligations Indenture, the Purchase Contract (defined herein) entered into among the Authority, the District and the Underwriter or any other applicable agreements or any action of the Authority or the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the Authority or the District or their authority with respect to the Bonds or the Series 2024 Local Obligations or any action of the Authority or the District contemplated by any of said documents, nor, to the knowledge of the Authority, is there any basis therefor.

NO RATING

The Authority has not made, and does not contemplate making, application to any rating agency for the assignment of a rating to the Bonds. The absence of a rating may significantly adversely affect the ability of the owner of Bonds to sell such Bonds.

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc. has acted as Municipal Advisor (the "Municipal Advisor") to the District in conjunction with the issuance of the Bonds and the Series 2024 Local Obligations. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the Bonds and the Series 2024 Local Obligations. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Bonds. The Municipal Advisor has not audited, authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. (the "Underwriter") pursuant to a Bond Purchase Contract (the "Purchase Contract"), by and among the Authority, the District and the Underwriter. Pursuant to the Purchase Contract, the Underwriter has agreed to purchase all of the Bonds from the Authority at a purchase price of $_____, being the aggregate principal amount of the Bonds of $_____, [plus/less] a [net] original issue [premium/discount] of $_____ and less an Underwriter's discount of $_____. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover page hereof.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Owners to provide certain financial information and operating data relating to the Bonds by not later than nine months following the end of the District's fiscal year (which fiscal year currently ends June 30) commencing with the report for the 2023-24 Fiscal Year (the "Annual Report"), which is due April 1, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed with EMMA, and the first Annual Report may include the filing of or reference to this Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is contained within APPENDIX D—"FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The District is committed to complete and accurate continuing disclosure in accordance with its continuing disclosure obligations under the federal securities laws, including rules and regulations promulgated by the SEC and the MSRB, as those rules may be amended from time to time. Further, the City has policies and procedures in place in order to achieve compliance with its continuing disclosure undertakings and those of its related entities.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Authority, the District and the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City or the District since the date hereof.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of such documents and reports are available for inspection at the office of the Finance Director, City of Folsom, City Hall, 50 Natoma Street, Folsom, California 95630.

The execution and delivery of the Official Statement by the Authority and the District has been duly authorized by the Board of Directors of the Authority and the City Council, respectively.

FOLSOM RANCH FINANCING AUTHORITY

By:_____
Treasurer

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)

By:_____
City of Folsom Finance Director

APPENDIX A

RATE, METHOD OF APPORTIONMENT AND MANNER OF COLLECTION OF SPECIAL TAX

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF FOLSOM

This Appendix contains certain economic and demographic information relating to the City. Neither the faith and credit nor the taxing power of the City, the Authority, the State of California or any political subdivision thereof is pledged to the payment of the Bonds. Except for the Trust Estate, no other revenues or taxes are pledged to the payment of the Bonds. The Bonds are not general obligations of the Authority, the District or the City but are limited obligations of the Authority payable solely from the Trust Estate, derived primarily from payments on the Local Obligations from the payment of the Special Taxes levied within the District, as more fully described in the Official Statement to which this Appendix is appended. The information set forth herein that has been obtained from sources other than the City is believed to be reliable, but such information is not guaranteed as to accuracy or completeness. Statements contained herein that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. Information contained in this Appendix B is presented as general background data. The taxing power of the City, the State of California, or any political subdivision thereof is not pledged to the payment of the Bonds.

General

The City is located in the eastern portion of the County, approximately 110 miles northeast of San Francisco and 20 miles east of Sacramento. The City is located along the eastern end of the Highway 50 corridor in an area of the Sacramento Valley that has experienced considerable growth over the past 30 years.

City Government

The City was incorporated in 1946 and chartered in 1990. The City's primary governing body is the City Council, composed of five members who are elected at large and who serve four-year terms. The council members choose a mayor and vice mayor from among their members. Current City Council members are:

Member	Term Expires
Mike Kozlowski (Mayor)	11/2026
Sarah Aquino (Vice Mayor)	11/2026
YK Chalamcherla	11/2024
Rosario Rodriguez	11/2024
Anna Rohrbough	11/2026

The City operates under a Council-Manager form of government. The City Manager is responsible for daily administration of City affairs. Elaine Andersen has served as City Manager since 2018. The City Manager is appointed by and serves at the will of the City Council. The City Manager is responsible for implementation of City Council policy, enforcement of City laws and ordinances, appointment and discipline of City officers and employees, oversight of City departments, preparation and submission of the City budget to the City Council, and other related functions. In August 2024, the City announced Ms.

Andersen's plan to retire from her role as the City Manager in late December 2024. By the time of her expected retirement, Ms. Andersen would have served in the City Manager role for approximately six and a half years and served the City for approximately 20 years. Ms. Andersen has indicated that she will facilitate the recruitment process for the next City Manager to ensure a smooth transition.

City Budget Process

The City's annual budget is adopted by the City Council on or before the last working day of June. If the City Council fails to adopt a budget by such date, the budget proposed by the City Manager shall be deemed adopted. The City Manager may transfer moneys between departments and divisions, and programs and accounts within departments and divisions, but only the City Council may by resolution transfer moneys between funds and from un-appropriated balances or fund balances to any fund or appropriation account. The City Council adopted the Fiscal Year 2024-25 budget on June 25, 2024.

Budget information is adopted on an annual basis for the General Fund, special revenue funds and debt service funds. The budget is adopted on a project length basis for capital projects funds. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

A. Department heads prepare a budget request based upon the previous year's expenditures.

B. Meetings are held between the department heads, the Chief Financial Officer and City Manager for the purpose of reviewing and prioritizing budget requests.

C. The City Manager submits the proposed city budget to the City Council, who makes decisions regarding department budgets.

D. Transfers between funds and changes in the total budget must be approved by the City Council.

Budget information is presented for the General Fund, Successor to the Redevelopment Agency, Special Revenue Funds, Capital Projects Funds, Proprietary Funds and Internal Service Fund as required supplementary information. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations and unexpended grant appropriations, lapse at the end of each fiscal year.

Revenues and expenditures relating to the City's general governmental operations are budgeted and accounted for in the City's General Fund, including public safety, highways and streets, and culture and recreation. General taxes and fees support most of these activities. The City's Fiscal Year 2024-25 adopted budget includes over $[247.2] million in expenditures across all funds. Of this amount, approximately $[117.1] million was allocated to the General Fund of the City.

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Population

The historic population of the City, the County and the State is shown in the following table.

City of Folsom, Sacramento County and State of California
Population Estimates
(As of January 1)

Year	*City of Folsom*	*Sacramento County*	*State of California*
1990 [1]	29,798	1,066,789	29,811,427
2000 [1]	51,884	1,223,499	33,871,648
2010 [1]	72,203	1,418,788	37,253,956
2016	76,260	1,495,620	39,103,587
2017	77,050	1,511,390	39,352,398
2018	77,598	1,525,099	39,519,535
2019	78,666	1,538,054	39,605,361
2020	82,943	1,585,055	39,538,223
2021	83,008	1,579,186	39,286,510
2022	84,438	1,573,366	39,078,674
2023	85,498	1,572,453	38,940,231

[1] Based on United States Census Bureau data as of April 1 in such year.
Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties and the State,* Sacramento, California, May 2023.

Building Activity

Residential building activity for calendar years 2019 through 2023 for the City is shown in the following table.

BUILDING PERMITS AND VALUATIONS
City of Folsom
2019-2023

	2019	*2020*	*2021*	*2022*	*2023*
Permit Valuation					
New Single-Family	$168,004,023	$181,531,127	$351,482,252	$322,220,400	$390,097,685
New Multi-Family	15,533,653	11,039,625	6,621,585	57,741,491	151,128,135
Res. Alterations/Additions	10,055,289	11,214,031	13,200,936	38,529,947	26,225,478
Res. Other	26,537,274	34,630,673	43,832,114	56,766,582	133,897,573
Total Residential [1]	$220,130,239	$238,415,456	$415,136,887	$475,258,421	$701,348,871
New Commercial	$1,384,871	$230,698	$570,954	$9,113,559	$5,586,481
New Industrial	--	--	--	--	--
Comm./Ind. Alterations/Additions	26,361,400	10,117,261	11,622,910	33,258,978	21,778,927
Other Comm./Ind.	14,185,636	2,011,887	9,611,894	16,602,300	20,807,067
Total Non-Residential [1]	$41,931,907	$12,359,846	$21,805,758	$58,974,836	$48,172,475

[1] Totals may not add to sum because of rounding.
Source: City of Folsom.

Employment

The table below reflects recent employment information for the City's largest employers for the fiscal year ended June 30, 2023.

PRINCIPAL EMPLOYERS
City of Folsom
Fiscal Year 2022-23

Business Name	Number of Employees	Percent of Total Employment
Intel Corporation	4,476	11.16%
California State Prison	1,514	3.78
Folsom Cordova Unified School District [1]	1,117	2.79
Folsom State Prison	935	2.33
Mercy Hospital of Folsom	812	2.02
California Independent System Operator	683	1.70
City of Folsom	463	1.15
SAFE Credit Union [2]	390	0.97
Costco Wholesale	361	0.90
Folsom Lake College	260	0.65
Total Top Employers	11,011	27.46%
Total Labor Force [3]	40,100	100.00%

[1] Includes both certified and classified employees in Folsom only.
[2] Includes both the corporate and Folsom branch.
[3] Total Folsom labor force provided by EDD Labor Force Data.
Source: MuniServices, LLC/ Avenu Insights & Analytics

The unemployment rate in the Sacramento—Roseville—Arden-Arcade, CA Metropolitan Statistical Area ("Sacramento MSA"), which includes Sacramento, Placer, El Dorado, and Yolo Counties, was approximately 4.3% in 2023, up from the 2022 estimate of approximately 3.8%. This compares with an unadjusted unemployment rate of 4.8% for California and 3.6% for the nation during the same period. The unemployment rate was 4.0% in El Dorado County, 3.7% in Placer County, 4.4% in Sacramento County, and 4.7% in Yolo County for 2023.

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The table below provides information about employment rates and employment by industry type for the Sacramento MSA for calendar years 2019 through 2023.

Sacramento—Roseville—Arden-Arcade, CA Metropolitan Statistical Area
Labor Force, Employment and Unemployment Yearly Average[1]

	2019	*2020*	*2021*	*2022*	*2023*
Civilian Labor Force [2]	1,099,300	1,093,500	1,105,400	1,112,100	1,129,200
Employment	1,059,200	996,600	1,034,400	1,069,700	1,080,500
Unemployment	40,100	96,900	71,000	42,400	48,600
Unemployment Rate	3.7%	8.9%	6.4%	3.8%	4.3%
Wage and Salary Employment [3]					
Total Farm	8,700	8,300	9,000	8,600	9,100
Mining and Logging	500	500	500	500	500
Construction	69,400	70,200	74,900	77,100	74,700
Manufacturing	36,800	36,100	37,700	40,600	40,500
Wholesale Trade	28,600	26,600	26,900	28,300	28,500
Retail Trade	100,500	95,100	100,600	100,300	99,000
Transportation, Warehousing and Utilities	32,200	34,300	37,500	40,800	41,600
Information	11,900	10,200	10,100	10,500	9,900
Finance and Insurance	35,200	34,800	34,100	33,000	30,500
Real Estate and Rental and Leasing	17,300	16,900	17,700	18,800	18,400
Professional and Business Services	137,200	132,600	137,200	139,700	134,400
Private Education and Health Services	166,600	164,000	168,800	175,600	188,700
Leisure and Hospitality	109,600	83,900	93,600	108,700	112,500
Other Services	35,400	31,000	33,300	36,100	38,300
Federal Government	14,200	14,800	14,500	14,400	14,500
State Government	121,900	121,700	127,300	129,800	134,400
Local Government	105,300	98,900	98,400	102,700	107,400
Total, All Industries [4]	1,031,200	979,800	1,021,900	1,065,400	1,083,000

(1) Data not adjusted for seasonality.
(2) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(4) Data may not add due to rounding.
Source: State of California Employment Development Department.

Retirement Programs

General. The City contributes to two plans in the California Public Employees' Retirement System ("CalPERS"). The safety plan covers all of the City's full-time sworn uniformed fire employees, sworn uniformed police employees, and all chiefs in both departments. The miscellaneous plan covers all remaining eligible employees.

As of June 30, 2022, the date of the most recent actuarial study report, the safety plan and the miscellaneous plan were 61.3% funded and 63.6% funded, respectively. For the safety plan, the actuarial accrued liability was approximately $258 million and the market value of assets was approximately $158 million, resulting in an unfunded actuarial accrued liability ("UAAL") of $100 million. For the

miscellaneous plan, the actuarial accrued liability was approximately $286 million and the market value of assets was approximately $182 million, resulting in a UAAL of approximately $104 million.

For the year ended June 30, 2023, the City's unaudited annual pension cost of $9,789,430 for the safety plan and $10,886,274 for the miscellaneous plan were equal to the City's required contributions. The three-year trend information for the safety and miscellaneous plans combined is as follows:

Fiscal Year Ended	Annual Pension Cost ("APC")	Percentage of APC Contributed	Net Pension Obligation
6/30/2021	$18,281,774	100%	–
6/30/2022	18,902,039	100%	–
6/30/2023	20,675,705	100%	–

Other Post-Employment Benefits. In 2004, the Government Accounting Standards Board ("GASB") issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions ("GASB 45"). GASB 45 requires governmental agencies to change their accounting for Other Post-Employment Benefits ("OPEB") from a pay-as-you-go to an accrual basis. The City has implemented the requirements of GASB 45, including financial statement reporting and disclosure requirements. Among other things, employers that participate in single-employer or agent multiple-employer defined benefit OPEB plans are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer's annual required contribution to the plan, with certain adjustments. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. An employer's net OPEB obligation is defined as the cumulative difference between annual OPEB cost and the employer's contributions to a plan.

The City sponsors and administers a single-employer defined benefit post-employment healthcare plan (the "Healthcare Plan") to provide healthcare insurance benefits to eligible retired employees and their dependents. The City pre-funds the Healthcare Plan though a Futuris Public Entity Investment Trust and a Retirement Board of Authority made up of the Mayor, one at large City Council member, the City Manager, the Finance Director, and the Human Resources Director. The Retirement Board of Authority delegated authority of the trust to the Benefit Trust Company. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. For Fiscal Year 2023, the City contributed $500,000 to the plan for current premiums. For Fiscal Year 2024, the City has budgeted to contribute another $500,000 to the plan.

For more information regarding the City's OPEB liabilities, see note 13 to the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

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Capital Improvement Program

The City's Capital Improvement Program ("CIP") is a multi-year plan that forecasts spending for all anticipated capital projects and is considered to be the link between the City's development and financing planning process. CIP funding comes mainly from impact fees and a number of other special revenue funds, as well as grants and loans. Within each program category, the City identifies resources that it will commit to priority capital projects. CIP costs include both one-time expenses and recurring expenses related to capital rehabilitation. The City's CIP for Fiscal Year 2024 is approved at $70.0 million, which is approximately 10.0% more than the City's approved CIP for Fiscal Year 2023 of $63.6 million.

Investment Policy

The City's Investment Policy is codified in Section 3.30.030 of the City of Folsom Municipal Code and is set forth below:

It is the primary duty of the city officers having responsibility for investing city moneys to protect, preserve and maintain cash and investments placed in their trust on behalf of the citizens of the city. To that end, those investment officers shall comply with the following guidelines and procedures:

A. Interest yield on investments shall be secondary to the basic requirements of safety and liquidity of moneys.

B. The city investment portfolio shall be designed to equal or exceed the rate of return of the state's local agency investment fund (LAIF) throughout budgetary and economic cycles, taking into account the city's risk constraints, cash flow characteristics of the investment portfolio, this chapter, this code and state law.

C. The city investment portfolio shall be diversified to minimize risks regarding specific security types or individual financial institutions.

D. All city investment officers shall adhere to the guidance provided by the "prudent investor standard" as set out in the California Government Code Section 53600.3.

E. All participants in the investment process shall act as custodians of the public trust. Investment officers shall recognize that the investment portfolio is subject to public review and evaluation.

F. The city's chief investment officer shall quarterly submit an investment report to the city council, which report shall include all required elements as prescribed by California Government Code Section 53646. The city's chief investment officer shall monthly submit a report of transactions to the city council as prescribed in California Government Code Section 53607. In both instances the city chief investment officer may include such other information as deemed appropriate.

G. The finance director shall develop a system of internal controls over investments, which control system shall be documented in writing according to California Debt and Investment Advisory Commission guidelines. The system shall be designed to prevent losses of public moneys arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by city employees or officers.

H. Financial institutions in which the city has investments shall be monitored as to financial condition throughout the period in which the city has moneys deposited or invested, to assure that the condition of the institution does not materially deteriorate so as to risk the city's investments.

I. A statement of investment policy shall be developed, and changes to the policy submitted to the city council as needed.

J. Security purchases and holdings shall be maintained within the limits permitted by the City Charter, this chapter and the California Government Code, whichever is the most restrictive both as to percentages of the total investment portfolio which might be invested in the various types of securities and as to the maximum length of maturity.

The following table shows the type of investments and other information on the portfolio as of June 30, 2023.

CITY OF FOLSOM
PORTFOLIO SUMMARY
As of June 30, 2023

Investments by Fair Value Level	**Balance**
City Pooled Investments	
Certificate of Deposit	$16,132,816
Commercial Paper	31,965,025
Corporate Notes	23,371,457
Municipal Obligations (City)	63,781,608
Municipal Obligations (FRFA)	127,379,928
Municipal Obligations (FPFA)	31,409,025
Federal Farm Credit Bank (FFCB)	18,603,010
Federal Home Loan Bank (FHLB)	35,952,856
Federal Home Loan Mortgage (FHLMC)	14,822,650
Federal National Mortgage (FNMA)	5,802,620
US Treasury Note	3,907,740
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	
Local Agency Investment Funds	19,728,039
California Class	28,217,642
Money Market Mutual Funds	7,966,324
Total Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	55,912,005
Total City's Pooled Investments	429,040,741
Investments Held with Fiscal Agent Not Measured at Fair Value	
JPA (CAMP)	211,975
Money Market Mutual Funds	35,424,087
Investments Held with Fiscal Agent by Fair Value Level	
OPEB Plan Investments – Mutual Funds	8,998,498
Total Investments Held with Fiscal Agents	44,634,560
Total Investments	**$473,675,301**

Source: City of Folsom.

Insurance, Risk Pooling and Joint Powers Arrangements

The City participates in pooled insurance programs offered by the Northern California Cities Self Insurance Fund ("NCCSIF"), a joint powers agency that provides the City with a shared risk layer of coverage above its self-insured $100,000 retention for liability and workers' compensation. NCCSIF also provides claims servicing to the City for its banking layer, which represents the City's self-insurance. NCCSIF consists of 18 member cities, all located within California, and is governed by a board of directors appointed by the member cities. It provides pooled claims processing administrative services, risk management services, and actuarial studies. The City's deposit for the fiscal year ended June 30, 2023, was $3,177,001, and for the fiscal year ended June 30, 2022, was $2,942,482. For the Fiscal Year ended June 30, 2023, NCCSIF had net assets of $25,877,102 and a net income of $1,475,442.

Sales Taxes

The following table shows taxable transactions in the City during calendar years 2016 through the second quarter of 2023.

TAXABLE SALES
City of Folsom
2016-2023
(in Thousands)

Year	*Retail Permits*	*Retail and Food Taxable Transactions*	*Total Permits*	*Total Outlets Taxable Transactions*
2016	1,588	$1,595,641	2,404	$1,828,059
2017	1,614	1,663,432	2,459	1,944,041
2018	1,593	1,721,452	2,501	1,983,797
2019	1,616	1,741,755	2,602	2,093,411
2020	1,652	1,579,786	2,741	1,795,390
2021	1,457	1,917,045	2,418	2,134,222
2022	1,523	2,009,992	2,546	2,253,326
2023[1]	1,481	969,345	2,536	1,097,448

(1) Data through June 30, 2023.
Source: City of Folsom.

Community Facilities

The four-county Sacramento Metropolitan Area offers multiple parks, playgrounds, theaters and golf courses. Recreational activities offered along the American and Sacramento Rivers include fishing, swimming, boating, biking, horseback riding and hiking. Varied cultural opportunities include art galleries and museums, two major symphonies, three ballet companies, scores of movie theaters showing first run films and many theater groups offering live stage plays. In February 2011, the $50 million performing arts complex Harris Center – Three Stages at Folsom Lake College opened. The state of the art facility is one of the largest college performing arts centers in the state and hosts theatre, symphonies, and ballets.

Media outlets in the four-county area consist of more than 30 newspapers, nine television stations (four network, four independent, one public) and 30 radio stations.

Education

The Folsom-Cordova Unified School District operates schools both in the City and in the Sacramento suburb of Rancho Cordova, which borders the City to the west. In the City, the school district now has three high schools, two middle schools, and ten elementary schools.

Institutions of higher learning situated in the Sacramento area include California State University, Sacramento, and the University of California at Davis, which includes a medical school and law school. Private universities, such as William Jessup University, the University of Sacramento, and National University also have campuses in the Sacramento region. Other institutions include the McGeorge School of Law (University of the Pacific), and extensions and satellites of schools such as the University of Southern California, University of San Francisco, Golden Gate University, and Drexel University among others. There are a number of Community Colleges in the region, including Folsom Lake College. In addition to the main campus located within the City, the Folsom Lake College operates the El Dorado and Rancho Cordova centers and enrolls more than 8,000 students.

Utilities

The City's water treatment plant produces and delivers high-quality drinking water, supplying water to the portion of the City south of the American River. The Water Division of the City's Environmental and Water Resources Department inspects and maintains, as of June 30, 2023, the 378 miles of water mains, 23,630 service connections and 5,275 fire hydrants. The City also provides sewage collection services for the entire City. The Sewer Division of the City's Environmental and Water Resources Department inspects and maintains, as of June 30, 2023, the 386 miles of sanitary sewers, 17 pump stations, and 24,330 service connections. Sewage treatment is provided by the Sacramento Regional County Sanitation District.

The City also provides solid waste collection services. The Solid Waste Division of the City's Public Works Department operates a fleet of solid waste vehicles for collection, as well as providing recycling, household hazardous waste pickup and disposal, and neighborhood clean-up services for the entire City.

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APPENDIX C

SUMMARY OF PRINCIPAL DOCUMENTS

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS DISTRICT CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of _____, 2024, is executed and delivered by the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "District") relative to the Folsom Ranch Financing Authority (the "Authority") in connection with the issuance by the Authority of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement (the "Trust Agreement"), among the District, the Authority and U.S. Bank Trust Company, National Association (the "Trustee"). The District covenants and agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. The Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Annual Report Date" means the date in each year that is nine months after the end of the District's fiscal year, which date, as of the date of this Disclosure Certificate, is April 1.

"Dissemination Agent" shall mean NBS, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA System" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"Financial Obligation" means, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(7), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include Municipal Securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" means any of the events listed in subsection (a) of Section 5 hereof.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" means the Official Statement, dated _____, 2024, relating to the Bonds.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 hereof, not later than the Annual Report Date, commencing with the report for the 2023-24 Fiscal Year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the District's fiscal year changes, it shall, or shall instruct the Dissemination Agent to, give notice of such change in the same manner as for a Listed Event under subsection (e) of Section 5 hereof. The first Annual Report may include the filing of or reference to the Official Statement.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent.

(c) If the Dissemination Agent is other than the District, then not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. If the District is unable to provide the Annual Report to the MSRB by the Annual Report Date, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A to the Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was so provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 3 hereof, the Annual Report shall contain unaudited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. If the District's financial statement is included or consolidated with the financial statement for the City of Folsom (the "City"), then the District shall file the City's audited financial statements as its own.

(b) The following information:

(i) The principal amount of Bonds and any bonds secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of the December 31 next preceding the Annual Report Date along with debt service schedules for the Bonds and any bonds

secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of such date;

(ii) The balance in each reserve account for the Series 2024 Local Obligations, and a statement of the Reserve Requirement amount, as of the December 31 next preceding the Annual Report Date;

(iii) The total assessed value of all parcels within the District on which the Special Taxes are levied, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, and a statement of assessed value-to-lien ratios therefor based on special tax and assessment debt, either by individual parcel or by categories (e.g., "below 3:1," "3:1 to 4:1" etc.);

(iv) The Special Tax delinquency rate for the District as of the December 31 next preceding the Annual Report Date; the number of parcels within the District delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the District; provided, however, that parcels with aggregate delinquencies of $1,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category;

(v) The status of foreclosure proceedings and a summary of the results of any foreclosure sales in the District as of the December 31 next preceding the Annual Report Date;

(vi) The identity of any property owner, representing more than 5% of the Special Tax levy, delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date;

(vii) All tentative and final maps approved and/or recorded within the District, describing the gross acres, the planned commercial acres and the number and type of planned residential dwelling units;

(viii) The number of new building permits issued and a description of the purpose of such permits (e.g., new single-family, new multi-family, new commercial, new industrial);

(ix) A land ownership summary listing the top ten Special Taxpayers for the District (excluding any individual homeowner responsible for 5% or less of the Special Tax for the current Fiscal Year), as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date; and

(x) For the current Fiscal Year, the amount of the Maximum Facilities Special Tax, the actual Facilities Special Tax levied within the District and the actual Pledged Special Tax levied within the District, with such amounts reported separately for Developed Property, Single Family Final Map Property, and Permit Ready Multi Family/Non-Residential Property; provided, however, that once all Taxable Property within the District is Developed Property, the Maximum Facilities Special Tax and the actual Facilities Special Tax and the actual Special Tax levied may each be shown on an aggregate basis in the Annual Report. For the purposes of this subparagraph (x), all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Rate and Method for the District.

In addition to any of the information expressly required to be provided under this Section, as set forth above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the security.

(vi) Defeasances.

(vii) Tender offers.

(viii) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ix) Rating changes.

(x) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial Obligation of the District, any of which reflect financial difficulties.

(b) The District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds, if material:

(i) Modifications to rights of Bond holders.

(ii) Bond calls.

(iii) Release, substitution or sale of property securing repayment of the Bonds.

(iv) Non-payment related defaults.

(v) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vi) Appointment of a successor or additional trustee or the change of name of a trustee.

(vii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the District, any of which affect Bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the District shall determine if such event would be material under applicable federal securities laws.

(d) If the District learns of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable federal securities laws, the District shall notify the Dissemination Agent thereof in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (e) of this Section. If in response to a request under subsection (b) of this Section, the District determines that the Listed Event would not be material under applicable Federal securities law, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e) of this Section.

(e) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (ii) of subsection (b) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all

of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 3 hereof, Section 4 hereof or subsections (a) and (b) of Section 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial statements or information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be given in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure

Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of outstanding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under the Disclosure Certificate in the event of any failure of the District to comply with the Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Trust Agreement. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District has executed this Disclosure Certificate as of the date first above written.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)

By: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Folsom Ranch Financing Authority

Name of Issue: Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2024, executed by the District for the benefit of the Holders and Beneficial Owners of the above-referenced bonds. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA -- AREA-WIDE IMPROVEMENTS AND SERVICES)

By:_____
Finance Director of the City of Folsom

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds, and other related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Authority believes to be reliable, but the Authority does not take responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of principal, premium, if any, and interest with respect to the Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. (or such other DTC nominee) do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price, and interest payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority on a payable date in accordance with their respective holdings shown on DTC records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee,

disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority deems reliable, but the Authority takes no responsibility for the accuracy thereof.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE. ANY FAILURE OF CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

APPRAISAL

ATTACHMENT 6

OH&S DRAFT
06/25/24

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)
SPECIAL TAX BONDS, SERIES 2024

LOCAL OBLIGATION PURCHASE CONTRACT

[SALE DATE]

City of Folsom
Community Facilities District No. 18
(Folsom Plan Area — Area-Wide Improvements and Services)
City of Folsom, City Hall
50 Natoma Street
Folsom, California 95630

Ladies and Gentlemen:

The undersigned Folsom Ranch Financing Authority (the "Authority") offers to enter into this Local Obligation Purchase Contract (the "Local Obligation Purchase Contract") with you, the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) (the "Community Facilities District"), which, upon acceptance, will be binding upon the Community Facilities District and the Authority; and except as otherwise provided herein, all capitalized terms used herein shall have the meanings attributed to them in the Indenture, dated as of [Dated Date] (the "Indenture"), between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

1. Purchase, Sale and Delivery of the Obligations.

(a) Subject to the terms and conditions and in reliance upon the representations and agreements set forth herein, the Authority hereby agrees to purchase from the Community Facilities District, and the Community Facilities District hereby agrees to sell to the Authority, all (but not less than all) of the $[_____] aggregate principal amount of the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) Special Tax Bonds, Series 2024 (the "Local Obligations") issued under the Indenture, dated the date of their initial delivery, bearing interest payable on the dates and at the interest rates, and maturing on the dates and in the amounts as set forth in Exhibit A attached hereto and incorporated herein.

The purchase price for the Local Obligations shall be $[_____], which purchase price shall be paid from the proceeds of sale of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements

and Services) Special Tax Revenue Bonds, Series 2024, issued under the Trust Agreement, dated as of [Dated Date], by and among the Authority, the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Trust Agreement"), which bonds issued under the Trust Agreement are referred to herein as the "Authority Bonds."

The Local Obligations shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Indenture.

(b) At [8:30] a.m., California time, on [CLOSING DATE], or at such earlier or later time or date as shall be agreed by the Community Facilities District and the Authority (such time and date being herein referred to as the "Closing Date"), the Community Facilities District will deliver to the Authority at the offices of Orrick, Herrington & Sutcliffe LLP, Sacramento, California (or such other location as may be designated by the Authority and approved by the Community Facilities District) the Local Obligations in definitive forms, duly executed by the Community Facilities District and authenticated by the Trustee, and will deliver to the Authority the other documents herein mentioned; and the Authority will accept such delivery and pay the total purchase price of the Local Obligations as set forth in paragraph (a) of this section as provided in the Indenture (such delivery and payment being herein referred to as the "Closing").

2. Representations and Agreements of the Community Facilities District. The Community Facilities District represents to and agrees with the Authority that:

(a) The Community Facilities District is and will be at the Closing Date duly organized and existing as a community facilities district under and by virtue of the laws of the State of California, with full power and authority to issue the Local Obligations and to carry out and consummate the transactions contemplated by the Local Obligations, this Local Obligation Purchase Contract, the Indenture and the Trust Agreement (collectively, the "Financing Documents"), and the Financing Documents are and will be at the Closing Date valid and binding obligations of the Community Facilities District;

(b) When delivered to and paid for by the Authority at the Closing in accordance with the provisions of this Local Obligation Purchase Contract, the Local Obligations will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of the Community Facilities District in conformity with, and entitled to the benefit and security of, the Indenture;

(c) By official action of the Community Facilities District, prior to or concurrently with the acceptance hereof, the Community Facilities District has authorized and approved the execution and delivery of the Financing Documents, and authorized and approved the performance by the Community Facilities District of the obligations on its part contained in the Financing Documents and has authorized and approved the consummation by the Community Facilities District of all other transactions contemplated by this Local Obligation Purchase Contract;

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the

knowledge of the Community Facilities District, threatened against the Community Facilities District or its properties or operations (i) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Local Obligations, (ii) in any way contesting or affecting the validity or enforceability of any of the Financing Documents, any proceedings of the Community Facilities District taken concerning the issuance or sale of the Local Obligations, the collection of the special tax securing the Local Obligations (the "Special Tax") or the existence or powers of the Community Facilities District relating to the issuance of the Local Obligations or (iii) which, if determined adversely to the Community Facilities District or its interests, would have a material and adverse effect on the consummation of the transactions contemplated by or the validity of the Financing Documents or on the operations of the Community Facilities District with respect to the Local Obligations;

(e) The execution and delivery of the Financing Documents, and the consummation of the transactions therein and herein contemplated, and the fulfillment of or compliance with the terms and conditions thereof and hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Community Facilities District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Community Facilities District, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Financing Documents or the operations of the Community Facilities District with respect to the Local Obligations;

(f) The Community Facilities District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject, which breach or default may have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Financing Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default under any such instrument;

(g) All approvals, consents, authorizations, certifications and other orders of any governmental authority, board, agency or commission having jurisdiction, and all filings with any such entities, which would constitute conditions precedent to or the failure to obtain which would materially adversely affect the performance by the Community Facilities District of its obligations under the Financing Documents have been duly obtained, and no further consent, approval, authorization or other action or filing with or by any governmental or regulatory authority having jurisdiction over the Community Facilities District is or will be required for the issue and sale of the Local Obligations or the consummation by the Community Facilities District of the other transactions described in the Financing Documents;

(h) The Special Tax constituting the security for the Local Obligations has been duly and lawfully authorized under and pursuant to the Mello-Roos Community Facilities

District Act of 1982 (the "Act") within the Community Facilities District and such Special Tax is secured by a valid and legally binding continuing lien on the land subject to the Special Tax as provided in the Act;

(i) The City Council, as legislative body of the Community Facilities District, has authorized and will annually levy and collect the Special Tax, in addition to amounts necessary to pay debt service on the Local Obligations, in an amount sufficient (subject to any maximum special tax permitted by law) to pay the Expenses arising directly from the administration or enforcement of the Local Obligations.

The execution and delivery of this Local Obligation Purchase Contract by the Community Facilities District shall constitute a representation by the Community Facilities District to the Authority that the representations and agreements contained in this Section 2 are true as of the date hereof; provided, that as to all matters of law the Community Facilities District is relying on the advice of counsel to the Community Facilities District; and provided further, that no member of the City Council, as legislative body of the Community Facilities District, shall be individually liable for the breach of any representation, warranty or agreement contained herein.

3. Conditions to the Purchase of the Local Obligations by the Authority. The obligation of the Authority to accept delivery of and pay for the Local Obligations on the Closing Date shall be subject, at the option of the Authority, to (i) the accuracy in all material respects of the representations and agreements on the part of the Community Facilities District contained herein as of the date hereof and as of the Closing Date, (ii) the accuracy in all material respects of the statements of the officers and other officials of the City for and on behalf of the Community Facilities District made in any certificates or other documents, furnished pursuant to the provisions hereof, and (iii) the performance by the Community Facilities District of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Financing Documents shall be in full force and effect in the form heretofore submitted to the Authority and there shall have been taken in connection with the issuance of the Local Obligations and with the transactions contemplated thereby and by this Local Obligation Purchase Contract, all such actions as, in the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), shall be necessary and appropriate;

(b) At the Closing Date, the Financing Documents shall not have been amended, modified or supplemented, except as may have been agreed to by the Authority;

(c) At or prior to the Closing Date, the Authority and the Trustee shall have received the following documents, in each case satisfactory in form and substance to the Authority:

(1) An executed copy of each of the Financing Documents;

(2) An unqualified approving opinion of Bond Counsel, dated the Closing Date and addressed to the Community Facilities District, as to the validity of the Local Obligations;

(3) An opinion of the City Attorney, dated the Closing Date and addressed to the Community Facilities District and the Authority, in substantially the form attached hereto as Exhibit B; and

(4) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence compliance by the Community Facilities District with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Community Facilities District contained herein, and the due performance or satisfaction by the Community Facilities District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District.

If the Community Facilities District shall be unable to satisfy the conditions to the Authority's obligations contained in this Local Obligation Purchase Contract, this Local Obligation Purchase Contract shall terminate and neither the Authority nor the Community Facilities District shall have any further obligation hereunder.

4. Expenses. All expenses and costs of the Community Facilities District and the Authority incident to the authorization, issuance and sale of the Local Obligations and the Authority Bonds, including fees and expenses of consultants, the Trustee, the appraiser, Bond Counsel and counsel for the Community Facilities District and the underwriting fees and expenses incurred by the Authority in connection with the sale of the Authority Bonds shall be paid by the Community Facilities District or the City on its behalf, and the Community Facilities District agrees that it will pay such expenses and costs from the proceeds of the Local Obligations.

5. Notices. Any notice or other communication to be given to the Community Facilities District under this Local Obligation Purchase Contract may be given by delivering the same in writing at the Community Facilities District's address set forth above, Attention: Finance Director, and any such notice or other communications required to be given to the Authority may be given by delivering the same in writing to the Authority at 50 Natoma Street, Folsom, California 95630, Attention: Treasurer. The approval of the Authority when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Authority and delivered to the Community Facilities District.

6. Parties In Interest; Governing Law. This Local Obligation Purchase Contract is made solely for the benefit of the Community Facilities District, the Authority and the Trustee and no other persons, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. This Local Obligation Purchase Contract shall be governed by the laws of the State of California.

7. Pledge; Assignment. The Community Facilities District hereby approves the pledge and assignment of all the Authority's right, title and interest in the Local Obligations to the Trustee under the Indenture for the benefit of the owners of the Authority Bonds.

8. Limitation on Liability. The Authority shall incur no liability hereunder or by reason hereof or arising out of the transactions contemplated hereby, and shall be under no obligation to purchase the Local Obligations hereunder, except from proceeds of the Authority Bonds available therefor held by the Trustee under, and subject to the conditions set forth in, the Indenture. The Community Facilities District shall incur no liability hereunder or by reason hereof or arising out of the transactions contemplated hereunder, except as otherwise provided in Sections 4 and 5 hereof, or be obligated to make any payments with respect to the Local Obligations, except from amounts pledged to the payment of the Local Obligations (including the Special Tax levied and collected in the Community Facilities District) pursuant to the terms thereof.

9. Counterparts. This Local Obligation Purchase Contract may be signed in two or more counterparts; all such counterparts, when signed by all parties, shall constitute but one single agreement.

FOLSOM RANCH FINANCING AUTHORITY

By _____
Stacey Tamagni
Treasurer

ACCEPTED AND AGREED TO:

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA — AREA-WIDE IMPROVEMENTS AND SERVICES)

By _____
Stacey Tamagni
Finance Director of the City of Folsom

Exhibit A

Local Obligations Maturity Schedule

Maturity Schedule

Maturity Date September 1	Principal Amount $	Interest Rate %

*

* Term Bonds

Exhibit B

[Form of City Attorney Opinion]

[CLOSING DATE]

Folsom Ranch Financing Authority
Folsom, California

City of Folsom
Community Facilities District No. 18
(Folsom Plan Area — Area-Wide Improvements and Services)
Folsom, California

Piper Sandler & Co.
Sacramento, California

U.S. Bank Trust Company, National Association
Los Angeles, California

City of Folsom Community Facilities District No. 18
(Folsom Plan Area — Area-Wide Improvements and Services)
Special Tax Bonds, Series 2024

Ladies and Gentlemen:

I have served as counsel to the City of Folsom (the "City") in connection with the issuance, sale and delivery of the above-referenced securities (collectively, the "Local Obligations") by the City of Folsom Community Facilities District No. 18 (Folsom Plan Area — Area-Wide Improvements and Services) (the "Community Facilities District"), and this letter is being delivered pursuant to the Local Obligation Purchase Contract dated as of [SALE DATE] (the "Local Obligation Purchase Contract") by and between the Folsom Ranch Financing Authority (the "Authority") and the Community Facilities District, and all capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Local Obligation Purchase Contract.

As such counsel, I have examined and am familiar with (i) those documents relating to the existence, organization and operation of the Community Facilities District, including Resolution No. 9692, duly adopted by the City on December 8, 2015, establishing the Community Facilities District and Resolution No. 10209, duly adopted by the City on November 13, 2018, whereby certain transportation demand management and air quality services were included as authorized services and the rate and method of apportionment and manner of collection of the Special Tax for the Community Facilities District was amended; (ii) Resolution No. [_____] of the City Council approving the issuance of the Local Obligations, the issuance of the Authority Bonds, the Financing Documents and the Official Statement (such resolutions referenced in (i) and (ii), together the "Resolutions"); (iii) all necessary documentation of the Community Facilities District relating to the authorization, execution and delivery of the Local

Obligations and all of the Financing Documents; (iv) the Preliminary Official Statement, dated [_____], 2024 (the "Preliminary Official Statement") relating to the Authority Bonds; (v) the Official Statement, dated [SALE DATE], 2024 (the "Official Statement") relating to the Authority Bonds; and (vi) the Continuing Disclosure Certificate of the Community Facilities District, dated the date hereof (the "Continuing Disclosure Certificate") relating to the Authority Bonds.

Based on the foregoing, I am of the opinion that:

1. The Community Facilities District is a community facilities district duly organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California.

2. The Resolutions have been duly adopted at meetings of the City Council, acting as the legislative body of the Community Facilities District, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since the date of their respective adoption.

3. The Community Facilities District has the full legal right, power and authority to execute, deliver and perform its obligations and duties under the Financing Documents and the Continuing Disclosure Certificate, including the right and power under the Act to execute the Indenture.

4. The Community Facilities District has complied with the provisions of applicable law in all matters relating to the transactions contemplated by the Financing Documents and the Continuing Disclosure Certificate.

5. The Financing Documents; the Continuing Disclosure Certificate; the Letter of Representations of the Community Facilities District, dated [SALE DATE] (the "Community Facilities District Letter of Representations" and, together with the Financing Documents and the Continuing Disclosure Certificate, the "Community Facilities District Documents") and the Official Statement have each been duly and lawfully authorized, executed and delivered by the Community Facilities District, are each in full force and effect and, assuming due authorization, execution and delivery by the other parties thereto, each constitutes a legal, valid and binding agreement of the Community Facilities District enforceable against it in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California.

6. The Indenture and the Local Obligations have been duly and validly authorized, sold, executed, authenticated and delivered, as applicable, in accordance with the Act and with the Indenture.

7. No approval, consent or authorization of any governmental or public

agency, authority or person is required for the execution and delivery by the Community Facilities District of the Financing Documents or the Continuing Disclosure Certificate or the performance by the Community Facilities District of its respective obligations thereunder.

8. The execution and delivery of the Financing Documents and the Continuing Disclosure Certificate by the Community Facilities District, and compliance with the provisions thereof, will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Community Facilities District, or any commitment, agreement or other instrument to which the Community Facilities District is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, resolution, judgment, order or decree to which the Community Facilities District (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Community Facilities District and its affairs.

9. The Local Obligations are valid and binding special tax obligations of the Community Facilities District payable from proceeds of the Special Tax and the other funds provided in the Indenture for such payment and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California, and the terms of the Act and of the Indenture.

10. Based upon my review of the Preliminary Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement, nothing has come to my attention which would lead me to believe that the Preliminary Official Statement (excluding therefrom the financial statements and the statistical data and the information concerning The Depository Trust Company, the book-entry system and the appendices thereto, as to which no opinion is expressed) as of its date and as of the date of the Local Obligation Purchase Contract contained any untrue statement of a material fact with respect to the Community Facilities District or omitted or omits to state any material fact with respect to the Community Facilities District necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

11. Based upon my review of the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to my attention which would lead me to believe that the Official Statement (excluding therefrom the financial statements and the statistical data and the information concerning The Depository Trust Company, the book-entry system and the appendices thereto, as to which no opinion is expressed) as of its date and the date hereof contained or contains any untrue statement of a material fact with respect to the Community Facilities District or omitted or omits to state any material fact with respect to the Community Facilities District necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

12. Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to my knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of their members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Local Obligations or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the Community Facilities District Documents or under which a determination adverse to the City or the Community Facilities District would have a material adverse effect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the Community Facilities District to use the Special Tax levied within the Community Facilities District for the repayment of the Local Obligations or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Tax levied within the Community Facilities District for the repayment of the Local Obligations.

Very truly yours,

City Attorney

ATTACHMENT 7

Stradling Yocca Carlson & Rauth
Draft of 9/10/24

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

BOND PURCHASE AGREEMENT

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, California 95630

Ladies and Gentlemen:

Piper Sandler & Co., as underwriter (the "**Underwriter**"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the Folsom Ranch Financing Authority (the "**Authority**"), which upon acceptance will be binding upon the Underwriter and the Authority. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Authority purchasing from the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "**Community Facilities District**") the Community Facilities District's Special Tax Bonds, Series 2024 (the "**Special Tax Bonds**") in the aggregate principal amount of $_____, and upon the Authority and the Community Facilities District satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Authority's acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 8:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Trust Agreement, dated as of _____ 1, 2024 (the "**Trust Agreement**"), by and among the Authority, U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**") and the Community Facilities District. The Special Tax Bonds are being issued pursuant to an Indenture dated as of _____ 1, 2024 (the "**District Indenture**"), by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "**District Trustee**").

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority and the Authority hereby agrees to sell to the Underwriter all (but not less than all) of the $_____ aggregate principal amount of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax

Revenue Bonds, Series 2024 (the "**Bonds**"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be $_____ (being 100% of the aggregate principal amount thereof [plus/less] [net] original issue [premium/discount] of $_____ and less an Underwriter's discount of $_____. From the proceeds of the Bonds, the Authority agrees to purchase the Special Tax Bonds from the Community Facilities District pursuant to the terms of the Local Obligation Purchase Contract (the "**Local Obligation Purchase Contract**"), dated _____, 2024, by and between the Community Facilities District and the Authority.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Revenues as provided in the Trust Agreement, the Official Statement (as hereinafter defined), and the Marks-Roos Local Bond Pooling Act of 1985, as amended, being Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "**Bond Law**"). The issuance of the Bonds has been duly authorized by the Authority pursuant to Resolution No. _____Folsom Ranch FA (the "**Authority Resolution**") adopted by the Governing Board on _____, 2024. The net proceeds of the Bonds will be used to purchase the Special Tax Bonds.

The Special Tax Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from Special Tax (as defined in the District Indenture) as provided in the District Indenture.

The Special Tax Bonds are issued under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "**Community Facilities District Act**"). The issuance of the Special Tax Bonds, the preparation and distribution of the Preliminary Official Statement and the Local Obligation Purchase Contract have been duly authorized by the City Council of the City of Folsom (the "**City Council**") acting as the legislative body for the Community Facilities District, pursuant to Resolution No. _____ (the "**Community Facilities District Resolution**") adopted on _____, 2024. The net proceeds of the Special Tax Bonds will be used, as indicated in the District Indenture, for the following purposes: (1) finance the acquisition of certain public facilities; (2) fund a debt service reserve account; and (3) pay certain costs of issuance of the Bonds and the Special Tax Bonds.

Prior to the acceptance of this Purchase Agreement by the Authority, the Authority shall have caused to be delivered to the Underwriter: (i) the Letter of Representations of the Community Facilities District (the "**District Letter of Representations**") in substantially the form set forth in Exhibit B hereto; (ii) a Certificate of Toll West Coast LLC, a Delaware limited liability company ("**Toll Brothers**") in substantially the form set forth in Exhibit E hereto; and (iii) a Certificate of Lennar Homes of California, LLC, a California limited liability company ("**Lennar Homes**") in substantially the form set forth in Exhibit F hereto.

A. The Authority acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations and agreements made by the Authority herein and by the Community Facilities District in the District Letter of Representations, and the Authority shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation or agreement made by the Authority herein is incorrect in any material respect.

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority, the Community Facilities District or the City of Folsom (the "**City**") with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority, the Community Facilities District or the City on other matters); and (iv) the Authority, the Community Facilities District and the City have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate.

B. Pursuant to the authorization of the Authority, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2024, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "**Preliminary Official Statement**." By its acceptance of this Purchase Agreement, the Authority hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Authority agrees to execute a final official statement relating to the Bonds (including any supplements and/or amendments thereto, the "**Official Statement**") which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Orrick Herrington & Sutcliffe LLP, the Community Facilities District's and the Authority's Bond Counsel ("**Bond Counsel**") and Disclosure Counsel ("**Disclosure Counsel**"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 3.N hereof. The Authority hereby authorizes the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Authority further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Trust Agreement, the District Indenture, this Purchase Agreement, the Local Obligation Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Authority, the Community Facilities District or the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"), the Community Facilities District will undertake for and on behalf of the Authority pursuant to the Continuing Disclosure Certificate, in the form attached to the Official Statement as Appendix D (the "**Continuing Disclosure Certificate**"), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Authority may otherwise agree, the Authority will deliver to the Underwriter, at the offices of Bond Counsel in Sacramento, California, or at such other location as may be mutually agreed upon by the Underwriter, the Community Facilities District and the Authority, the documents hereinafter mentioned; and the Authority will deliver to the Underwriter through the facilities of The Depository Trust Company ("**DTC**") in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Authority and authenticated by the Trustee in the manner provided for in the Trust Agreement and the Bond Law at 8:00 a.m. California time, on _____, 2024 (the "**Closing Date**"), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in the first paragraph of this Section by wire transfer, payable in federal or other immediately available funds (such delivery

and payment being herein referred to as the "**Closing**"). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. Public Offering and Establishment of Issue Price.

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

B. The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by Fieldman, Rolapp & Associates, Inc. (the "**Municipal Advisor**") and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

C. Except as otherwise set forth in Exhibit A, the Authority will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

D. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "**initial offering price"),** or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

E. The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on: (A) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. "**public**" means any person other than an underwriter or a related party;

2. "**underwriter**" means: (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a "**related party**" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. "**sale date**" means the date of execution of this Purchase Agreement by all parties.

3. Representations and Covenants of the Authority. The Authority represents and covenants to the Underwriter that:

A. The Authority is a joint exercise of powers authority, duly organized and existing under the Constitution and laws of the State of California (the "**State**"), and formed pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code (the "**JPA Act**"), with full right, power and authority: (i) to enter into this Purchase Agreement; (ii) to enter into the Trust Agreement; (iii) to adopt the Authority Resolution authorizing the issuance of the Bonds and entry into this Purchase Agreement and the Trust Agreement and to take all other actions on the part of the Authority relating thereto (the "**Authority Proceedings**"); (iv) to issue, sell and deliver the Bonds to the Underwriter as provided herein; (v) to purchase the Special Tax Bonds; and (vi) to carry out and consummate the transactions on its part contemplated by this Purchase Agreement, the Trust Agreement and the Official Statement.

The Trust Agreement, the Bonds, the Local Obligation Purchase Contract and this Purchase Agreement are collectively referred to herein as the "**Authority Documents**."

B. By all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery by the Authority of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing Date be in compliance in all respects, with the terms of the Authority Documents that are applicable to the Authority.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Authority and the Bonds (other than statements pertaining to the book-entry system, as to which no view is expressed), does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term

"**End of the Underwriting Period**" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the Authority and the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

E. As of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the Authority is not, and as of the Closing Date, will not be, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject; and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; which breach, default or event could have an adverse effect on the Authority's ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions of each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

F. At the time of acceptance hereof there is, and as of the Closing Date, there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "**Action**") pending (notice of which has been served on the Authority) or to the knowledge of the Authority threatened, in which any such Action: (i) in any way questions the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Revenues (as defined in the Trust Agreement) or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby; (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the Authority which may result in any material adverse change relating to the financial condition of the Authority; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, as of the time of acceptance hereof, there is, and as of the Closing Date, there will be no known basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

G. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

H. The Authority Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Authority represents that the Bonds, when issued, executed and delivered in accordance with the Trust Agreement and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Authority, entitled to the benefits of the Trust Agreement. The Trust Agreement creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Trust Agreement, subject in all cases to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

I. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certifications may not be relied upon.

J. Any certificate signed by any authorized officer of the Authority and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the Authority to the Underwriter as to the statements made therein.

K. The Authority will apply the proceeds of the Bonds in accordance with the Trust Agreement.

L. Between the date of this Purchase Agreement and the Closing Date, the Authority will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

M. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Authority will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Trust Agreement.

N. The Preliminary Official Statement was deemed final by a duly authorized officer of the Authority prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Authority hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Authority shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

The Authority hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Authority hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the Authority to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Authority shall constitute a representation to the Underwriter that the representations contained in this Section 3 are true as of the date hereof.

4. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations on the part of the Authority contained herein and of the Community Facilities District in the District Letter of Representations, to the accuracy in all material respects of the statements of the officers and other officials of the Authority made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Authority of its obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the Authority Resolution, the Community Facilities District Resolution, the Authority Documents and this Purchase Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds, the District Letter of Representations and the Continuing Disclosure Certificate shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Special Tax Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate. The Trust Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds, the District Letter of Representations and the Continuing Disclosure Certificate are herein referred to collectively as the "**District Documents**."

B. At the Closing Date, except as was described in the Preliminary Official Statement, the Authority shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, and the performance by the Authority of its obligations under the Authority Documents, the Authority Resolution and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument

to which the Authority is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Authority of its obligations under the Authority Documents or the Authority Resolution.

C. At the Closing Date, except as described in the Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to in the District Letter of Representations or contemplated therein, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Community Facilities District Resolution, the District Documents, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Resolution and the District Documents or the performance of the conditions precedent to be performed by the Community Facilities District under the Community Facilities District Resolution and the District Documents.

D. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

E. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Trust Agreement or the District Indenture are not exempt from qualification under or other requirements of the Trust Agreement Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State of California officials authorized to do so;

4. The introduction, proposal or enactment of any amendment to the Federal or California Constitution or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Bonds, the Authority or the Community Facilities District, their property, income, securities (or interest thereon), the validity or enforceability of the Special Tax, or the ability of the Authority to purchase any Special Tax Bonds as contemplated by the Official Statement;

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, the Special Tax Bonds or obligations of the general character of the Bonds or the Special Tax Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

7. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the Authority, to sell the Bonds;

8. The filing or threat of an Action described Section 3.F hereof or Section M of the District Letter of Representations; or

9. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Authority.

F. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Authority by its Treasurer or other authorized officer;

2. The Authority Documents, duly executed and delivered by all parties thereto;

3. The Authority Resolution, together with a certificate of the Secretary of the Authority, dated as of the Closing Date, to the effect that such resolution is a true, correct and complete copy of the resolution duly adopted by the Governing Board of the Authority;

4. The Community Facilities District Resolution, together with a certificate dated as of the Closing Date of the City Clerk, acting on behalf of the Community Facilities District to the effect that the Community Facilities District Resolution is a true, correct and complete copy of the one duly adopted by the City Council, acting as the legislative body of the Community Facilities District;

5. The District Documents duly executed and delivered by all parties thereto;

6. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Authority, of Bond Counsel, in substantially the form included as Appendix E to the Official Statement, together with a letter addressed to the Trustee to the effect that such opinion may be relied upon by the Trustee to the same extent as if such opinion was addressed to the Trustee;

7. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, in substantially the form attached hereto as Exhibit D;

8. A certificate, dated the Closing Date and signed by the Treasurer of the Authority or other authorized officer, to the effect that: (i) the representations of the Authority contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Authority Documents and the Authority Resolution at or prior to the Closing Date;

9. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations made by the Community Facilities District contained in the District Letter of Representations are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, provided that any references as to the Preliminary Official Statement shall be deemed to be to the Official Statement; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official

Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under the District Documents prior to the Closing Date;

10. An opinion of the City Attorney of the City, as counsel to the Authority, dated the date of Closing and addressed to the Underwriter, the Authority, the Community Facilities District, the Trustee and the District Trustee, to the effect that:

(i) The Authority is a public body, corporate and politic, duly organized and validly existing as a joint powers authority under the laws of the State of California;

(ii) The Authority has full legal power and lawful authority to enter into the Authority Documents and to carry out the transactions contemplated under the Authority Documents;

(iii) The Authority Resolution was duly adopted at a regular meeting of the governing body of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iv) The Authority Documents have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(v) To the best knowledge of such counsel, the execution and delivery of the Authority Documents and the Official Statement and compliance with the provisions thereof under the circumstances contemplated thereby: (a) do not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound; and (b) do not and will not in any material respect or constitute on the part of the Authority a violation, breach of or default under any court order or consent decree to which the Authority is subject;

(vi) The Authority Documents and the Official Statement have been duly authorized by the Governing Board of the Authority and executed on its behalf by an authorized officer of the Authority;

(vii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the Authority) or, to the City Attorney's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the Authority, or the titles of its members and officers to their respective offices; (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the collection of the Revenues or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties or obligations of the

Authority with respect to the Revenues or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (e) in any way question or affect the Authority Documents or the transactions contemplated by the Authority Documents, the Official Statement, or any activity regarding the Bonds;

11. An opinion of the City Attorney of the City, dated the date of Closing and addressed to the Underwriter, the Authority, the Community Facilities District, the Trustee and the District Trustee to the effect that:

(i) The Community Facilities District is a community facilities district organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California;

(ii) The Community Facilities District Resolution has been duly adopted at a meeting of the City Council, acting as the legislative body of the Community Facilities District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Community Facilities District Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iii) The District Documents and the Official Statement have been duly and lawfully authorized, executed and delivered by the Community Facilities District and the District Documents constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California;

(iv) The Community Facilities District has the right and power under the Community Facilities District Act to execute the District Indenture and no other authorization for the execution thereof is required, and the District Indenture is in full force and effect;

(v) The Special Tax Bonds are valid and binding special tax obligations of the Community Facilities District payable from proceeds of the Special Tax and the other funds provided in the District Indenture for such payment and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California, and the terms of the Community Facilities District Act and of the District Indenture;

(vi) The District Indenture and the Special Tax Bonds have been duly and validly authorized, sold, executed, authenticated and delivered in accordance with the Community Facilities District Act and with the District Indenture;

(vii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of its members and officers to their respective offices; or (b) affect the validity of the District Documents or restrain or enjoin the repayment of the Special Tax Bonds or in any way contest or affect the validity of the District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the District Documents or under which a determination adverse to the City or the Community Facilities District would have a material adverse affect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the Community Facilities District to use the Special Tax levied within the Community Facilities District for the repayment of the Special Tax Bonds or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Tax levied within the Community Facilities District for the repayment of the Special Tax Bonds;

12. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds and the Special Tax Bonds, including copies of the signed Trust Agreement and the District Indenture and certified copies of all resolutions of the City and the Authority relating thereto;

13. A certificate dated the Closing Date from NBS addressed to the Authority, the Community Facilities District and the Underwriter to the effect that: (i) the Special Tax (after payment of Priority Administrative Expenses) if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes would generate at least 110% of the annual debt service payable with respect to the Special Tax Bonds in each year, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Preliminary Official Statement and the Official Statement provided by NBS concerning the Special Tax and the Rate and Method of Apportionment of the Special Taxes and all information supplied by it for use in the Preliminary Official Statement, as of the date of the Preliminary Official Statement, and in the Official Statement, as of the date of the Official Statement and as of the Closing Date, did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;;

14. Certified copies of the general resolution of the Trustee and District Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee and District Trustee, which resolution authorizes the execution of the Trust Agreement, the District Indenture and the authentication of the Bonds and the Special Tax Bonds;

15. A certificate of the Trustee, addressed to the Underwriter, the Authority and the Community Facilities District dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and have full power and authority to perform their respective duties under the Trust Agreement and the District Indenture; (ii) the Trustee is duly authorized to execute and deliver the Trust Agreement and the District Indenture, to accept the obligations created by the Trust Agreement and the District Indenture and to authenticate the Bonds and the Special Tax Bonds pursuant to the terms of the Trust Agreement and the District Indenture, respectively; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the

authentication of the Bonds or the Special Tax Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the Special Tax Bonds and the acceptance and performance of the obligations created by the Trust Agreement and the District Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Trust Agreement and the District Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties;

16. An opinion of counsel to the Trustee, dated the Closing Date, addressed to the Underwriter, the Authority and the Community Facilities District to the effect that the Trustee is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Trust Agreement and the District Indenture, and that each of such documents has been duly authorized, executed and delivered by the Trustee and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

17. A certificate of the Authority dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

18. An opinion of Stradling Yocca Carlson & Rauth LLP, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

19. A closing certificate of Toll Brothers dated the Closing Date, substantially in the form attached as Exhibit G hereto;

20. A closing certificate of Lennar Homes dated the Closing Date, substantially in the form attached as Exhibit H hereto;

21. A certificate of the Appraiser, substantially in the form attached hereto as Exhibit I; and

22. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations of the Authority contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority and the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District and the Authority in connection with the transactions contemplated hereby and by the District Indenture, the Trust Agreement, and the Official Statement.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the

obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Authority set forth in Section 6 hereof shall continue in full force and effect.

5. Conditions to the Obligations of the Authority.

A. The obligations of the Authority shall be subject to the satisfaction of the conditions contained in Section 4 of this Purchase Agreement.

B. If the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds contained in the Local Obligation Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Community Facilities District shall be under any further obligation hereunder, except that the obligations of the Authority set forth in Section 6 hereof shall continue in full force and effect.

6. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Authority shall pay only from the proceeds of the Bonds, or cause the Community Facilities District to pay out of the proceeds of the Special Tax Bonds or any other legally available funds of the City, the Community Facilities District or the Authority, but only as the Authority and such other party providing such services may agree, all expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, initial fees of the Trustee, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the Authority, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the Authority's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees of its counsel.

7. Notices. Any notice of other communication to be given to the City or the Authority under this Purchase Agreement may be given by delivering the same in writing to the City of Folsom, 50 Natoma Street, Folsom, CA, 95630, Attention: Finance Director; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co, 3626 Fair Oaks Blvd., Suite 100, Sacramento, California 95864, Attention: Dennis McGuire.

8. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Authority and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

9. Survival of Representations. The representations of the Authority under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Authority and regardless of delivery of and payment for the Bonds.

10. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

12. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Authority.

13. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

14. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

FOLSOM RANCH FINANCING AUTHORITY

By: _____
Its: Treasurer

EXHIBIT A

$_____

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

Schedule of Bond Maturities, Principal Amounts, Interest Rates, Yields and Initial Offering Prices

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Initial Offering Price*	*10% Test Used*	*Hold the Price Offering Rule Used*

[T] Term Bonds.
[C] Priced to the September 1, 20__ optional redemption date, at _____.

Optional Redemption. The Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20__, from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after September 1, 20__ through August 31, 20__;

102% if redeemed on any date from September 1, 20__ through August 31, 20__;

101% if redeemed on any date from September 1, 20__ through August 31, 20__; and

100% if redeemed on September 1, 20__ and any date thereafter.

Extraordinary Redemption from Prepayment of Special Taxes. The Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after September 1, 20__, solely from funds derived from the extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on an Interest Payment Date on or after September 1, 20__ through March 1, 20__;

102% if redeemed on an Interest Payment Date on September 1, 20__ and March 1, 20__;

101% if redeemed on an Interest Payment Date on September 1, 20__ and March 1, 20__; and

100% if redeemed on September 1, 20__ and any Interest Payment Date thereafter.

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	***Bonds Minimum Sinking Fund Payment***

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	***Bonds Minimum Sinking Fund Payment***

† Maturity.

If the Bonds subject to mandatory redemption are redeemed in part prior to their stated maturity date other than from Minimum Sinking Fund Payments, the Minimum Sinking Fund Payments for such Bonds shall be reduced proportionately by the principal amount of such Bonds so redeemed.

EXHIBIT B

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

LETTER OF REPRESENTATIONS OF THE DISTRICT

_____, 2024

Piper Sandler & Co.
3626 Fair Oaks Boulevard
Sacramento, California 95864

Re: *City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024*

Ladies and Gentlemen:

In connection with the proposed offer and sale of the above-referenced bonds (the "**Special Tax Bonds**"), the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "**Community Facilities District**") hereby represents and covenants to Piper Sandler & Co., as underwriter (the "**Underwriter**") of the Folsom Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "**Bonds**"), as follows:

A. The City of Folsom (the "**City**") is duly organized and validly existing as a municipal corporation and charter city under the Constitution and laws of the State of California and the Charter and the Community Facilities District is a community facilities district organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California.

B. The City has duly authorized the formation of the Community Facilities District (the and undertaken certain change proceedings pursuant to resolutions and an ordinance duly adopted by the City Council (collectively, the "**Community Facilities District Formation and Change Proceedings Resolutions**" and, together with Resolution No. _____ authorizing the issuance and sale of the Special Tax Bonds, the "**Community Facilities District Resolutions**") and the Community Facilities District Act. The City Council, acting as the legislative body of the Community Facilities District has duly adopted the Community Facilities District Resolutions, and has caused to be recorded in the real property records of the County of Sacramento, an amended notice of special tax lien (the "**Amended Notice of Special Tax Lien**") (the Community Facilities District Formation and Change Proceedings Resolutions and Amended Notice of Special Tax Lien being collectively referred to herein as the "**Formation Documents**"). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended.

C. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the District Indenture, the Trust Agreement, the Continuing Disclosure Certificate and the Local Obligation Purchase Contract, and to carry out all transactions contemplated by each of such documents; (ii) to issue, sell and deliver its Special Tax Bonds to the Authority; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the District Indenture, the Trust Agreement, the Local Obligation Purchase Contract, the Special Tax Bonds, this Letter of Representations, the Continuing Disclosure Certificate and the Official Statement.

This Letter of Representations, the Trust Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the "**District Documents**."

D. The Community Facilities District has complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the District Documents, and immaterial noncompliance by the Community Facilities District, if any, will not impair the ability of the Community Facilities District to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of its Special Tax Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the District Documents.

E. Except as described in the Preliminary Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to the District Documents, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Community Facilities District of its obligations under the District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to the District Documents.

F. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the District Documents, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The District Documents conform as to form and tenor to the descriptions thereof contained in the Preliminary Official Statement.

H. The Special Tax Bonds are payable from the Special Tax, as set forth in the District Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Tax within the Community Facilities District will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Special Tax Bonds when due and payable, all as provided in the District Indenture. The Community Facilities District has covenanted to cause the Special Tax to be levied and collected at the same time and in the same manner as ordinary ad valorem property taxes.

I. The District Indenture creates a valid pledge of, first lien upon and security interest in, the Special Tax, and in the moneys in the Special Tax Fund established pursuant to the District Indenture, on the terms and conditions set forth in the District Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District's knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Tax referred to in paragraph (H) hereof.

K. The information contained in the Preliminary Official Statement (other than statements therein pertaining to the Authority, DTC and its book-entry system and under the caption "DEVELOPMENT STATUS, PROPERTY VALUES AND OWNERSHIP WITHIN THE DISTRICT — Toll Brothers Development" and "—Lennar Homes Development," as to which no view is expressed) does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (L) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

L. Up to and including 25 days after the End of the Underwriting Period, the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "**End of the Underwriting Period**" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

M. There is no action pending (notice of which has been served on the Community Facilities District or the City) or to the best knowledge of the Community Facilities District threatened, in which any such action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the City to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the Special Tax Bonds or the payment or

collection of the Special Tax or any amounts pledged or to be pledged to pay the principal of and interest on the Special Tax Bonds or the Bonds, or in any way contests or affects the validity of the Formation Documents or the District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds or the Special Tax Bonds from federal or State income taxation, as applicable, or contests the powers of the City or the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the City authorized to do so shall be deemed a representation by the Community Facilities District to the Authority and the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

O. At or prior to the Closing, the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix D to the Official Statement. Except as disclosed in the Preliminary Official Statement, the City has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events in the last five years.

P. The Community Facilities District will apply the proceeds of its Special Tax Bonds in accordance with the District Indenture.

Q. Between the date of the Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement by and between the Authority and the Underwriter.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)

By: _____
Finance Director of the City of Folsom

EXHIBIT C

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (the "**PSC**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "**Bonds**").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) PSC offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2024, by and between PSC and the Issuer, PSC has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the _____, 2024 (the Sale Date), or (ii) the date on which the Underwriter has sold at least 10% of such

Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Folsom Ranch Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "**related party**" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents PSC's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick Herrington & Sutcliffe LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By:_____
Name:_____

Dated: _____, 2024

SCHEDULE A

(*Attached*)

SCHEDULE B

PRICING WIRE

(*Attached*)

EXHIBIT D

SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2024

Piper Sandler & Co., as Underwriter
Sacramento, California

Folsom Ranch Financing Authority
City of Folsom Community Facilities District No. 18
(Folsom Plan Area – Area-Wide Improvements and Services)
Special Tax Revenue Bonds, Series 2024
(Supplemental Opinion)

Ladies and Gentlemen:

This letter is provided pursuant to Section 4.F.7. of the Bond Purchase Agreement, dated _____, 2024 (the "Purchase Contract"), between Piper Sandler & Co. (the "Underwriter") and the Folsom Ranch Financing Authority (the "Authority"), providing for the purchase by the Underwriter of $_____ aggregate principal amount of its Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a trust agreement, dated as of _____ 1, 2024 (the "Trust Agreement"), among the Issuer, the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "Community Facilities District") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Trust Agreement provides that the Bonds are issued for the stated purpose of enabling the Authority to acquire certain special tax bonds to be issued by the Community Facilities District. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement or, if not defined in the Trust Agreement, in the Purchase Contract.

We have delivered our final legal opinion (the "Bond Opinion") as bond counsel to the Authority concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Authority. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel and disclosure counsel to the Authority, we have reviewed the Purchase Contract, the Trust Agreement, an indenture, dated as of _____ 1, 2024 (the "Local Obligations Indenture"), the tax certificate related to the Bonds (the "Tax Certificate"), certain portions of the posted preliminary official statement of the Authority dated _____, 2024, with respect to the Bonds (the "Preliminary Official Statement") and of the posted official statement of the Authority dated _____, 2024, with respect to the Bonds (the "Official Statement"), opinions of counsel to the Authority, the Community Facilities District and the Trustee, certificates of the Authority, the Community Facilities District, the Trustee, Integra Realty Resources (the "Appraiser"), NBS (the "Special Tax Consultant"), Toll Brothers, Lennar Homes and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions and conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to

determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the original delivery of the Bonds on the date hereof. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement, the Local Obligations Indenture, the Tax Certificate, and the Purchase Contract and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Authority and the Community Facilities District in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the state or quality of title to or interest in any property described in or as subject to the lien of the Trust Agreement or the Local Obligations Indenture the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. We express no view with respect to the plans, specifications, maps, financial report or other engineering or financial details of the proceedings, or upon the Amended Rate and Method of Apportionment for the Community Facilities District or the validity of the Special Tax levied upon any individual parcel.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions and conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Purchase Contract has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Authority.

3. The statements contained in the Official Statement under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" (excluding therefrom the information under the heading "–The Teeter Plan"), and "TAX MATTERS," and in APPENDIX E – "PROPOSED FORM OF OPINION OF BOND COUNSEL" and APPENDIX C – "SUMMARY OF PRINCIPAL DOCUMENTS," excluding any material that may be treated as included under such captions by cross reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Trust Agreement and the Local Obligations Indenture, or set out content of the Bond Opinion, are accurate in all material respects.

4. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or (except as explicitly stated in paragraph 3 above) in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as bond counsel and disclosure counsel to the Authority in connection with issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of the Community Facilities District, the City, the Authority, their respective counsel, representatives of

Toll Brothers, Lennar Homes, and their respective counsel, the Appraiser, the Special Tax Consultant and others, during which conferences the contents of the Preliminary Official Statement or the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which, with respect to the Preliminary Official Statement, did not extend beyond the date of the Purchase Contract, and with respect to the Official Statement did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the Authority, the Community Facilities District and others and on the records, documents, certificates, opinions and matters herein mentioned, subject to the limitations on our role as bond counsel and disclosure counsel to the Authority, we advise you as a matter of fact and not opinion that (a) no facts had come to the attention of the attorneys in our firm rendering legal services with respect to the Preliminary Official Statement which caused us to believe as of the date of the Purchase Contract, based on the documents, drafts and facts in existence and reviewed as of that date that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c-12 or otherwise left blank and any other differences with the information in the Official Statement), and (b) no facts had come to the attention of the attorneys in our firm rendering legal service with respect to the Official Statement which caused us to believe as of the date of the Official Statement and as of the date hereof that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that we expressly exclude from the scope of this paragraph and express no view with respect to both the Preliminary Official Statement and the Official Statement, about any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, absorption, real estate or environmental matters, litigation, any statements about compliance with prior continuing disclosure undertakings, relationships among the parties, any information about book-entry, DTC, Cede & Co., ratings, rating agencies, the underwriter, municipal advisor, underwriting, and the information contained in Appendices A, B, D, F and G, included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement.

This letter is furnished by us as bond counsel and disclosure counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as underwriter of the Bonds, is solely for your benefit as such underwriter in connection with the original delivery of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

EXHIBIT E

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

CERTIFICATE OF TOLL WEST COAST LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, California 95630

City of Folsom Community Facilities District No. 18
(Folsom Plan Area – Area-Wide Improvements and Services)
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard, Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement to be entered into in connection therewith (the "**Purchase Agreement**"). This Letter of Representations of Toll West Coast LLC (the "**Letter of Representations**") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer of Toll West Coast, Inc. (the "**Developer**"), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is a limited liability company validly existing and in good standing as a limited liability company under the laws of the State of Delaware and qualified to do business in the State of California and has all requisite right, power and authority: (i) to execute and deliver this Certificate; and (ii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, the Developer owns certain property within City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "**Community Facilities District**").

3. As of the date thereof, the Preliminary Official Statement, solely with respect to information contained therein with respect to the Developer and its development activity within the District, as set forth under the captions "DEVELOPMENT STATUS, PROPERTY VALUES AND OWNERSHIP WITHIN THE DISTRICT—Toll Brothers Development" is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit G to the Purchase Agreement.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Letter of Representations.

TOLL WEST LLC, a Delaware limited liability company

By: _____

Its: _____

EXHIBIT F

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

CERTIFICATE OF LENNAR HOMES OF CALIFORNIA, LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, California 95630

City of Folsom Community Facilities District No. 18
(Folsom Plan Area – Area-Wide Improvements and Services)
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard, Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement to be entered into in connection therewith (the "**Purchase Agreement**"). This Letter of Representations of Lennar Homes of California, LLC (the "**Letter of Representations**") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer of Lennar Homes of California, LLC (the "**Developer**"), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is a limited liability company validly existing and in good standing as a limited liability company under the laws of the State of California and has all requisite right, power and authority: (i) to execute and deliver this Certificate; and (ii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, the Developer owns certain property within City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "**Community Facilities District**").

3. As of the date thereof, the Preliminary Official Statement, solely with respect to information contained therein with respect to the Developer and its development activity within the District, as set forth under the captions "DEVELOPMENT STATUS, PROPERTY VALUES AND OWNERSHIP WITHIN THE DISTRICT—Lennar Homes Development" is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit H to the Purchase Agreement.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Letter of Representations.

LENNAR HOMES OF CALIFORNIA, LLC
a California limited liability company

By:_____
Its:_____

EXHIBIT G

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

CLOSING CERTIFICATE OF TOLL WEST LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA, 95630

City of Folsom Community Facilities District No. 18
(Folsom Plan Area – Area-Wide Improvements and Services)
50 Natoma Street
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement, dated _____, 2024 (the "**Purchase Agreement**"), entered into in connection therewith. This Closing Certificate of Toll West LLC (the "**Closing Certificate**") is delivered by Toll West LLC, a Delaware limited liability company (the "**Developer**") pursuant to the Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Certificate of Toll West LLC (the "**Preliminary Official Statement Certificate**"), dated _____, 2024, delivered by the Developer.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated _____, 2024 relating to the Bonds (the "**Official Statement**"). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. No event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 3 of the Letter of Representations relating to the Developer, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "**End of the Underwriting Period**" as defined in the Purchase Agreement (provided the Developer may assume the End of the Underwriting period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if the undersigned has actual knowledge of any event relating to or affecting the Developer, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer, to cause the information under the sections of the Official Statement indicated in Paragraph 3 of the Preliminary Official Statement Certificate (and subject to the limitations and exclusions contained in Paragraph 3 of the Preliminary Official Statement Certificate) to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the undersigned shall notify the Authority and the Underwriter and if in the opinion of the Underwriter or counsel to the Authority, it is necessary to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The undersigned has executed this Closing Certificate solely in his or her capacity as an officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate.

TOLL WEST LLC
a Delaware limited liability company

By:_____
Its:_____

EXHIBIT H

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18
(FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS
SERIES 2024

CLOSING CERTIFICATE OF LENNAR HOMES OF CALIFORNIA, LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA, 95630

City of Folsom Community Facilities District No. 18
(Folsom Plan Area – Area-Wide Improvements and Services)
50 Natoma Street
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement, dated _____, 2024 (the "**Purchase Agreement**"), entered into in connection therewith. This Closing Certificate of Lennar Homes of California, LLC (the "**Closing Certificate**") is delivered by Lennar Homes of California, LLC, a California limited liability company (the "**Developer**") pursuant to the Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Certificate of Lennar Homes of California, LLC (the "**Preliminary Official Statement Certificate**"), dated _____, 2024, delivered by the Developer.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated _____, 2024 relating to the Bonds (the "**Official Statement**"). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. No event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 3 of the Letter of Representations relating to the Developer, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "**End of the Underwriting Period**" as defined in the Purchase Agreement (provided the Developer may assume the End of the Underwriting period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if the undersigned has actual knowledge of any event relating to or affecting the Developer, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer, to cause the information under the sections of the Official Statement indicated in Paragraph 3 of the Preliminary Official Statement Certificate (and subject to the limitations and exclusions contained in Paragraph 3 of the Preliminary Official Statement Certificate) to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the undersigned shall notify the Authority and the Underwriter and if in the opinion of the Underwriter or counsel to the Authority, it is necessary to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The undersigned has executed this Closing Certificate solely in his or her capacity as an officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate.

LENNAR HOMES OF CALIFORNIA, LLC
a California limited liability company

By:_____
Its:_____

EXHIBIT I

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES) SPECIAL TAX REVENUE BONDS SERIES 2024

CERTIFICATE OF APPRAISER

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, CA, 95630

City of Folsom Community Facilities District No. 18
(Folsom Plan Area – Area-Wide Improvements and Services)
50 Natoma Street,
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard, Suite 200
Sacramento, California 95864

The undersigned hereby states and certifies:

1. That he is an authorized principal of Integra Realty Resources (the "**Appraiser**") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Appraiser has prepared an appraisal report with a date of value of July 29, 2024 (the "**Appraisal Report**"), on behalf of the 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "**Community Facilities District**") and the Folsom Ranch Financing Authority (the "**Authority**") in connection with the Preliminary Official Statement, dated _____, 2024 (the "**Preliminary Official Statement**") and the Official Statement dated _____, 2024 ("**Official Statement**"), for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "**Bonds**").

3. That the Appraiser hereby consents to the reproduction and use of the Appraisal Report appended to the Preliminary Official Statement and the Official Statement. The Appraiser also consents to the references to the Appraiser and the Appraisal made in the Preliminary Official Statement and the Official Statement.

4. In the opinion of the Appraiser the assumptions made in the Appraisal Report are reasonable. Since the date of value of the Appraisal Report, the Appraiser is not aware of any facts that would cause its opinion of value of the taxable property in the Community Facilities District to be lower than the value in the Appraisal.

5. Each of the parcels appraised by the Appraiser is encompassed within the Community Facilities District as set forth in the boundary map of the Community Facilities District.

6. That, as of the date of the Preliminary Official Statement, as of the date of the Official Statement and as of the date hereof, the Appraisal Report appended to the Preliminary Official Statement and the Official Statement, to the best of my knowledge and belief, and subject to all of the hypothetical conditions set forth in the Appraisal Report, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and no events or occurrences have been ascertained by us or have come to our attention that would substantially change the estimated values stated in the Appraisal Report. However, we have not performed any procedures since the date of the Appraisal Report to obtain knowledge of such events or occurrences nor are we obligated to do so in the future.

7. The Community Facilities District, the Authority and the Underwriter, Piper Sandler & Co., are entitled to rely on the Certificate.

Dated: _____, 2024

INTEGRA REALTY RESOURCES

By: _____
Authorized Representative

ATTACHMENT 8

FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS DISTRICT CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of _____, 2024, is executed and delivered by the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) (the "District") relative to the Folsom Ranch Financing Authority (the "Authority") in connection with the issuance by the Authority of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) Special Tax Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement (the "Trust Agreement"), among the District, the Authority and U.S. Bank Trust Company, National Association (the "Trustee"). The District covenants and agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. The Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Annual Report Date" means the date in each year that is nine months after the end of the District's fiscal year, which date, as of the date of this Disclosure Certificate, is April 1.

"Dissemination Agent" shall mean NBS, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA System" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"Financial Obligation" means, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(7), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include Municipal Securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" means any of the events listed in subsection (a) of Section 5 hereof.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" means the Official Statement, dated _____, 2024, relating to the Bonds.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 hereof, not later than the Annual Report Date, commencing with the report for the 2023-24 Fiscal Year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the District's fiscal year changes, it shall, or shall instruct the Dissemination Agent to, give notice of such change in the same manner as for a Listed Event under subsection (e) of Section 5 hereof. The first Annual Report may include the filing of or reference to the Official Statement.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent.

(c) If the Dissemination Agent is other than the District, then not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. If the District is unable to provide the Annual Report to the MSRB by the Annual Report Date, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A to the Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was so provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 3 hereof, the Annual Report shall contain unaudited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. If the District's financial statement is included or consolidated with the financial statement for the City of Folsom (the "City"), then the District shall file the City's audited financial statements as its own.

(b) The following information:

(i) The principal amount of Bonds and any bonds secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of the December 31 next preceding the Annual Report Date along with debt service schedules for the Bonds and any bonds secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of such date;

(ii) The balance in each reserve account for the Series 2024 Local Obligations, and a statement of the Reserve Requirement amount, as of the December 31 next preceding the Annual Report Date;

(iii) The total assessed value of all parcels within the District on which the Special Taxes are levied, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, and a statement of assessed value-to-lien ratios therefor based on special tax and assessment debt, either by individual parcel or by categories (e.g., "below 3:1," "3:1 to 4:1" etc.);

(iv) The Special Tax delinquency rate for the District as of the December 31 next preceding the Annual Report Date; the number of parcels within the District delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the District; provided, however, that parcels with aggregate delinquencies of $1,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category;

(v) The status of foreclosure proceedings and a summary of the results of any foreclosure sales in the District as of the December 31 next preceding the Annual Report Date;

(vi) The identity of any property owner, representing more than 5% of the Special Tax levy, delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date;

(vii) All tentative and final maps approved and/or recorded within the District, describing the gross acres, the planned commercial acres and the number and type of planned residential dwelling units;

(viii) The number of new building permits issued and a description of the purpose of such permits (e.g., new single-family, new multi-family, new commercial, new industrial);

(ix) A land ownership summary listing the top ten Special Taxpayers for the District (excluding any individual homeowner responsible for 5% or less of the Special Tax for the current Fiscal Year), as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date; and

(x) For the current Fiscal Year, the amount of the Maximum Facilities Special Tax, the actual Facilities Special Tax levied within the District and the actual Pledged Special Tax levied within the District, with such amounts reported separately for Developed Property, Single Family Final Map Property, and Permit Ready Multi Family/Non-Residential Property; provided, however, that once all Taxable Property within the District is Developed Property, the Maximum Facilities Special Tax and the actual Facilities Special Tax and the actual Special Tax levied may each be shown on an aggregate basis in the Annual Report. For the purposes of this subparagraph (x), all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Rate and Method for the District.

In addition to any of the information expressly required to be provided under this Section, as set forth above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the security.

(vi) Defeasances.

(vii) Tender offers.

(viii) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ix) Rating changes.

(x) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial Obligation of the District, any of which reflect financial difficulties.

(b) The District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds, if material:

(i) Modifications to rights of Bond holders.

(ii) Bond calls.

(iii) Release, substitution or sale of property securing repayment of the Bonds.

(iv) Non-payment related defaults.

(v) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vi) Appointment of a successor or additional trustee or the change of name of a trustee.

(vii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the District, any of which affect Bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the District shall determine if such event would be material under applicable federal securities laws.

(d) If the District learns of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable federal securities laws, the District shall notify the Dissemination Agent thereof in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (e) of this Section. If in response to a request under subsection (b) of this Section, the District determines that the Listed Event would not be material under applicable Federal securities law, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e) of this Section.

(e) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (ii) of subsection (b) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 3 hereof, Section 4 hereof or subsections (a) and (b) of Section 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial statements or information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be given in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of outstanding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an Event of Default under the

Trust Agreement, and the sole remedy under the Disclosure Certificate in the event of any failure of the District to comply with the Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Trust Agreement. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District has executed this Disclosure Certificate as of the date first above written.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 18 (FOLSOM PLAN AREA – AREA-WIDE IMPROVEMENTS AND SERVICES)

By: _____

ATTACHMENT 9

Folsom Ranch Financing Authority
City of Folsom CFD No. 18
(Folsom Plan Area -- Area-Wide Improvements And Services)
Special Tax Revenue Bonds Series 2024
SB 450 Summary / Government Code 5852.1*

Total Estimated Par Amount	**$28,165,000**
Total Estimated Net Premium or (Net Original Discount)	**$977,213**
Total Estimated Bond Proceeds	**$29,142,213**
A. True Interest Cost (TIC) of the Bonds	**4.81%** [1]
B. Sum of all fees and charges paid to 3rd parties	**$802,774**
Cost of Issuance	500,000 [1]
Underwriter's Discount	302,774 [1]
C. Bond Proceeds Net of Reserves, Capitalized Interest and 3rd Party Fees and Charges	**$26,165,939**
Bond proceeds	29,142,213 [1]
Less Reserve Fund	(2,173,500) [1]
Less Sum of all fees and charges paid to 3rd parties	(802,774) [1]
Less Capitalized Interest	0 [1]
D. Total Payment Amount	**$58,856,944**
Total Principal and Interest to Maturity**	57,712,444 [1]
Fiscal Agent Fee	105,000 [2]
Special Tax Admin. /Continuing Disclosure Fee	780,000 [3]
Arbitrage /Rebate Fee	19,500 [4]
County Collection Charge	240,000 [5]

*Summary reflects good faith estimates as of 8/28/24 and all costs associated with the financing; subject to change based on interest rates, market conditions, and other factors. Estimates do not impose any limitations or constraints upon authorized parameters, which differ from the estimates above

** Less Capitalized Interest, if any

Sources:

[1] Preliminary Cash Flows from Piper Sandler with market rates as of 8/28/24 plus 25 bps

[2] Per U.S. Bank, estimated 30 years at $3,500 per year

[3] Per NBS, estimated 30 years at $26,000 per year

[4] Per NBS, estimated 30 years at $650 per year

[5] Per NBS, estimated 30 years at $8,000 per year

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City of Folsom
Community Facilities District No. 18
(Folsom Plan Area – Area-Wide Improvements and Services)
Special Tax Bonds
SB 450 Summary / Government Code 5852.1*

Total Estimated Par Amount	**$28,165,000**
Total Estimated Net Premium or (Net Original Discount)	**$977,213**
Total Estimated Bond Proceeds	**$29,142,213**
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Less Reserve Fund	(2,173,500) [1]
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*Summary reflects good faith estimates as of 8/28/24 and all costs associated with the financing; subject to change based on interest rates, market conditions, and other factors. Estimates do not impose any limitations or constraints upon authorized parameters, which differ from the estimates above

** Less Capitalized Interest, if any

Sources:

[1] Preliminary Cash Flows from Piper Sandler with market rates as of 8/28/24 plus 25 bps

[2] Per U.S. Bank, estimated 30 years at $2,200 per year

[3] Per NBS, estimated 30 years at $26,000 per year

[4] Per NBS, estimated 30 years at $650 per year

[5] Per NBS, estimated 30 years at $8,000 per year

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE