

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING Tuesday, September 2, 2025

4:00 PM – Special Meeting/Closed Session

**City Hall – David B Roberts Council Chambers
2729 Prospect Park Drive, Rancho Cordova**

5:30 PM – Regular Meeting

**City Hall – David B Roberts Council Chambers
2729 Prospect Park Drive, Rancho Cordova**

**10994 Disk Drive
Rancho Cordova, CA 95670**

How to Observe or Listen to the Meeting:

- Online via Zoom: <https://cityofranhocordova.zoom.us/j/81630466928>
- Webinar ID: 816 3046 6928
- By phone: +1 669 900 6833 or +1 253 215 8782
- Webinar ID: 816 3046 6928

Public Comment

Members of the public who wish to address the City Council may do so in person during the meeting by completing and submitting a Speaker Card to the City Clerk.

Members of the public who wish to provide public comment via email will need to submit comments to CityClerk@cityofranhocordova.org no later than 2:00 p.m. on Tuesday, September 2, 2025. Written comments received no later than 2:00 p.m. will be distributed to the Council, filed in the record, and will not be read aloud. All comments submitted later than 2:00 p.m. will be distributed to the Council.

If you have questions related to the City Council Meeting, please contact the City Clerk's Office at (916) 851-8720 before Tuesday, September 2, 2025, at 2:00 p.m.

AMENDED AGENDA

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri Pulipati

2. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

3. ADJOURN TO CLOSED SESSION

Mayor Pulipati will adjourn the meeting to closed session.

4. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri Pulipati

5. CLOSED SESSION

Council will meet in closed session to discuss the following item:

- 5.1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(Two cases).
- 5.2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(4) (one case): Potential Litigation Related to National Opioid Cases and Settlement (In re: National Prescription Opiate Litigation, U.S.D.C., Northern District of Ohio, MDL No. 2804, Case No. 17-MD-2804).
- 5.3. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(4) (one case): Potential Litigation Related to National Opioid Cases and Settlement (*In re: Purdue Pharma L.P., et al*, United States Bankruptcy Court., Southern District of New York, Case No. 19-23649).
- 5.4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8: Property: 2875 Kilgore Road, Rancho Cordova APN: 072-0490-024-0000. City Negotiators: Micah Runner, City Manager, and Adam U. Lindgren, City Attorney. Under Negotiation: Price and Terms of Payment.

6. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in closed session.

7. ADJOURNMENT OF SPECIAL MEETING

Mayor Pulipati will adjourn the special meeting to the regular meeting in the David B. Roberts Council Chambers.

8. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri Pulipati

9. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

10. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

11. INVOCATION

Walt Little with St. John Vianney Catholic Church will give the invocation.

12. PRESENTATIONS

- 12.1. Introduction of New Employees: Jonathan Lujano, Assistant Civil Engineer by Edgar Medina, Assistant Public Works Director and Miguel Carillo, Maintenance and Operations Technician II by Maria Lopez, Operations & Maintenance Manager.

13. PUBLIC COMMENT

Members of the public wishing to address the Council for any matter not on the agenda may do so at this time by completing and submitting a Speaker Card to the City Clerk.

For items on the agenda, speakers will be called by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any item not on the agenda unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

14. COUNCIL REPORTS

15. CITY MANAGER'S REPORT

16. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

- 16.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of August 4, 2025.
Recommendation: Adopt the minutes.
- 16.2. **Subject:** A Resolution Authorizing the City Manager to Execute a Contract with Habitat for Humanity of Greater Sacramento in an Amount Not to Exceed \$300,000 for Residential Home Repairs from September 2, 2025, through June 30, 2027.
Recommendation: Adopt the Resolution.
- 16.3. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment 24-2024-2 for the Preparation of the General Plan Update and Environmental Impact Report with Ascent Environmental, Inc. to Include Additional Scope Tasks and Increase the Project Budget by \$129,740.

Recommendation: Adopt the Resolution.

- 16.4. **Subject:** A Resolution Authorizing the City Manager to Execute a Contract with Rebuilding Together Sacramento in an Amount not to Exceed \$1,000,000.00 for Residential Home Repairs from September 2, 2025 through June 30, 2027.

Recommendation: Adopt the Resolution.

- 16.5. **Subject:** A Resolution Designating a Voting Delegate and Alternate(s) for the 2025 League of California Cities Annual Conference Held October 8-10, 2025, in Long Beach, California.

Recommendation: Adopt the Resolution.

- 16.6. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 2023-67-2 with Zero Footprint to Increase the Contract Amount from \$190,934 to an Amount not to Exceed \$268,571 for the Purchase and Delivery to Farming Operations of Compost Manufactured from Recycled Organic Materials for Calendar Year 2026 as Required by State Law.

Recommendation: Adopt the Resolution.

- 16.7. **Subject:** A Resolution Accepting a Grant from the State of California Department of Alcoholic Beverage Control (ABC) in the Amount of \$82,000 and Authorizing the City Manager or his Designee to Execute a Grant Agreement.

Recommendation: Adopt the Resolution.

- 16.8. **Subject:** A Resolution Authorizing the City Manager to Execute a Security Agreement with Five Star Bank for the Rancho Cordova Food Locker Community Hub Project.

Recommendation: Adopt the Resolution.

17. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

- 17.1. **Subject:** An Ordinance of the City Council of the City of Rancho Cordova, State of California, Amending Title 23, Article 9 Specific Use Provisions of the City of Rancho Cordova Municipal Code.

Recommendation: Waive the first reading and introduce the Ordinance.

18. PUBLIC HEARING ITEMS

- 18.1. **Subject:** Jackson Properties Warehouse Storage Building - Major Design Review Amendment and Height Exception (CEQA Exempt pursuant to Section 15183: Projects Consistent with a Community Plan or Zoning) - Project NO. PLND-0924-0110.

Recommendation: Determine the project exempt per California Environmental Quality Act (CEQA) Guidelines Exemption 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) and adopt the Resolution for the Jackson Properties Warehouse Storage Building Major Design Review Amendment and Height Exception, PLND-0924-0110, subject to the findings, Project Plans, and Conditions of Approval.

19. REGULAR CALENDAR ITEMS

- 19.1. **Subject:** Mills Crossing Project Discussion.

Recommendation: Receive presentation, provide feedback.

- 19.2. **Subject:** A Resolution Authorizing the Issuance of Special Tax Bonds for and on Behalf of Improvement Area No. 3 of the City of Rancho Cordova The Ranch Community Facilities

District No. 2021-1, Approving and Directing the Execution of a Fiscal Agent Agreement, Approving the Form of Preliminary Official Statement, Approving Sale of Such Bonds, and Approving Other Related Documents and Actions.

Recommendation: Adopt the Resolution.

- 19.3. **Subject:** Presentation of the 2025 Resident Satisfaction Survey Results.

Recommendation: Receive presentation of the results from the 2025 Resident Satisfaction Survey.

20. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

21. ADJOURN TO CLOSED SESSION

Mayor Pulipati will adjourn the meeting to closed session.

22. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri Pulipati

23. CLOSED SESSION

Council will meet in closed session to discuss the following items:

- 23.1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(4) (one case): Potential Litigation Related to National Opioid Cases and Settlement (In re: National Prescription Opiate Litigation, U.S.D.C., Northern District of Ohio, MDL No. 2804, Case No. 17-MD-2804).
- 23.2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(4) (one case): Potential Litigation Related to National Opioid Cases and Settlement (*In re: Purdue Pharma L.P., et al*, United States Bankruptcy Court., Southern District of New York, Case No. 19-23649).
- 23.3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8: Property: 2875 Kilgore Road, Rancho Cordova APN: 072-0490-024-0000. City Negotiators: Micah Runner, City Manager, and Adam U. Lindgren, City Attorney. Under Negotiation: Price and Terms of Payment.

24. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in closed session.

25. ADJOURNMENT

ADDITIONAL INFORMATION

Special Meetings listed below are subject to change/cancellation without further notice.

Unless the Council adopts a motion to extend the meeting, any item that is not initiated before 11:00 p.m. will be continued to the next day at 5:30 p.m. or scheduled on the next regular meeting agenda of the Council.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the

time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

UPCOMING MEETINGS

September 15, 2025	5:30 PM Regular Meeting
September 23, 2025	5:30 PM Special Meeting/Work Session
October 6, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
October 20, 2025	5:30 PM Regular Meeting
October 28, 2025	5:30 PM Special Meeting/Work Session
November 3, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
November 17, 2025	5:30 PM Regular Meeting
November 25, 2025	5:30 PM Special Meeting/Work Session

If you have any technical questions related to the agenda items, please contact City Hall at (916) 851-8700.

The Rancho Cordova City Council meeting will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and Direct TV U-Verse Systems. Closed Captioning will be available on the playback cablecast. A DVD copy is available from the City Clerk's Department and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the September 2, 2025, Regular Meeting of the Rancho Cordova City Council was posted and available for review on August 29, 2025, at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed August 29, 2025, at Rancho Cordova, California.



Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Monday, August 4, 2025

4:00 PM – Special Meeting

**City Hall – David B. Roberts Council Chambers
2729 Prospect Park Drive, Rancho Cordova**

**The Alest Hotel – Lobby
Eugenio Sue #45, Polanco, México City, 11560 México**

5:30 PM – Regular Meeting

**City Hall – David B. Roberts Council Chambers
2729 Prospect Park Drive, Rancho Cordova**

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Pulipati called the Special meeting to order in the David B. Roberts Council Chambers at 4:03 p.m.

Council Members Present: Linda Budge, Garrett Gatewood, David Sander, and Mayor Siri Pulipati

Council Members Absent: Joe Little

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. PUBLIC COMMENT

Mayor Pulipati opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. Larry Ladd

Mayor Pulipati closed the public comment period.

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, August 4, 2025

ATTACHMENT 1

3. SPECIAL MEETING

- 3.1. **Subject:** Discussion and Possible Direction on City Council Appointments to Regional Boards, Commissions and Committees to Enhance Community and Regional Partnerships.

Recommendation: Recommend discussing and providing possible direction on City Council appointments to regional boards, commissions, and committees.

Mayor Pulipati opened the public comment period. Seeing no speakers, Mayor Pulipati closed the public comment period.

ACTION: Motion to approve updates to City Council Appointments to Regional Boards, Commissions and Committees to Enhance Community and Regional Partnerships by Gatewood second by Budge;
Motion passed with a 4:0 vote.

AYES: Budge, Gatewood, Sander, and Pulipati

NOES: None

ABSENT: Little

ABSTAIN: None

4. ADJOURNMENT OF SPECIAL MEETING

Mayor Pulipati adjourned the Special meeting to the Regular meeting at 4:23 p.m.

5. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Mayor Pulipati called the Regular meeting to order in the David B. Roberts Council Chambers at 5:30 p.m.

Council Members Present: Linda Budge, Garrett Gatewood, Joe Little (arrived at 5:36 p.m.), and Mayor Siri Pulipati

Council Members Absent: David Sander

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

6. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

7. PLEDGE OF ALLEGIANCE

Larry Ladd led the pledge.

8. INVOCATION

Daniel DeRosa with Cordova Neighborhood Church gave the invocation.

9. PRESENTATIONS

- 9.1. Employee Milestone Anniversary Presentations

10. PUBLIC COMMENT

Mayor Pulipati opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. Larry Ladd
2. Helen Whelan Bashaw

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, August 4, 2025

ATTACHMENT 1

3. James Garcia
4. Tim Buscher
5. Poojith Kalluru
6. Vipin
7. Laxmikanth
8. Stephanie Mai
9. Pradeep Jampala

Mayor Pulipati closed the public comment period.

11. COUNCIL REPORTS

Council reported on events since the last meeting.

12. CITY MANAGER'S REPORT

City Manager Micah Runner gave his report.

13. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

Mayor Pulipati opened the public comment period. Seeing no speakers, Mayor Pulipati closed the public comment period.

ACTION: Motion to approve item 13.1 through 13.9 by Gatewood second by Budge;
Motion Passed with a 4:0 vote.

AYES: Budge, Gatewood, Little, and Pulipati

NOES: None

ABSENT: Sander

ABSTAIN: None

- 13.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of July 7, 2025.

Recommendation: Adopt the minutes.

- 13.2. **Subject:** Second Reading of an Ordinance of the City Council of the City of Rancho Cordova, State of California Amending Title 16, Chapters 16.82, 16.83, 16.84, 16.85, 16.86, and 16.95 of the City of Rancho Cordova Municipal Code for Affordable Housing Projects.

Recommendation:

Waive the second reading and adopt the Ordinance.

- 13.3. **Subject:** A Resolution Authorizing the City Manager to Approve the Final Map of Arista Del Sol Phase 3A, Subdivision No. FM-25-0058 and Execute Subdivision Improvement Agreement Contract No. 2025-90 with Woodside 05N, LP, a California Limited Partnership.

Recommendation: Adopt the Resolution.

- 13.4. **Subject:** A Resolution Authorizing the City Manager to Approve the Final Map of Arista Del Sol Phase 3B, Subdivision No. FM-25-0059 and Execute Subdivision Improvement Agreement Contract No. 2025-91 with Woodside 05N, LP, a California Limited Partnership.

Recommendation: Adopt the Resolution.

- 13.5. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Change Order No. 2025-4-2 with Martin General Engineering, Inc., to Increase the Contract Amount from \$370,009.16 to an Amount not to Exceed \$447,656.08 for Construction of the HSIP 11 Signals and Grant Line Road Safety Improvements Project

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, August 4, 2025

ATTACHMENT 1

Recommendation: Adopt the Resolution.

- 13.6. **Subject:** A Resolution Approving the Rate and Method of Apportionment of Special Taxes Within Improvement Areas to be Annexed into the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1.

Recommendation: Adopt the Resolution.

- 13.7. **Subject:** A Resolution Amending the 2025 City Council Meeting Schedule.

Recommendation: Adopt the Resolution amending the 2025 City Council Meeting Schedule and cancel the Monday, August 18, 2025, City Council meeting.

- 13.8. **Subject:** A Resolution Rescinding Resolution No. 75-2025 and Authorizing the City Manager to Execute Contract No. 2025-182 with City Net in an Amount not to Exceed \$1,170,000 for Field Outreach Housing Navigation and Transitional Housing Services from July 1, 2025 through June 30, 2027.

Recommendation: Adopt the Resolution.

- 13.9. **Subject:** Treasurer's Report - June 30, 2025.

Recommendation: This report is informational only. It is recommended that the City Council receive and file the June 30, 2025 Treasurer's Report.

14. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

None.

15. PUBLIC HEARING ITEMS

None.

16. REGULAR CALENDAR ITEMS

- 16.1. **Subject:** Update on Illegal Firework Enforcement and Temporary Firework Stands.

Recommendation: No formal recommendation is being made by staff at this time. Staff is seeking input on proposed adjustments to fine structures related to the use of illegal fireworks. Staff is also requesting that the City Council review the current Municipal Code provisions and licensing procedures related to safe and sane fireworks and provide feedback on potential updates to those regulations.

Mayor Pulipati opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. Jamie Burleson
2. Donny Burleson
3. Kevin Sims
4. Dennis Revell
5. Michael Munson
6. Pastors Donny & Jamie Burleson
7. Dennis C. Revell

Mayor Pulipati closed the public comment period.

ACTION: Input was received regarding the Update on Illegal Firework Enforcement and Temporary Firework Stands.

Council Member Little left the meeting at 6:50 p.m.

- 16.2. **Subject:** Presentation on Upcoming Neighborhood Traffic Management Program

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, August 4, 2025

ATTACHMENT 1

Projects, Adopt a Resolution Authorizing the City Manager to Execute Contract No. 2025-92 with Dokken Engineering, Inc. in an Amount not to Exceed \$136,593.00 for On-Call Professional Engineering Services on the Neighborhood Traffic Management Program Ph VII Project, and Adopt a Resolution Authorizing the City Manager to Execute Contract No. 2025-180 with Dokken Engineering, Inc. in an Amount not to Exceed \$377,180.00 for On-Call Professional Engineering Services on the Neighborhood Traffic Management Program Ph VIII Project.

Recommendation: Adopt the Resolution.

Mayor Pulipati opened the public comment period. Seeing no speakers, Mayor Pulipati closed the public comment period.

ACTION: Motion to approve item 16.2. by Budge second by Gatwood;
Motion passed with a 3:0 vote.

AYES: Budge, Gatewood, and Pulipati

NOES: None

ABSENT: Little and Sander

ABSTAIN: None

17. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None.

18. ADJOURN TO CLOSED SESSION

Mayor Pulipati opened the public comment period. Seeing no speakers, Mayor Pulipati closed the public comment period.

Mayor Pulipati adjourned the meeting to closed session at 7:03 p.m.

19. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Mayor Pulipati called closed session to order at 7:04 p.m.

Council Members Present: Linda Budge, Garrett Gatewood, and Mayor Siri Pulipati

Council Members Absent: Joe little and David Sander

Staff Members Present: Adam Lindgren and Micah Runner

20. CLOSED SESSION

Council met in closed session to discuss the following item:

- 20.1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(Three cases).

21. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that staff was given direction and no reportable action was taken in closed session.

22. ADJOURNMENT

Mayor Pulipati adjourned the meeting at 7:24 p.m.

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, August 4, 2025

ATTACHMENT 1

Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 16.2.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Lorianne Carl, Community Engagement Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH HABITAT FOR HUMANITY OF GREATER SACRAMENTO IN AN AMOUNT NOT TO EXCEED \$300,000 FOR RESIDENTIAL HOME REPAIRS FROM SEPTEMBER 2, 2025, THROUGH JUNE 30, 2027**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would allow Habitat for Humanity of Greater Sacramento to continue to provide critical repair, health and safety modifications, and beautification enhancements to qualified residents in Rancho Cordova.

BACKGROUND

Since 2019, the City of Rancho Cordova has contracted with Habitat for Humanity of Greater Sacramento to provide health, safety and beautification repairs and upgrades to qualified residents in Rancho Cordova.

FISCAL IMPACT AND FUNDING SOURCE

The fiscal impact is three hundred thousand dollars (\$300,000) for two years with an allocation of one hundred and fifty thousand dollars (\$150,000) per fiscal year and approved under the Measure R budget for fiscal years 2025/26 and 2026/27.

ATTACHMENT(S)

1. Resolution
2. Contract

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH HABITAT FOR HUMANITIES OF GREATER SACRAMENTO FOR A TERM OF TWO YEARS IN AN AMOUNT NOT TO EXCEED \$300,000.00 (\$150,000 PER YEAR), FOR HEALTH, SAFETY AND BEAUTIFICATION REPAIRS AND UPGRADES FOR RANCHO CORDOVA RESIDENTS

WHEREAS, the parties shall enter into a General Services Agreement (Contract) for a term of two years for health, safety and beautification programs associated with Habitat for Humanity; and

WHEREAS, the Contract shall not exceed three hundred thousand dollars (\$300,000.00), with an allocation of one hundred and fifty thousand dollars (\$150,000.00) per fiscal year of the agreement; and

WHEREAS, these services will exceed the maximum amount the City Manager has authorization to approve; and

WHEREAS, funding for the Contract will be from Measure R in fiscal years 2025/26 and 2026/27.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, to authorize the City Manager to enter into a Contract with Habitat for Humanity of Greater Sacramento in the amount of \$300,000.00 to fund health, safety and beautification repairs and upgrades for qualified Rancho Cordova residents in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Siri Pulipati, Mayor

Stacy Leitner, CMC
City Clerk

**GENERAL SERVICES AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND HABITAT FOR HUMANITY OF GREATER SACRAMENTO
(Contractor)**

THIS AGREEMENT (hereinafter referred to as "Agreement") is made by and between the City of Rancho Cordova, a California municipal corporation, (herein "City") and Habitat for Humanity of Greater Sacramento, (herein "Contractor"), as of September 2, 2025.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in the Scope of Work attached as Exhibit A ("Services") at the time and place and in the manner as specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

Section 2. TERM. The term of this Agreement shall begin on the date first noted above and shall end on June 30th, 2027, unless the term of this Agreement is otherwise terminated as provided for in Section 10. The time provided to Contractor to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 12.

Section 3. CONTRACT ADMINISTRATOR. This Agreement shall be administered by Lorianne Carl ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

Section 4. COMPENSATION OF CONTRACTOR. The Contractor shall be paid at total of three hundred thousand dollars (\$300,000) or one hundred fifty thousand dollars (\$150,000) per year for performance of the Services pursuant to this Agreement. The Contractor shall submit invoices to the Community Engagement Manager on a monthly basis detailing the Services performed. In the event of a conflict between this Agreement and Contractor's Exhibit A regarding the amount of compensation, the Agreement shall prevail. Upon receipt and approval of the Contractor's invoices, the City shall remit payment to the Contractor for Services provided within thirty (30) days. Payment to Contractor shall be considered as full compensation for performing the Services.

City's failure to discover or object to any unsatisfactory work or billing prior to payment will not constitute a waiver of City's right to request Contractor to correct such work or billings or seek any other legal remedy.

Section 5. PERFORMANCE STANDARDS.

A. Contractor shall comply with all applicable laws now in force or which may hereafter be in force with regard to the provision of Services and this Agreement.

B. Contractor represents that it has the skills, expertise, licenses and permits necessary to perform the Services. Contractor shall perform all such Services in the manner and according to the standards observed by a competent practitioner of the same profession in which Contractor is engaged and in accordance with applicable industry standards. Permits and/or licenses shall be obtained and maintained by Contractor without additional compensation throughout the term of this Agreement.

Section 6. STATUS OF CONTRACTOR

- 6.1 INDEPENDENT CONTRACTOR.** At all times during the term of this Agreement, Contractor shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement and assignment of personnel; however, otherwise City shall not have the right to control the means and methods by which Contractor accomplishes services rendered pursuant to this Agreement. Contractor shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Contractor are employees and agents of Contractor and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Contractor by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Contractor shall not allow any employee, agent or subcontractor to become eligible for a claim for PERS benefits.

- 6.2 Contractor Not an Agent.** Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. INSURANCE REQUIREMENTS. Prior to beginning any Service under this Agreement, Contractor, at its own cost and expense, shall procure insurance coverage at such levels of coverage, scope, limits, and/or forms as set forth in Exhibit B ("Insurance Requirements") hereto. Contractor shall provide proof satisfactory to City of such insurance and maintain the insurance throughout the term of this Agreement.

Section 8. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 8.1 General Requirement.** Contractor shall indemnify, defend with counsel selected by the City, and hold harmless City, its officers, agents, employees and representatives from and against any and all claims, losses, liabilities or damages, demands and actions, including payment of reasonable attorney's fees, arising out of or resulting from Services performed pursuant to this Agreement caused in whole or in part by any negligent or willful act or omission of Contractor, its officers, agents, employees, or anyone directly or indirectly acting on behalf of Contractor. The foregoing obligation of Contractor shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Contractor or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is

understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

- 8.2** **PERS Indemnification.** In the event that Contractor or any employee, agent, or subcontractor of Contractor providing Services under this Agreement is determined by a court of competent jurisdiction of the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS as an employee of City, Contractor shall indemnify, defend, and hold harmless City for the payment of any and all employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City, and any attorneys' fees and costs incurred by the City to enforce this Section.

Section 9. NONDISCRIMINATION AND EQUAL OPPORTUNITY. Contractor shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Contractor under this Agreement. Contractor shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Contractor thereby. Contractor shall include the provisions of this section in any subcontract approved by the City.

Section 10. AMENDMENTS. No modification or amendment of this Agreement is effective unless made in writing and signed by both the City and Contractor.

Section 11. ASSIGNMENT AND SUBCONTRACTING. Contractor shall not assign or transfer any interest in this Agreement without the prior written consent of the City.

Section 12. TERMINATION. Either party may terminate this Agreement without cause, upon 30 days written notice to the other party. In the event of termination, Contractor shall be entitled to payment for Services then satisfactorily completed. Contractor shall not be entitled to any claim against City for any additional compensation or damages in the event of such termination.

Section 13. NOTICES. All notices that are regarding this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses:

City: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
ATTN: Lorianne Carl

Contractor: Habitat for Humanity of Greater Sacramento
819 N. 10th Street
Sacramento, CA 95811
ATTN: Cory Stevenson

Section 14. GOVERNING LAW AND VENUE. The laws of the State of California shall govern this Agreement. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Sacramento or in the United States District Court for the Eastern District of California.

Section 15. ATTORNEYS' FEES. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

Section 16. SEVERABILITY. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 17. NO IMPLIED WAIVER OF BREACH. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 18. SURVIVAL. The obligations of this Agreement, which by their nature would continue beyond the term or expiration of the Agreement, including without limitation obligations regarding indemnification shall survive the term or expiration of this Agreement.

Section 19. IRS Form W-9. Contractor shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

Section 20. ENTIRE AGREEMENT. This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, and the insurance requirements attached hereto and incorporated herein as Exhibit B, represents the entire and integrated Agreement between City and Contractor and supersedes all prior negotiations, representations, and Agreements regarding the subject matter of this Agreement, either written or oral.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above, which date shall be considered the effective date of this Agreement.

CITY OF RANCHO CORDOVA

CONTRACTOR

By: _____
Micah Runner, City Manager

By: _____
Leah Miller, Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Adam U. Lindgren, City Attorney

ATTEST:

By: _____
Stacy Leitner, CMC, City Clerk

EXHIBIT A
SCOPE OF WORK

Address: 819 N. 10th Street, Sacramento, CA 95811

Telephone: (916) 440-1215 ext. 1101

Email: CStevenson@habitatgreatersac.org

Contact Person/Title: Cory Stevenson/Grant Compliance Officer

Funding Allocation: \$300,000

Term: September 2, 2025 – June 30, 2027

Services to be Provided:

Provider shall complete between fifteen (15) home repairs per year on qualified low-income, owner-occupied homes in Rancho Cordova through a combination of Critical Repairs, Health and Safety Modifications, and Beautification Enhancements during the term of this Agreement.

Outreach and Applicant Screening

Provider will conduct proactive outreach to increase awareness of the Home Repair Program within the City of Rancho Cordova. This includes public information campaigns, collaboration with community-based organizations, and direct resident engagement. Provider will screen applicants to establish eligibility in accordance with program guidelines.

Project Selection and Execution

With review and approval by the City of Rancho Cordova Community Engagement Division, Habitat For Humanity of Greater Sacramento will identify and prioritize the most critical and impactful projects. Selected projects will be planned and executed using a combination of Habitat for Humanity of Greater Sacramento staff, volunteers, and licensed/certified contractors.

Scope of Repairs and Services

Repairs may include, but are not limited to:

- Replace leaking and structurally unsound roofs and porches
- Correct leaking windows

- Update exterior paint
- Update landscaping
- Updating accessibility designs
- Remediating dry rot
- Additional health and safety focused exterior repairs

Neighborhood Beautification and Curb Appeal Enhancements

In addition to the above services, Provider shall apply a beautification and curb appeal lens to all projects with the goal of improving neighborhood aesthetics, reducing blight, and fostering community pride. These enhancements may include, but are not limited to:

Chain Link Fence Removal

- Identify and prioritize the removal of chain link fencing in front yards or visible street-facing areas.

Tree Stump Removal

- Remove tree stumps from front yards and visible areas that detract from curb appeal or pose safety hazards.
- Restore the area to a clean landscape condition.

Removal of Bars on Windows

- Removal of security-style window bars that negatively impact neighborhood appearance and provide limited entry for emergency services.

Front Yard Beautification

- Support homeowners with front yard improvements aimed at increasing visual appeal, including:
 - Removal of debris, junk, and non-functional structures
 - Installation of drought-tolerant or native landscaping

Use of Funds: Provider shall use the funds as follows:

Year One (September 2, 2025 – June 30, 2026)

\$100,000 Subcontracted services, site services, labor/site supervisor

\$40,000 Building materials

\$10,000 Administrative costs including but not limited to social services and operations labor

\$150,000 Total

Year Two (July 1, 2026 – June 30 2027)

\$100,000 Subcontracted services, site services, labor/site supervisor

\$40,000 Building materials

\$10,000 Administrative costs including but not limited to social services and operations labor

\$150,000 Total

Funds can be used for improvements made to homes within Rancho Cordova throughout the term of this Agreement.

Eligibility:

The services funded through this Agreement must be provided to low or moderate-income, owner-occupied homeowners residing in the City of Rancho Cordova. Structure types include single-family, manufactured, or mobile homes, duplexes, and townhouse units. The Provider shall keep documentation confirming eligibility requirements were met by recipients.

Review:

Pre Project Review: All projects will be reviewed and must receive approval from the Community Engagement Division prior to approving the application. The Community Engagement Division may prioritize specific projects based on community and code standards. The Community Engagement Division reserves the right decline projects determined to be of low critical need.

Post Project Review: The Community Engagement Division will review each completed home for code compliance and community standards. The Community Engagement Division reserves the right to have the contractor revisit and complete projects to be compliant with these standards.

Documentation and Reporting

- Provider shall document all work performed, including before-and-after photographs, descriptions of improvements, and home-owner testimonials when possible.
- Regular progress updates will be shared with the City of Rancho Cordova Community Engagement Division, including data on homes served, services provided, and beautification impacts.
- Monthly progress reports shall include a detailed list of applicants (including approved and declined). Details should include:
 - a. Applicant details (name, address, contract information, application receipt date)

- b. Applicants work request
 - c. Approved work scope
 - d. Approved project status and timeline (including work dates and completion date OR
 - e. Declined reason, date and notification confirmation (all declined applications must receive a declined letter (copy city).
- Final Yearly Report: A final report should be submitted on June 30th, 2026, and June 30th, 2027. The Final Yearly report should include a yearly summary of projects completed, approved and declined participants, and volunteer totals.
A summary for each completed home should include the same details requested in Monthly progress reports as well as:
 - a. A detailed list of completed projects.
 - b. Any scope of work projects that were not completed.
 - c. Before, after and working photos.

Invoicing:

Invoices should specify the type of project and should be submitted on a monthly basis.

All invoices should be provided to the city within thirty (30) days of the completion of the contract.

EXHIBIT B
INSURANCE REQUIREMENTS

Before beginning any work under this Agreement, Contractor, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Contractor shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Contractor's bid. Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Contractor shall maintain all required insurance listed herein for the duration of this Agreement.

1. **Workers' Compensation.** Contractor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Contractor may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Contractor, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within fourteen (14) days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance insurance may be waived by the City upon written verification that Contractor does not have any employees.

2. **Commercial General and Automobile Liability Insurance.**

- 2.1 **General requirements.** Contractor, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general

liability insurance or an automobile liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

2.2 Minimum scope of coverage. Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor; products and completed operations of Contractor; premises owned, occupied, or used by Contractor; and automobiles owned, leased, or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of Contractor to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within

fourteen (14) days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

3. **All Policies Requirements.**

- 3.1 **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.
- 3.2 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- 3.3 **Subcontractors.** Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 3.4 **Deductibles and Self-Insured Retentions.** Contractor shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.
- During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Contractor may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Contractor procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- 3.5 **Waiver of Subrogation.** Contractor hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Contractor, its employees, agents, and subcontractors.
- 3.6 **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Contractor shall provide written notice to City at Contractor's earliest possible

opportunity and in no case later than five (5) days after Contractor is notified of the change in coverage.

4. **Remedies.** In addition to any other remedies City may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Contractor's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Contractor to stop work under this Agreement or withhold any payment that becomes due to Contractor hereunder, or both stop work and withhold any payment, until Contractor demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Form (Rev. September 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.
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Print or type
See Specific instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership ☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ☐ Other (see instructions) ▶	☐ Exempt payee
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number 	OR	Employer identification number
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Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ¹
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ²
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see Special rules for partnerships on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S.

- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders

Domicile is defined as the one place:

- Where you maintain a true, fixed and permanent home
- To which you intend to return whenever you are absent

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the

G Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested.

For more information, contact Withholding Services and Compliance, see General Information H.

The vendor/payee must notify the withholding agent if any of the following situations occur:

- The individual vendor/payee becomes a nonresident.
- The corporation ceases to have a permanent

H Publications, Forms, and Additional Information

You can download, view, and print California tax forms and publications at ftb.ca.gov.

To have publications or forms mailed to you or to get additional nonresident withholding information, contact the Withholding Services and Compliance.

WITHHOLDING SERVICES AND COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867

MEMORANDUM



ITEM 16.3.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Arlene Granadosin-Jones, Planning Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT 2024-24-2 FOR THE PREPARATION OF THE GENERAL PLAN UPDATE AND ENVIRONMENTAL IMPACT REPORT WITH ASCENT ENVIRONMENTAL, INC. TO INCLUDE ADDITIONAL SCOPE TASKS AND INCREASE THE PROJECT BUDGET BY \$129,740**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract Amendment No. 2024-24-2 for the preparation of the General Plan Update and Environmental Impact Report with Ascent Environmental, Inc.

BACKGROUND

The City entered into a Professional Services Agreement (PSA) with Ascent Environmental, Inc. in February 2024 for the preparation of the General Plan Update and related Environmental Impact Report. It was anticipated that the work associated with the update would have a project budget of \$1,956,889. The General Plan Update project started in May 2024 and in the last year new State legislation, project management needs, and coordination with other City efforts has necessitated the need to revise the scope of work and budget.

Several new laws have been enacted since the start of this project related to general plans, including the following two major laws:

- Assembly Bill (AB) 98, signed into law in September 2024, requires local agencies in California to update their circulation element by January 1, 2028, to address truck traffic and truck routes as they relate to residential areas, sensitive receptors, and logistics uses, as defined in the bill. The circulation element update requirements in AB 98 applicable to the City of Rancho Cordova generally require the identification of specific truck routes, appropriate siting of logistics uses to minimize adverse impacts, and community outreach to inform constituents of truck routes and logistics uses. As of April 2025, several "clean-up" bills are currently being considered in the State Legislature that could alter the definitions or requirements in AB 98. If any clean-up bills are signed into

law in 2025, the Ascent team will coordinate with the City to evaluate and discuss any potential adjustments that may be required.

- Assembly Bill (AB) 1889, the “Room to Roam Act,” was signed into law in September 2024. It requires local agencies in California to update their general plan conservation element upon the adoption or next revision of one or more elements on or after January 1, 2028 to address the effect of development on the movement of wildlife and habitat connectivity. The law generally includes identifying and analyzing connectivity areas, existing or planned wildlife passage features, considering the impacts of development to wildlife and habitat connectivity, and identifying opportunities to remediate existing barriers to wildlife connectivity and restore degraded habitat and open space.

To address these new state laws and other project management needs, additional work tasks have been added to the General Plan Update scope of work, which will require an additional project budget of \$129,740. This would increase the overall contract value to \$2,086,629.

FISCAL IMPACT AND FUNDING SOURCE

The City has collected \$1.6 million in General Plan fees through the issuance of permits that will go towards the cost of the General Plan Update. The remaining cost will be funded through the General Fund.

ATTACHMENT(S)

1. Resolution

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 2024-24-2 WITH ASCENT ENVIRONMENTAL, INC. TO INCREASE THE PROJECT BUDGET TO AN AMOUNT NOT TO EXCEED \$2,086,629 FOR PREPARATION OF THE GENERAL PLAN UPDATE AND ENVIRONMENTAL IMPACT REPORT

WHEREAS, the City entered into a Professional Services Agreement (“PSA”) No. 2024-24 dated February 20, 2024, in the amount of \$1,956,889 for the purpose of providing professional services; and

WHEREAS, the City Council is the appropriate authority to hear and take action on this project; and

WHEREAS, new State legislation requirements, additional project management needs, and ongoing coordination with other City efforts has necessitated the need to revise the scope of work and budget for the project.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute Contract Amendment No. 2024-24-2 with Ascent Environmental, Inc. in an amount not to exceed \$2,086,629 and in a form approved by the City Attorney, for preparation of the General Plan Update and associated Environmental Impact Report.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Siri Pulipati, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 16.4.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Lorianne Carl, Community Engagement Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH REBUILDING TOGETHER SACRAMENTO IN AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR RESIDENTIAL HOME REPAIRS FROM SEPTEMBER 2, 2025 THROUGH JUNE 30, 2027**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would allow Rebuilding Together Sacramento to expand their Rebuild Day and Critical Repair programs, benefiting more qualified residents in need of health, safety, and beautification repairs and upgrades.

BACKGROUND

Since 2014, the City of Rancho Cordova has contracted with Rebuilding Together Sacramento to provide health, safety and beautification repairs and upgrades to qualified residents through their Rebuild Day Program. In 2022, the City of Rancho Cordova expanded services with Rebuilding Together Sacramento to include critical repairs for qualified residents in need.

FISCAL IMPACT AND FUNDING SOURCE

The fiscal impact is one million dollars (\$1,000,000) for two years with an allocation of five hundred thousand dollars (\$500,000) per fiscal year and approved under the Measure R budget for fiscal years 2025/26 and 2026/27.

ATTACHMENT(S)

1. Resolution
2. Contract

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH REBUILDING TOGETHER SACRAMENTO FOR A TERM OF TWO YEARS IN AN AMOUNT NOT TO EXCEED \$1,000,000.00 (\$500,000 PER YEAR), FOR HEALTH, SAFETY AND BEAUTIFICATION REPAIRS AND UPGRADES FOR RANCHO CORDOVA RESIDENTS

WHEREAS, the parties shall enter into a General Services Agreement (Contract) for a term of two years for health, safety and beautification projects associated with Rebuilding Together Sacramento's Rebuild Day and Critical Repair Programs; and

WHEREAS, the Contract shall not exceed one million dollars (\$1,000,000.00), with an allocation of five hundred thousand dollars (\$500,000.00) per fiscal year of the agreement; and

WHEREAS, these services will exceed the maximum amount the City Manager has authorization to approve; and

WHEREAS, funding for the Contract will be from Measure R in fiscal years 2025/26 and 2026/27.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, to authorize the City Manager to enter into a Contract with Rebuilding Together Sacramento in the amount of \$1,000,000.00 to fund health, safety and beautification repairs and upgrades for qualified Rancho Cordova residents in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Siri Pulipati, Mayor

Stacy Leitner, CMC
City Clerk

**GENERAL SERVICES AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND REBUILDING TOGETHER SACRAMENTO**

THIS AGREEMENT (hereinafter referred to as "Agreement") is made by and between the City of Rancho Cordova, a California municipal corporation, (herein "City") and Rebuilding Together Sacramento, (herein "Contractor"), as of September 2, 2025.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in the Scope of Work attached as Exhibit A ("Services") at the time and place and in the manner as specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

Section 2. TERM. The term of this Agreement shall begin on the date first noted above and shall end on June 30th, 2027, unless the term of this Agreement is otherwise terminated as provided for in Section 10. The time provided to Contractor to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 12.

Section 3. CONTRACT ADMINISTRATOR. This Agreement shall be administered by Lorianne Carl ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

Section 4. COMPENSATION OF CONTRACTOR. The Contractor shall be paid one million dollars (\$1,000,000) or five hundred thousand dollars (\$500,000) per year for performance of the Services pursuant to this Agreement. The Contractor shall submit invoices to the Community Engagement Manager on a monthly basis detailing the Services performed. In the event of a conflict between this Agreement and Contractor's Exhibit A regarding the amount of compensation, the Agreement shall prevail. Upon receipt and approval of the Contractor's invoices, the City shall remit payment to the Contractor for Services provided within thirty (30) days. Payment to Contractor shall be considered as full compensation for performing the Services.

City's failure to discover or object to any unsatisfactory work or billing prior to payment will not constitute a waiver of City's right to request Contractor to correct such work or billings or seek any other legal remedy.

Section 5. PERFORMANCE STANDARDS.

A. Contractor shall comply with all applicable laws now in force or which may hereafter be in force with regard to the provision of Services and this Agreement.

B. Contractor represents that it has the skills, expertise, licenses and permits necessary to perform the Services. Contractor shall perform all such Services in the manner and according to the standards observed by a competent practitioner of the same profession in which Contractor is engaged and in accordance with applicable industry standards. Permits and/or licenses shall be obtained and maintained by Contractor without additional compensation throughout the term of this Agreement.

Section 6. STATUS OF CONTRACTOR

- 6.1 INDEPENDENT CONTRACTOR.** At all times during the term of this Agreement, Contractor shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement and assignment of personnel; however, otherwise City shall not have the right to control the means and methods by which Contractor accomplishes services rendered pursuant to this Agreement. Contractor shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Contractor are employees and agents of Contractor and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Contractor by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Contractor shall not allow any employee, agent or subcontractor to become eligible for a claim for PERS benefits.

- 6.2 Contractor Not an Agent.** Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. INSURANCE REQUIREMENTS. Prior to beginning any Service under this Agreement, Contractor, at its own cost and expense, shall procure insurance coverage at such levels of coverage, scope, limits, and/or forms as set forth in Exhibit B ("Insurance Requirements") hereto. Contractor shall provide proof satisfactory to City of such insurance and maintain the insurance throughout the term of this Agreement.

Section 8. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 8.1 General Requirement.** Contractor shall indemnify, defend with counsel selected by the City, and hold harmless City, its officers, agents, employees and representatives from and against any and all claims, losses, liabilities or damages, demands and actions, including payment of reasonable attorney's fees, arising out of or resulting from Services performed pursuant to this Agreement caused in whole or in part by any negligent or willful act or omission of Contractor, its officers, agents, employees, or anyone directly or indirectly acting on behalf of Contractor. The foregoing obligation of Contractor shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Contractor or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is

understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

- 8.2** **PERS Indemnification.** In the event that Contractor or any employee, agent, or subcontractor of Contractor providing Services under this Agreement is determined by a court of competent jurisdiction of the California Public Employees Retirement System (“PERS”) to be eligible for enrollment in PERS as an employee of City, Contractor shall indemnify, defend, and hold harmless City for the payment of any and all employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City, and any attorneys’ fees and costs incurred by the City to enforce this Section.

Section 9. NONDISCRIMINATION AND EQUAL OPPORTUNITY. Contractor shall not discriminate, on the basis of a person’s race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Contractor under this Agreement. Contractor shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Contractor thereby. Contractor shall include the provisions of this section in any subcontract approved by the City.

Section 10. AMENDMENTS. No modification or amendment of this Agreement is effective unless made in writing and signed by both the City and Contractor.

Section 11. ASSIGNMENT AND SUBCONTRACTING. Contractor shall not assign or transfer any interest in this Agreement without the prior written consent of the City.

Section 12. TERMINATION. Either party may terminate this Agreement without cause, upon 30 days written notice to the other party. In the event of termination, Contractor shall be entitled to payment for Services then satisfactorily completed. Contractor shall not be entitled to any claim against City for any additional compensation or damages in the event of such termination.

Section 13. NOTICES. All notices that are regarding this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses:

City: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
ATTN: Lorianne Carl

Contractor: Bonnie Patterson, Executive Director
P.O. Box 255584,
Sacramento, CA 95865

Section 14. GOVERNING LAW AND VENUE. The laws of the State of California shall govern this Agreement. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Sacramento or in the United States District Court for the Eastern District of California.

Section 15. ATTORNEYS' FEES. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

Section 16. SEVERABILITY. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 17. NO IMPLIED WAIVER OF BREACH. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

Section 18. SURVIVAL. The obligations of this Agreement, which by their nature would continue beyond the term or expiration of the Agreement, including without limitation obligations regarding indemnification shall survive the term or expiration of this Agreement.

Section 19. IRS Form W-9. Contractor shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

Section 20. ENTIRE AGREEMENT. This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, and the insurance requirements attached hereto and incorporated herein as Exhibit B, represents the entire and integrated Agreement between City and Contractor and supersedes all prior negotiations, representations, and Agreements regarding the subject matter of this Agreement, either written or oral.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above, which date shall be considered the effective date of this Agreement.

CITY OF RANCHO CORDOVA

CONTRACTOR

By: _____
Micah Runner, City Manager

By: _____
Bonnie Patterson, Executive Director

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Adam U. Lindgren, City Attorney

ATTEST:

By: _____
Stacy Leitner, CMC, City Clerk

EXHIBIT A
SCOPE OF WORK

Address: P.O. Box 255584, Sacramento, CA 95865

Telephone: (916) 455-1880 x 102

Email: bpatterson@rebuildingtogethersacramento.org

Contact Person/Title: Bonnie Patterson/Executive Director

Funding Allocation: \$1,000,000

Term: September 2, 2025 – June 30, 2027

Services to be Provided:

Provider shall complete between forty (40) and forty-five (45) unduplicated home repairs per year on qualified low-income, owner-occupied homes in Rancho Cordova through a combination of Critical Repairs, Rebuild/Repair Services, Safety Modifications, and Beautification Enhancements during the term of this Agreement.

Outreach and Applicant Screening

Provider will conduct proactive outreach to increase awareness of the Home Repair Program within the City of Rancho Cordova. This includes public information campaigns, collaboration with community-based organizations, and direct resident engagement. Provider will screen applicants to establish eligibility in accordance with program guidelines.

Project Selection and Execution

With review and approval by the City of Rancho Cordova Community Engagement Division, Rebuilding Together Sacramento will identify and prioritize the most critical and impactful projects. Selected projects will be planned and executed using a combination of Rebuilding Together Sacramento staff, volunteers, and licensed/certified contractors.

Scope of Repairs and Services***Critical Repairs***

Repairs under this category may include, but are not limited to:

- Roof and gutter repair or replacement

- HVAC repair or replacement
- Accessibility upgrades
- Exterior painting and siding repair
- Plumbing repairs
- Electrical repairs

Rebuild/Repair Services

Services under this category may include, but are not limited to:

- Yard cleanup and debris removal
- Tree removal (including dead tree removal and trimming of hazardous limbs)
- Minor fence repairs or replacement
- Interior painting
- Weatherization improvements
- Minor electrical, carpentry, and plumbing services

Safety and Accessibility Modifications

Modifications may include, but are not limited to:

- Installation of grab bars and custom hand railings
- Modified steps and ramps
- Smoke and carbon monoxide detectors
- Shower chairs and other in-home accessibility aids

Neighborhood Beautification and Curb Appeal Enhancements

In addition to the above services, Provider shall apply a beautification and curb appeal lens to Rebuild/Repair projects with the goal of improving neighborhood aesthetics, reducing blight, and fostering community pride. These enhancements may include, but are not limited to:

Chain Link Fence Removal

- Identify and prioritize the removal of chain link fencing in front yards or visible street-facing areas.

Tree Stump Removal

- Remove tree stumps from front yards and visible areas that detract from curb appeal or pose safety hazards.
- Restore the area to a clean landscape condition.

Removal of Bars on Windows

- Removal of security-style window bars that negatively impact neighborhood appearance and provide limited entry for emergency services.

Front Yard Beautification

- Support homeowners with front yard improvements aimed at increasing visual appeal, including:
 - Removal of debris, junk, and non-functional structures
 - Installation of drought-tolerant or native landscaping

Use of Funds: Provider shall use the funds as follows:**Year One (September 2, 2025 – June 30, 2026)**

\$133,350 Compensation

\$315,000 Project Costs

\$51,560 Administrative costs including but not limited to social services and operations labor

\$500,000 Total

Year Two (July 1, 2026 – June 30 2027)

\$133,350 Compensation

\$315,000 Project Costs

\$51.650 Administrative costs including but not limited to social services and operations labor

\$500,000 Total

Funds can be used for improvements made to homes within Rancho Cordova throughout the term of this Agreement.

Eligibility:

The services funded through this Agreement must be provided to low or moderate-income, owner-occupied homeowners residing in the City of Rancho Cordova. Structure types include single-family, manufactured,

or mobile homes, duplexes, and townhouse units. The Provider shall keep documentation confirming eligibility requirements were met by recipients.

Review:

Pre Project Review: All projects will be reviewed and must receive approval from the Community Engagement Division prior to approving the application. The Community Engagement Division may prioritize specific projects based on community and code standards. The Community Engagement Division reserves the right to decline projects determined to be of low critical need.

Post Project Review: The Community Engagement Division will review each completed home. The Community Engagement Division reserves the right to have the contractor revisit and complete projects if program standards are not met.

Documentation and Reporting

- Provider shall document all work performed, including before-and-after photographs, descriptions of improvements, and home-owner testimonials when possible.
- Regular progress updates will be shared with the City of Rancho Cordova Community Engagement Division, including data on homes served, services provided, and beautification impacts.
- Monthly progress reports shall include a detailed list of applicants (including approved and declined). Details should include:
 - a. Applicant details (name, address, contract information, application receipt date)
 - b. Applicants work request
 - c. Approved work scope
 - d. Approved project status and timeline (including work dates and completion date OR
 - e. Declined reason, date and notification confirmation (all declined applications must receive a declined letter (copy city).
- Final Yearly Report: A final report should be submitted on June 30th, 2026, and June 30th, 2027. The Final Yearly report should include a yearly summary of projects completed, approved and declined participants, and volunteer totals.
A summary for each completed home should include the same details requested in Monthly progress reports as well as:
 - a. A detailed list of completed projects.
 - b. Any scope of work projects that were not completed.
 - c. Before, after and working photos.

Invoicing:

Invoices should specify the type of project (Critical Repair or Rebuild/Repair/Safety Modification) and should be submitted separately on a monthly basis.

All invoices should be provided to the city within thirty (30) days of the completion of the contract.

EXHIBIT B
INSURANCE REQUIREMENTS

Before beginning any work under this Agreement, Contractor, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Contractor shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Contractor's bid. Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Contractor shall maintain all required insurance listed herein for the duration of this Agreement.

1. **Workers' Compensation.** Contractor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Contractor may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Contractor, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within fourteen (14) days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance insurance may be waived by the City upon written verification that Contractor does not have any employees.

2. **Commercial General and Automobile Liability Insurance.**

- 2.1 **General requirements.** Contractor, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general

liability insurance or an automobile liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

2.2 Minimum scope of coverage. Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor; products and completed operations of Contractor; premises owned, occupied, or used by Contractor; and automobiles owned, leased, or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of Contractor to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Contractor shall notify City within

fourteen (14) days of notification from Contractor's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

3. **All Policies Requirements.**

- 3.1 **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.
- 3.2 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- 3.3 **Subcontractors.** Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 3.4 **Deductibles and Self-Insured Retentions.** Contractor shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.
- During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Contractor may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Contractor procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- 3.5 **Waiver of Subrogation.** Contractor hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Contractor, its employees, agents, and subcontractors.
- 3.6 **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Contractor shall provide written notice to City at Contractor's earliest possible

opportunity and in no case later than five (5) days after Contractor is notified of the change in coverage.

4. **Remedies.** In addition to any other remedies City may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Contractor's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Contractor to stop work under this Agreement or withhold any payment that becomes due to Contractor hereunder, or both stop work and withhold any payment, until Contractor demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Form (Rev. September 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.
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Print or type
See Specific instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership ☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ☐ Other (see instructions) ▶	☐ Exempt payee
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number 	OR Employer identification number
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Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ¹
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ²
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see Special rules for partnerships on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S.

- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders

Domicile is defined as the one place:

- Where you maintain a true, fixed and permanent home
- To which you intend to return whenever you are absent

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the

G Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested.

For more information, contact Withholding Services and Compliance, see General Information H.

The vendor/payee must notify the withholding agent if any of the following situations occur:

- The individual vendor/payee becomes a nonresident.
- The corporation ceases to have a permanent

H Publications, Forms, and Additional Information

You can download, view, and print California tax forms and publications at ftb.ca.gov.

To have publications or forms mailed to you or to get additional nonresident withholding information, contact the Withholding Services and Compliance.

WITHHOLDING SERVICES AND COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867

MEMORANDUM



ITEM 16.5.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Stacy Leitner, City Clerk
SUBJECT: **A RESOLUTION DESIGNATING A VOTING DELEGATE AND ALTERNATE(S) FOR THE 2025 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE HELD OCTOBER 8-10, 2025, IN LONG BEACH, CALIFORNIA**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would designate Council Member David Sander as Voting Delegate for the 2025 League of California Cities Annual Conference Business Meeting.

BACKGROUND

The 2025 Annual League of California Cities Conference is scheduled for October 8-10, 2025, in Long Beach, California. An important part of the Annual Conference is the General Assembly Business Meeting. At this meeting, the League membership considers and takes action on Resolutions that establish League policy. In order to vote at this meeting, the City Council must designate a voting delegate and up to two alternates. It is requested the City Council take action to designate a voting delegate at this time in order to submit that name to the League by its advised deadline of September 24, 2025, in accordance with the memorandum received from the League of California Cities on July 16, 2025 ([Attachment 2](#)).

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Resolution
2. July 16, 2025 League of California Cities Memorandum

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, DESIGNATING A VOTING DELEGATE AND ALTERNATE(S) FOR THE 2025 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE AND GENERAL ASSEMBLY BUSINESS MEETING

WHEREAS, the 2025 Annual League of California Cities Conference will be held October 8-10, 2025, in Long Beach, California; and

WHEREAS, in order to vote at the Annual General Assembly Business Meeting, the City Council must designate its Voting Delegate and Alternates.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that Council Member David Sander is designated as the City's Voting Delegate for the 2025 Annual League of California Cities Conference and General Assembly Business Meeting.

BE IT FURTHER RESOLVED that the City Clerk will submit a certified copy of this resolution to the Cal Cities office by September 25, 2025.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Siri Pulipati, Mayor

Stacy Leitner, CMC
City Clerk



Council Action Advised by September 24, 2025

DATE: Wednesday, July 16, 2025

TO: Mayors, Council Members, City Clerks, and City Managers

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference and Expo, Oct. 8-10, 2025
Long Beach Convention Center

Every year, the League of California Cities convenes a member-driven General Assembly at the [Cal Cities Annual Conference and Expo](#). The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Oct. 10, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Action by Council Required. Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

Following council action, please submit your city's delegates through [the online submission portal](#) by Wed., Sept. 24. When completing the Voting Delegate submission form, you will be asked to attest that council action was taken. You will need to be signed in to your My Cal Cities account when submitting the form.

Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Conference Registration Required. The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the [Cal Cities](#) website.



For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

Please view Cal Cities' [event and meeting policy](#) in advance of the conference.

Transferring Voting Card to Non-Designated Individuals Not Allowed. The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

Seating Protocol during General Assembly. At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the Long Beach Convention Center in Long Beach, will be open at the following times: Wednesday, Oct. 16, 8:00 a.m.-6:00 p.m. and Thursday, Oct. 17, 7:30 a.m.-4:00 p.m. On Friday, Oct. 18, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for submitting your voting delegate and alternates by Wednesday, Sept. 24. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:

- General Assembly Voting Guidelines
- Information Sheet: Cal Cities Resolutions and the General Assembly

General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.
2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.
6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.
7. **Resolving Disputes.** In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.

How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure Cal Cities represents cities with one voice. These policies directly guide Cal Cities' advocacy to promote local decision-making, and lobby against statewide policies that erode local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how resolutions and the General Assembly work.

Prior to the Annual Conference and Expo

General Resolutions



Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance

to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

Policy Committees



The Cal Cities President assigns general resolutions to policy committees where members

review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

During the Annual Conference and Expo

Petitioned Resolutions



The petitioned resolution is an alternate method to introduce policy proposals during

the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

Resolutions Committee



The Resolutions Committee considers all resolutions. General Resolutions approved¹ by either a policy committee

or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go to the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.²

General Assembly



During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, and policy committee, as well as individuals appointed by the Cal Cities president.

Voting delegates are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates—one from every member city.

Seven **policy committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, and municipal department, as well as individuals appointed by the Cal Cities president.

¹ The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.

² Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI, Sec. 5(f).

MEMORANDUM



ITEM 16.6.

DATE: September 2, 2025

TO: Honorable Mayor and Council Members

FROM: Albert Stricker, Public Works Director
Marc Hill, Management Analyst II

SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 2023-67-2 WITH ZERO FOOTPRINT TO INCREASE THE CONTRACT AMOUNT FROM \$190,934 TO AN AMOUNT NOT TO EXCEED \$268,571 FOR THE PURCHASE AND DELIVERY TO FARMING OPERATIONS OF COMPOST MANUFACTURED FROM RECYCLED ORGANIC MATERIALS FOR CALENDAR YEAR 2026 AS REQUIRED BY STATE LAW**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract Amendment No. 2023-67-2 with Zero Foodprint to allow the contractor to continue to assist the city with the purchase and delivery to farming operations of compost manufactured from recycled organic materials for calendar year 2026 as required by state law.

BACKGROUND

In July 2023, the city entered into a contract (Contract No. 2023-67) with Zero Foodprint to provide compost procurement services required by state law. The city is required by the Short-Lived Climate Pollutants law (SB 1383) to meet annual organic waste product procurement targets based on population each calendar year. This agreement provides for the facilitation of SB 1383-compliant compost purchases by farmers at an incentivized rate to meet those targets.

The city received an SB 1383 Local Assistance Grant in February 2024 that provided funding for organic recovery efforts, including compost procurement in calendar year 2025. Staff arranged for a budget amendment in this grant that redirects funds to procure compost for calendar year 2026, thus deferring an impact to the general fund until at least calendar year 2027. As such, staff are seeking an increase to the contract amount to utilize these grant funds before they expire in April 2026.

FISCAL IMPACT AND FUNDING SOURCE

Funding for the contract will be from the city's SB 1383 local assistance grant and has no impact to the general fund.

ATTACHMENT(S)

1. Resolution
2. Contract Amendment 2023-67-2

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 2023-67-2 WITH ZERO FOOTPRINT TO INCREASE THE CONTRACT AMOUNT FROM \$190,934 TO AN AMOUNT NOT TO EXCEED \$268,571 FOR THE PURCHASE AND DELIVERY TO FARMING OPERATIONS OF COMPOST MANUFACTURED FROM RECYCLED ORGANIC MATERIALS FOR CALENDAR YEAR 2026 AS REQUIRED BY STATE LAW

WHEREAS, organic wastes create methane gas emissions when disposed in landfills, which contributes to climate change; and

WHEREAS, state law requires local governments to divert organic wastes from landfill disposal to reduce methane emissions and mitigate climate change; and

WHEREAS, state law requires local governments to purchase compost annually in order to strengthen the markets and incentivize the development of new and expanded organics processing facilities; and

WHEREAS, Zero Foodprint will assist Rancho Cordova by acting as a liaison between compost producers and farming operations for the purchase and delivery of compost manufactured from recycled feedstock; and

WHEREAS, Zero Foodprint compost procurement services are intended to allow the City to comply with the compost purchasing requirements in State law; and

WHEREAS, the proposed amendment will allow Zero Foodprint to assist the City with compost procurement services for calendar year 2026; and

WHEREAS, those services will exceed the maximum amount the City Manager is authorized to approve; and

WHEREAS, funding for the contract will be from the city's SB 1383 local assistance grant and has no impact to the general fund.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute Contract Amendment No. 2023-67-2 with Zero Foodprint to increase the contract budget from \$190,934 to an amount not to exceed \$268,571 in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ITEM 16.6.

ATTACHMENT 1

ABSENT:

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

Siri Pulipati, Mayor

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF RANCHO CORDOVA AND ZERO FOOTPRINT**

This Second Amendment to the Professional Services Agreement ("Amendment") is made by and between the City of Rancho Cordova ("City") and Zero Foodprint ("Professional") as of September 2, 2025. City and Professional are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties entered into a Professional Services Agreement ("Agreement") dated July 1, 2023; and

WHEREAS, this Amendment will allow Zero Foodprint to continue to assist the City with the purchase and delivery to farming operations of compost manufactured from recycled organic materials for calendar year 2026 as required by State law; and

WHEREAS, the Parties agree that changes to the term and services provided for in the PSA are necessary in order for the City to continue receiving services by Professional.

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT

1. Section 2 of the Agreement, "Compensation," provides for the City to pay Professional a sum not to exceed One Hundred Ninety Thousand, Nine Hundred and Thirty-Four Dollars (\$190,934). The Parties agree to amend Section 2 of the Agreement in order to increase the compensation amount to pay Professional for additional services. The first sentence of Section 2 of the Agreement is amended to read as follows:

"City hereby agrees to pay Professional a sum not to exceed Two Hundred Sixty-Eight Thousand, Five-Hundred and Seventy-One Dollars: (\$268,571), notwithstanding any contrary indication that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement."
2. The document entitled "Scope of Work and Compensation Schedule," attached hereto as Exhibit A, shall replace and supersede the Agreement's Exhibit A.
3. All other terms and conditions in the Agreement shall remain in full force and effect to the extent they are not in conflict with this Amendment.
4. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

CITY OF RANCHO CORDOVA

PROFESSIONAL

Micah Runner, City Manager

Leo Beckerman, Zero Foodprint

Date:_____

Date:_____

Attest:

Stacy Leitner, CMC, City Clerk

Date:_____

Approved as to Form:

Adam U. Lindgren, City Attorney

Date:_____

Exhibit A

Scope of Services and Compensation Schedule

Recovered Organic Waste Procurement

Calendar Year	Procurement Target (tons)	Cost per Ton	Total
2025	3,697	\$21	\$77,637
2026	3,697	\$21	\$77,637

Zero Foodprint will provide the following services for procurement:

- Reporting
- Record Keeping
- Procurement portal
- Individual compost use project records including:
 - Direct Service Provider agreement signed by the farmer
 - Compost invoice
 - Location of compost use
 - Description on compost use

MEMORANDUM



ITEM 16.7.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Matt Tamayo, Chief of Police
SUBJECT: **A RESOLUTION ACCEPTING A GRANT FROM THE STATE OF CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC) IN THE AMOUNT OF \$82,000 AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE A GRANT AGREEMENT**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would allow the Rancho Cordova Police Department to accept a grant from the State of California Department of Alcoholic Beverage Control (ABC) in the amount of \$82,000 and authorize the City Manager or his designee to execute the grant agreement.

BACKGROUND

The Rancho Cordova Police Department submitted a grant application to the California Department of Alcoholic Beverage Control (ABC) and was awarded \$82,000. The project will utilize sworn personnel to conduct training to local businesses, participate in youth alcohol prevention programs, and conduct undercover and enforcement operations on an overtime basis.

Patrols will be used to focus on areas where there is a high concentration of liquor establishments that often contribute to increased crimes such as assaults, thefts, robberies and narcotic violations.

The effectiveness of this program will be measured by a decrease in future calls for service at problem establishments, reduction in minors purchasing alcohol, fewer people cited for purchasing/selling alcohol to minors, and a reduction in DUI arrests/collisions.

The goals and objectives for this funding will focus on the following:

- Continue Minor Decoy/Shoulder Tap/Impact operations.
- Implement general enforcement operations around problem areas.
- Provide training to local business owners and employees.

- Team with community-based organizations on education and preventative programs.
- Educate members of the community to reduce the amount of sales and consumption of alcohol to minors.

Deputy Chad Blair will be assigned as the Project Director.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

ATTACHMENT(S)

1. Resolution
2. Exhibit A to The Resolution

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, ACCEPTING A GRANT FROM THE STATE OF CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC) IN THE AMOUNT OF \$82,000 AND AUTHORIZING CITY MANAGER OR HIS DESIGNEE TO EXECUTE A GRANT AGREEMENT

WHEREAS, the Rancho Cordova Police Department desires to undertake education and enforcement of ABC laws with a focus on general enforcement at on-sale and off-sale problem establishments; and

WHEREAS, this education and enforcement will be funded in part from funds in the amount of \$82,000 made available through the Grant Assistance Program (GAP) administered by the Department of Alcoholic Beverage Control (ABC); and

WHEREAS, Matt Tamayo, Chief of Police of the Rancho Cordova Police Department, is authorized to execute a grant agreement with the California State Department of Alcoholic Beverage Control for the program as described in Exhibit A; and

WHEREAS, any liability arising out of the performance of this contract, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency; and

WHEREAS, grant funds received hereunder shall not be used to supplant expenditures controlled by the City of Rancho Cordova.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager or his designee to accept a grant from the California Department of Alcoholic Beverage Control (ABC) in the amount of \$82,000 and execute a grant agreement with ABC.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

Siri Pulipati, Mayor

ITEM 16.7

Exhibit A to the Resolution

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

25-APP34

PURCHASING AUTHORITY NUMBER (If Applicable)

ABC-2100

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Alcoholic Beverage Control

CONTRACTOR NAME

City of Rancho Cordova through the Rancho Cordova Police Department

2. The term of this Agreement is:

START DATE

July 1, 2025

THROUGH END DATE

June 30, 2026

3. The maximum amount of this Agreement is:

\$ 82,000.00 Eighty two thousand dollars and no cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits		Title	Pages
	Exhibit A	Scope of Work	2
	Exhibit B	Budget Detail and Payment Provisions	3
	Exhibit C *	General Terms and Conditions (GTC 02/2025)	5
+	Exhibit D	Special Terms and Conditions	1
-			

Items shown with an asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>**IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.*

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

City of Rancho Cordova through the Rancho Cordova Police Department

CONTRACTOR BUSINESS ADDRESS

2897 Kilgore Road

CITY

Rancho Cordova

STATE

CA

ZIP

95670

PRINTED NAME OF PERSON SIGNING

Micah Runner

TITLE

City Manager

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS

3927 Lennane Drive, Suite 100

CITY

Sacramento

STATE

CA

ZIP

95834

PRINTED NAME OF PERSON SIGNING

Patty Baker

TITLE

Chief, Business Management Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

EXHIBIT A SCOPE OF WORK

I. SCOPE OF WORK

- Contractor agrees to implement the Department of Alcoholic Beverage Control (ABC), Alcohol Policing Partnership program. This program is intended to work with law enforcement agencies to develop an effective, comprehensive and strategic approach to eliminate the crime and public nuisance problems associated with problem alcoholic beverage outlets.
- Contractor agrees to implement ABC's Minor Decoy, Shoulder Tap Programs and conduct Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) Inspections. These programs target both ABC licensed premises and individuals who furnish alcoholic beverages to the underage operators. The project is targeted to reduce underage drinking and the resultant DUI driving injuries and fatalities, and/or property damages, reduce youth access to alcoholic beverages through the education of licensee(s), enforcement intervention and the impressions of omnipresence of law enforcement. In addition, Contractor agrees to the following goals:
 1. The operation period of the grant is July 1, 2025 through June 30, 2026.
 2. Contractor agrees to raise public awareness that selling, serving and/or furnishing alcoholic beverages to individuals under twenty-one years old is a criminal violation that will be prosecuted by local city and district attorneys.
 3. Minor Decoy operations are designed to educate and deter licensed locations from selling/furnishing alcohol to minors. Contractor agrees to conduct Minor Decoy Operations at both "On-Sale" and "Off-Sale" licensed establishments within the operation period of the grant.
 4. Shoulder Tap operations are used to detect and deter adult furnishers outside of a licensed business. Contractor agrees to conduct Shoulder Tap Operations at "Off-Sale" licensed locations to apprehend adults that are unaffiliated with the licensed businesses and who are purchasing alcohol for minors outside of the stores within the operation period of the grant.
 5. Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) primary goal is to educate licensee's on alcohol related laws to help reduce alcohol-related crime in and around licensed premises. Contractor agrees to conduct visits and inspections of licensed premises identifying areas of non-compliance at "On-Sale" and "Off-Sale" licensed locations within the operation period of the grant.

II. GOALS AND OBJECTIVES

1. Conduct at least four (4) Minor Decoy operations.
2. Conduct at least three (3) Shoulder tap operations, including the Statewide Shoulder tap operation.
3. Conduct at least four (4) IMPACT operations.

4. Conduct at least three (3) General Enforcement operations.
5. Conduct at least two (2) Special Event operations (4th of July and Capital Air Show).
6. Conduct at least three (3) Community Meetings.
7. Conduct at least two (2) Roll Call trainings / Patrol Briefings.
8. Advertise at least one (1) LEAD training.
9. Provide press/social media releases on grant enforcement activities.
 - A. To announce the start of the program;
 - B. At the conclusion of each Minor Decoy Operation has been held (to announce the number of licensed premises who sold to the minor decoy)
 - C. At the conclusion of each Shoulder Tap Operation has been held (to announce the number of adults arrested for purchasing alcoholic beverages for the decoy).
10. Contractor will fax (916) 419-2599 or email each press release to the Department's Public Information Officer (pio@abc.ca.gov) as soon as it is released.
11. Contractor agrees in all press releases, in addition to any credits the agency wishes to give, will include the following statement: "This project is part of the Department of Alcoholic Beverage Control's Alcohol Policing Partnership."

Contractor agrees to complete and submit monthly reports, on a format designed and provided by the Department of Alcoholic Beverage Control due no later than 15th of the following month.

III. PROJECT REPRESENTATIVES

The project representatives during the term of this agreement will be:

Rancho Cordova Police Department
 Chad Blair, Deputy Sheriff
 2897 Kilgore Road
 Rancho Cordova, CA 95670
 (916) 952-9356
cblair@sacsheriff.com

Department of Alcoholic Beverage Control
 Aaron Perry, Supervising Agent in Charge
 3927 Lennane Drive, Suite 100
 Sacramento, CA 95834
 (916) 419-5169
aaron.perry@abc.ca.gov

Direct all fiscal inquiries to:

Rancho Cordova Police Department
 Glirea Bell, Budget Coordinator
 2897 Kilgore Road
 Rancho Cordova, CA 95670
 (916) 875-9605
gbell@sacsheriff.com

Department of Alcoholic Beverage Control
 Kristine Okino, Grant Coordinator
 3927 Lennane Drive, Suite 100
 Sacramento, CA 95834
Kristine.okino@abc.ca.gov

EXHIBIT B BUDGET DETAIL AND PAYMENT PROVISIONS

I. INVOICING AND PAYMENT

- For services satisfactorily rendered and upon receipt and approval of the invoice, the Department of Alcoholic Beverage Control agrees to pay a monthly payment of approved reimbursable costs per the Budget Detail of personnel overtime and benefits (actual cost) and/or allowable costs.
- Invoices shall clearly reference this contract number (25-APP34) and must not exceed the contract total authorized amount of \$82,000.00. Invoices are to be submitted by the 15th of every month, on the prescribed form designed by the Department of Alcoholic Beverage Control.

Submit to: Department of Alcoholic Beverage Control
 Attn: Kristine Okino, Grant Coordinator
 3927 Lennane Drive
 Sacramento, California 95834

- Payment shall be made in arrears within 30 days from the receipt of an undisputed invoice. Nothing contained herein shall prohibit advance payments as authorized by Item 2100-101-3036, Budget Act, Statutes of 2025.
- Contractor understands in order to be eligible for reimbursement; cost must be incurred on or after the effective date of the project, July 1, 2025 and on or before the project termination date, June 30, 2026.
- Revisions to the "Scope of Work" and the "Budget Detail" may be requested by a change request letter submitted by the Contractor. If approved, the revised Grant Scope of Work and/or Budget Detail supersedes and replaces the previous grant and will initiate an amendment. No revisions can exceed allotted amount as shown on the Budget Detail. The total amount of the grant must remain unchanged.
- Contractor agrees to refund to the State any amounts claimed for reimbursement and paid to Contractor which are later disallowed by the State after audit or inspection of records maintained by the Contractor.
- Only the costs displayed in the Budget Detail are authorized for reimbursement by the State to Contractor under this agreement. Any other costs incurred by Contractor in the performance of this agreement are the sole responsibility of Contractor.
- Title shall be reserved to the State for any State-furnished or State-financed property authorized by the State which is not fully consumed in the performance of this agreement. Contractor is responsible for the care, maintenance, repair, and protection of any such property. Inventory records shall be maintained by Contractor and submitted to the State upon request. All such property shall be returned to the State upon the expiration of this grant unless the State otherwise directs.
- Prior approval by the State in writing is required for the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop or conference, and over any reimbursable publicity or educational materials to be made available for distribution. Contractor is required to acknowledge the support of the State whenever publicizing the work under this grant in any media.

ITEM 16.7.

II. BUDGET DETAIL

COST CATEGORY	TOTAL COST
A. Personnel Services	
<u>Overtime</u>	
Sergeant (\$129.83/hourly)	\$9,348.00
Deputy (\$111.98/hourly)	\$8,063.00
Deputies (\$109.69/hourly)	\$23,693.00
Deputies (\$100.55/hourly)	\$28,958
Benefits –	\$5,360.00
TOTAL Personnel	\$43,464.00
B. Operating Expenses (receipts required)	
Buy Money	\$1,108.00
TOTAL Operating	\$1,108.00
C. Equipment (receipts required, must be purchased by 12/31)	
Airpods	\$1,520.00
MSP Holster	\$450.00
Binoculars	\$500.00
TOTAL Equipment	\$2,470.00
D. Travel Costs	
Registration, lodging, per diem	\$3,000.00
TOTAL Travel	\$3,000.00
GRANT TOTAL	\$82,000.00

III. BUDGET CONTINGENCY CLAUSE

- It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

IV. PROMPT PAYMENT CLAUSE

- Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

General Terms and Conditions (GTC 02/2025)

EXHIBIT C

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
 - a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
 - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
 - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
 - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
- a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
 - b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)
21. GENERATIVE AI DISCLOSURE OBLIGATIONS:
- a. The following terms are in addition to the defined terms and shall apply to the Contract:
 - 1) "Generative AI (GenAI)" means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)
 - b. Contractor shall immediately notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term "materially impacts" shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.
 - c. Notification shall be provided to the State designee identified in this Contract.
 - d. At the direction of the State, Contractor shall discontinue the provision to the State of any previously unreported GenAI that results in a material impact to the functionality of the System, risk to the State, or Contract performance, as determined by the State.
 - e. If the use of previously undisclosed GenAI is approved by the State, then Contractor will update the Deliverable description, and the Parties will amend the Contract accordingly, which may include incorporating the GenAI Special Provisions into the Contract, at no additional cost to the State.
 - f. The State, at its sole discretion, may consider Contractor's failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of Contract when such failure results in a material impact to the functionality of the System, risk to the State, or Contract performance. The State is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the contract.

**EXHIBIT D
SPECIAL TERMS AND CONDITIONS**

1. **Disputes:** Any disputes concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Director, Department of Alcoholic Beverage Control, or designee, who shall reduce his decision in writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Department shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the State a written appeal addressed to the Director of the Department of Alcoholic Beverage Control. The decision of the Director of Alcoholic Beverage Control or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the State.
2. **Cancellation/Termination:** This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements. No penalty shall accrue to either party because of contract termination.
3. **Contract Validity:** This contract is valid and enforceable only if adequate funds are appropriated in Item 2100-101-3036, Budget Act of 2025, for the purposes of this program.
4. **Contractor Certifications:** By signing this agreement, Contractor certifies compliance with the provisions of CCC 04/2017, Standard Contractor Certification Clauses. This document may be viewed at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>
5. If the State determines that the grant project is not achieving its goals and objectives on schedule, funding may be reduced by the State to reflect this lower level of project activity and/or cancel the agreement.

MEMORANDUM



ITEM 16.8.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Kim Juran, Administrative Services Director
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SECURITY AGREEMENT WITH FIVE STAR BANK FOR THE RANCHO CORDOVA FOOD LOCKER COMMUNITY HUB PROJECT**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute the Security Agreement with Five Star Bank and the Rancho Cordova Food Locker to secure the loan agreement for the Rancho Cordova Food Locker Community Hub Project in an amount not to exceed \$2,400,000.

BACKGROUND

At the City Council meeting on July 7, 2025, Council approved the financial support to the Rancho Cordova Food Locker (RCFL) in an amount of \$1,100,000. The funding is allocated and spread over the next five years to provide additional operating support for RCFL while they focus their fundraising efforts and donor contributions towards the construction of the Community Food Hub project.

RCFL purchased a vacant 6,600 square foot facility in 2024 that would allow for growth and expansion of services. This project will transform the site from the currently run-down, vacant building into the region's first Community Food Hub, an innovative reimagining of the traditional food pantry. At the heart of this transformation is a grocery store-style shopping experience that will empower individuals and families facing food insecurity to choose foods that meet their unique dietary, cultural, and health needs - replacing pre-packed food boxes with dignity, autonomy, and access. This project started in the summer of 2025 with plans to be open to the public by mid 2026.

RCFL is seeking a loan with Five Star Bank to support the construction of the Community Hub under the City's Responsible Investment for a Stronger Economy (RISE) program. The RISE program was established to help support Rancho Cordova small and medium-sized businesses and non-profit entities through the deposit of funds that would help serve as collateral for loans. Five Star Bank has requested the City to confirm and grant a security interest to Five Star with current deposits on hold for the RISE program for the specific RCFL loan in an amount of

\$2,400,000. The City currently has in excess of \$10,000,000 on deposit with Five Star Bank for the RISE program. Five Star Bank will continue to utilize the remainder of the City's deposit for the RISE program.

FISCAL IMPACT AND FUNDING SOURCE

On July 7, 2025, the City Council approved a total financial contribution of \$1,100,000 for the Rancho Cordova Food Locker and this was budgeted for in the Fiscal Year 2025-27 budget. The funding source for this financial support will come from the Community Enhancement and Investment Fund Measure R Legacy Project allocation. The security agreement with Five Star Bank creates a security interest of \$2,400,000 with funds currently on deposit as part of the RISE program. The \$2,400,000 set aside for the Rancho Cordova Food Locker loan collateral will continue to earn the same interest rate as the remainder of the city's investments with Five Star Bank, which is currently 4.25%.

ATTACHMENT(S)

1. Resolution
2. Security Agreement between Five Star Bank, Rancho Cordova & RCFL

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A SECURITY AGREEMENT WITH FIVE STAR BANK AND THE RANCHO CORDOVA FOOD LOCKER TO SECURE THE LOAN AGREEMENT FOR THE RANCHO CORDOVA FOOD LOCKER COMMUNITY HUB PROJECT IN AN AMOUNT NOT TO EXCEED \$2,400,000.

WHEREAS, the Rancho Cordova Food Locker is seeking to enter into a loan agreement with Five Star Bank to support the Community Hub Project under the City's Responsible Investment for a Stronger Economy (RISE) program; and

WHEREAS, Five Star Bank and the City of Rancho Cordova entered into a banking relationship in 2018 with City Council approval to establish a partnership to help support Rancho Cordova small and medium-sized businesses and non-profit entities through the deposit of funds that would help serve as collateral for loans that would be difficult for some of these entities to obtain on their own as part of the City's RISE program; and

WHEREAS, the City of Rancho Cordova has an estimated \$10,000,000 on deposit with Five Star Bank for the RISE program in an interest-bearing account; and

WHEREAS, the City of Rancho Cordova agrees to utilize a portion of the RISE funding on deposit with Five Star Bank in an amount of \$2,400,000 to secure a loan for Rancho Cordova Food Locker to support their Community Hub project to serve families in need in the Rancho Cordova community; and

WHEREAS, the City of Rancho Cordova agrees to maintain a minimum balance on deposit with Five Star Bank that is equivalent to the outstanding amount of the the loan until the loan is paid in full, or until July 29, 2035, whichever occurs sooner.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute a Securty Agreement with Five Star Bank to secure the loan agreement for the Rancho Cordova Food Locker Community Hub Project in an amount not to exceed \$2,400,000.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Siri Pulipati, Mayor

ITEM 16.8.

ATTACHMENT 1

ATTEST:

Stacy Leitner, CMC
City Clerk

**SECURITY AGREEMENT OF THE CITY OF RANCHO CORDOVA TO SECURE A LOAN
BETWEEN RANCHO CORDOVA FOOD LOCKER AND FIVE STAR BANK**

THIS SECURITY AGREEMENT ("Agreement") is made and entered into as of August __, 2025, by and among the City of Rancho Cordova ("Grantor"), Five Star Bank ("Lender"), and Rancho Cordova Food Locker, a California nonprofit public benefit corporation ("Borrower")(collectively, the "parties"). This Agreement is intended to confirm Grantor's intent to grant a security interest to Lender in funds currently on deposit with Lender to secure a loan for Borrower in the original principal amount of Two Million Four Hundred Thousand Dollars and no/Cents (\$2,400,000.00) (the "Loan").

WHEREAS, Grantor recognizes that access to capital for business and community non-profit start-up and expansion is an important element of robust community and economic development in the City; and

WHEREAS, Grantor entered into a banking relationship with Lender in 2018 with City Council approval to establish a partnership to help support Rancho Cordova small and medium-sized businesses and non-profit entities through the deposit of funds that would help serve as collateral for loans that would be difficult for some of these entities to obtain on their own; and

WHEREAS, Grantor currently has an estimated Ten Million Dollars and no/Cents (\$10,000,000.00) on deposit with Lender in an interest-bearing account to fulfill this intended purpose; and

WHEREAS, Grantor has indicated its support to use a portion of these funds as security for the Loan as it embarks on the construction of a new Community Food Hub to better serve families in need in the Rancho Cordova community; and

WHEREAS, Grantor hereby agrees to maintain a minimum balance on deposit with Lender that is equivalent to the outstanding amount of the Loan until the Loan is paid in full, or until July 29, 2035, whichever occurs sooner.

NOW, THEREFORE, for valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **PLEDGE OF COLLATERAL.** Grantor hereby pledges, assigns and grants Lender a security interest in Two Million Four Hundred Thousand Dollars and no/Cents (\$2,400,000.00) (the "Secured Amount") of the funds held in Grantor's account _____ or any subsequent account with Lender as may be authorized or required by Lender in its sole and absolute discretion (the "Account" or the "Collateral") for the purpose of securing each and every obligation under the Loan contained or expressed in any note, deed of trust, or any other contractual agreement(s) between Lender and Borrower. Notwithstanding the foregoing,

provided there exists no default under the Loan, the Secured Amount may be reduced to the then current outstanding principal balance of the Loan. Grantor agrees to execute such documents upon Lender's demand to further evidence Lender's security interest in the Secured Amount and agrees Lender may file such Uniform Commercial Code filings as Lender deems necessary to evidence its security interest in the Secured Amount.

2. **DEFAULT.** It is expressly agreed that any time the Loan is in default under any note, deed of trust, or any other contractual agreement between Lender and Borrower relating to the Loan, Lender shall have the absolute right to use up to Two Million Four Hundred Thousand Dollars and no/Cents (\$2,400,000.00) of the funds held in the Account to cure any such defaults. However, Lender shall give Grantor ten (10) days written notice prior to exercising the right(s) granted in this paragraph. If all default(s) described in the notice are not cured within ten (10) days after the notice is sent by the Lender, any officer, employee, or agent of Lender is expressly authorized to execute a withdrawal request against the Account and apply the proceeds thereof (whether to principal, interest, taxes, assessments, insurance, repairs, fees, etc. in whatever order or combination the Lender in its sole discretion deems appropriate) to remedy such default(s), and to repeat such process from time to time so long as funds remain in the Account. In addition, if the funds in the Account falls below the outstanding principal balance of the Loan, then Lender shall have the right to immediately withdraw all funds in the Account and apply the same to the outstanding principal and interest of the Loan in whatever order or combination the Lender in its sole discretion deems appropriate.

3. **GRANTOR'S REPRESENTATIONS AND WARRANTIES.** Grantor warrants that: (A) this Agreement is executed at Borrower's request and not at the request of Lender; (B) Grantor has the full right, power and authority to enter into this Agreement and to pledge the Collateral to Lender; (C) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; (D) Lender has made no representation to Grantor about Borrower or Borrower's creditworthiness; (E) it shall maintain in the Account an amount equal to the Secured Amount; and (F) it shall not pledge or grant any other security interest in the funds held in the Account.

4. **GRANTOR'S WAIVERS.** Except as prohibited by applicable law, Grantor waives any right to require Lender to (A) make any presentment, protest, demand, or notice of any kind, including notice of change of any terms of repayment of any and all obligations owed to Lender by Borrower (the "Indebtedness"), default by Borrower or any other guarantor or surety, any action or nonaction taken by Borrower, Lender, or any other guarantor or surety of Borrower, or the creation of new or additional Indebtedness; (B) proceed against any person, including Borrower, before proceeding against Grantor; (C) proceed against any collateral for the Indebtedness, including Borrower's collateral, before proceeding against Grantor; (D) apply any

payments or proceeds received against the Indebtedness in any order; (E) give notice of the terms, time, and place of any sale of any collateral pursuant to the Uniform Commercial Code or any other law governing such sale; (F) disclose any information about the Indebtedness, the Borrower, any collateral, or any other guarantor or surety, or about any action or nonaction of Lender; or (G) pursue any remedy or course of action in Lender's power whatsoever.

Grantor also waives any and all rights or defenses arising by reason of (A) any disability or other defense of Borrower, any other guarantor or surety or any other person; (B) the cessation from any cause whatsoever, other than payment in full, of the Indebtedness; (C) the application of proceeds of the Indebtedness by Borrower for purposes other than the purposes understood and intended by Grantor and Lender; (D) any act of omission or commission by Lender which directly or indirectly results in or contributes to the discharge of Borrower or any other guarantor or surety, or the Indebtedness, or the loss or release of any collateral by operation of law or otherwise; (E) any statute of limitations in any action under this Agreement or on the Indebtedness; or (F) any modification or change in terms of the Indebtedness, whatsoever, including without limitation, the renewal, extension, acceleration, or other change in the time payment of the Indebtedness is due and any change in the interest rate.

Grantor waives all rights and defenses arising out of an election of remedies by Lender even though that election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Grantor's rights of subrogation and reimbursement against Borrower by operation of Section 580d of the California Code of Civil Procedure or otherwise.

Grantor waives all rights and defenses that Grantor may have because Borrower's obligation is secured by real property. This means among other things: (1) Lender may collect from Grantor without first foreclosing on any real property collateral pledged by Borrower; and (2) if Lender forecloses on any real property collateral pledged by the Borrower: (A) the amount of the Borrower's obligation may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price and (B) the Lender may collect from the Grantor even if the Lender, by foreclosing on the real property collateral, has destroyed any right the Grantor may have to collect from the Borrower. This is an unconditional and irrevocable waiver of any rights and defenses the Grantor may have because the Borrower's obligation is secured by real property. These rights and defenses include, but are not limited to, any rights and defenses based upon Sections 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Grantor understands and agrees that the foregoing waivers are unconditional and irrevocable waivers of substantive rights and defenses to which Grantor might otherwise be entitled under state and federal law. The rights and defenses waived include, without limitation, those provided

by California laws of suretyship and guaranty, anti-deficiency laws, and the Uniform Commercial Code. Grantor further understands and agrees that this Agreement is a separate and independent contract between Grantor and Lender, given for full and ample consideration, and is enforceable on its own terms. Grantor acknowledges that Grantor has provided these waivers of rights and defenses with the intention that they be fully relied upon by Lender. Until all Indebtedness is paid in full, Grantor waives any right to enforce any remedy Grantor may have against Borrower or any other guarantor, surety, or other person, and further, Grantor waives any right to participate in any collateral for the Indebtedness now or hereafter held by Lender.

5. **MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

(a) **Amendments.** This Agreement, together with any documents related to this Loan, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) **Attorneys' Fees; Expenses.** Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

(c) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

(d) **Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

(e) **Choice of Venue.** If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Sacramento County, State of California.

(f) **No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay

or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

(g) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

(h) **Successors and Assigns.** Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

[SIGNATURES ON THE NEXT PAGE]

ITEM 16.8.

ATTACHMENT 2

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GRANTOR:

City of Rancho Cordova

By: _____

Name: Micah Runner

Title: City Manager

BORROWER:

Rancho Cordova Food Locker,

A California nonprofit public benefit corporation

By: _____

Name: Carrie Johnson

Title: Chief Executive Officer

By: _____

Name: Christine Wajda

Title: Secretary

LENDER:

Five Star Bank

By: _____

Name: _____

Title: _____

MEMORANDUM



ITEM 17.1.

DATE: September 2, 2025

TO: Honorable Mayor and Council Members

FROM: Nick Sosa, Senior Planner

SUBJECT: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA AMENDING TITLE 23, ARTICLE 9 SPECIFIC USE PROVISIONS OF THE CITY OF RANCHO CORDOVA MUNICIPAL CODE**

RECOMMENDATION

Waive the first reading and introduce the Ordinance.

RESULT OF RECOMMENDED ACTION

The City Council will introduce the Ordinance and waive the first reading. The Ordinance will then be scheduled for a second reading and adoption at a subsequent City Council meeting. Approval of the Ordinance would amend Title 23 Zoning Code, Article 9 Specific Use Provisions, Section 23.910.040 Mobile Food Vendors.

BACKGROUND

In July 2024, staff was directed by City Council to review the City's mobile food vendor regulations to update regulations to provide additional flexibility and opportunities for vendors within the City. After research and outreach was completed, staff presented to City Council for discussion in September of 2024, and presented draft code amendments to the Planning Commission in June of 2025 in search of any additional feedback prior to bringing these amendments forward for formal approval.

The final draft of the amendments were then presented to the Planning Commission on July 23rd and were recommended for approval to the City Council, with a requested modification. The amendments presented to the Commission were consistent with the current code regulations in that mobile food vendors are not permitted to be within the public right-of-way. However, the item received public comment from the Cordova Recreation and Park District (CRPD) requesting the allowance of mobile food vendors within public rights-of-way directly adjacent to parks. The comment states that these types of vendors often encourage community gathering and can provide valuable activation, especially in areas with limited access to brick-and-mortar storefronts. The Commission agreed and in turn requested and the amendments have be modified to include the following language in Section 23.910.040(C)(6)(C).

- a. Mobile food vendors parked within the public right-of-way directly adjacent to parks are allowed. However, they must maintain all paths of travel, be parked legally within the public right-of-way and be in compliance with City Safety, access, and operational*

standards.

This change is reflected in the proposed amendments shown in both the zoning text redlines (Attachment 3) and clean version (Attachment 2).

There were also concerns with the cost of fees required to operate a Mobile Food Truck within the City. Currently, a mobile food vendor is required to obtain a Special Business License which is a fee of \$318 and an annual renewal of \$286. Although a fee analysis was not included as part of the research for the proposed code amendments, Staff will continue to work with both the Rancho Cordova Police Department and the finance department on opportunities to reduce these fees for these types of vendors.

ANALYSIS

Section 23.910.040 Mobile Food Vendor Ordinance Update

After receiving the feedback of the Council and the Community, as well as reviewing regulations of neighboring jurisdictions, Staff has drafted proposed modifications to the Mobile Food Vendor section of the Code to address concerns as much as possible. Changes include a mixture of added flexibility but also some added restrictions. Highlights of these proposed modifications are as follows:

New Allowances

- Time limitations have been extended from 2 hours to now 4 hours.
- Vendors, included as part of an event, are not limited to 4 hours and can match the hours of the event.
- New Temporary Structure allowances:
 - Two A-Frame Signs are allowed per vendor.
 - Tables and chairs no longer required to obtain a TUP.
 - Shade canopies are also allowed for customers in combination with tables and chairs.
- Mobile food vendors are now allowed within the public right-of-way when directly adjacent to parks.

New Restrictions

- All vendors and temporary structures must maintain on-site circulation, adequate paths of travel, clear vision triangles, and a clean area.
- Mobile Food Vendors are only allowed in non-residential areas unless part of a special event permit.
- Are not allowed within the immediate vicinity of an event during the time of that event unless the vendor was included as part of the event permit.
- Are not allowed within the immediate vicinity of a farmers market unless included as part of the Farmer's Market permit.
- Are not allowed within the public right of way.
- TUP required if more than one vendor on any given parcel.

- When applying for a business license, Applicant must include a copy of their EMD Application and Approval.

There was also interest in Food Truck Events within the City. Other jurisdictions have developed re-occurring special events for food trucks to gather in a single location. These events typically involve multiple food trucks and may take place monthly, weekly, or daily. These are typically not managed by the City but may be encouraged through more flexible Code requirements and a permitting process that may permit re-occurring events for an extended period of time. So in an effort to allow additional flexibility for these types of events, the following allowance has also been added as a modification to the code.

- Food Truck Events may apply for a TUP for up to 3 days a week for one year or may apply for an Administrative Use Permit to extend beyond a year.

Attachment 3 includes all draft amendments, shown in track changes. Draft amendments are shown with track changes with new draft language underlined and language proposed for removal with strikethroughs. Only those sections with proposed changes are included in the attached documents as excerpts from the Rancho Cordova Zoning Code. As a note, Attachment 2 includes all the amendments in a non-track change format. This is provided as an exhibit to the Ordinance.

ENVIRONMENTAL ANALYSIS

CEQA requires analysis of agency approvals of discretionary “projects.” A “project,” under CEQA, is defined as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” (CEQA Guidelines, § 15378.) As reflected in State CEQA Guideline 15061 (b) (3), an activity is not subject to CEQA, “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment...”. The proposed amendments are not a “project” within the meaning of CEQA because the amendments seek to further regulate or clarify uses that are already present in the City or provide consistency with State law and no significant expansion of these activities can reasonably be anticipated to occur. Because no expansion of uses or activities is reasonably anticipated, no possibility exists that the ordinance will result in a significant effect on the environment. Thus, the proposed ordinance is not subject to the requirements of CEQA. However, in the event that adoption of the ordinance is considered a CEQA project, it would nonetheless qualify for categorical exemptions as set forth below.

CEQA Guidelines Section 15061(b)(3) states that a project is exempt from CEQA “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” The approval of the code amendments set forth in the proposed ordinance does not approve any physical development and it would not result in direct or indirect physical changes in the environment. Any specific development projects that may result from these changes will be subject to environmental review. The proposed amendments are consistent with the City’s General Plan. For these reasons, the proposed amendments would not have the potential to result in individually or cumulatively significant effects on the environment and these Zoning Code amendments are exempt from review under CEQA and no further environmental review is necessary.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact.

RECOMMENDED MOTIONS

Waive the first reading and introduce the Ordinance.

ATTACHMENT(S)

1. Ordinance
2. Exhibit A to the Draft Ordinance
3. Track Changes

CITY OF RANCHO CORDOVA

ORDINANCE NO. XX-2025

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA AMENDING TITLE 23, ARTICLE 9 SPECIFIC USE PROVISIONS
OF THE CITY OF RANCHO CORDOVA MUNICIPAL CODE**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:**Section 1. Purpose and Declarations.**

WHEREAS, the City conducts periodic updates of the provisions of the Rancho Cordova Municipal Code (RCMC) to ensure compliance with current laws, changes in local policy, consistency with adopted plans and programs, clarify ambiguities, address changing market conditions, reflect best practices, and to address issues or concerns with current regulations; and

WHEREAS, Title 23 Chapter 23.910 Retail, Service, Convenience Store, and office uses Section 23.910.040 Mobile Food Vendors of the Municipal Code, sets forth provisions for Mobile Food Vendors, including food trucks within the City; and

WHEREAS, the Ordinance would amend Section 23.910.040 to clarify mobile food vending standards and regulations and provide additional flexibility for vendors within the city; and

WHEREAS, the City Council held a properly noticed public hearing for this Ordinance and considered all oral and written testimony.

Section 2: Findings. This Ordinance is adopted pursuant to the following findings:

- A. **CEQA Compliance.** CEQA requires analysis of agency approvals of discretionary “projects.” A “project,” under CEQA, is defined as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” (CEQA Guidelines, § 15378.) As reflected in State CEQA Guideline 15061 (b) (3), an activity is not subject to CEQA, “[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment...” The proposed amendments are not a “project” within the meaning of CEQA because the amendments seek to provide clarification of uses, standards and/or enforcement procedures, address inconsistencies between definitions, delete text that is no longer necessary. Because no expansion of uses or activities is reasonably anticipated, no possibility exists that the ordinance will result in a significant effect on the environment. Thus, the proposed ordinance is not subject to the requirements of CEQA. However, in the event that adoption of the ordinance is considered a CEQA project, it would nonetheless qualify for categorical exemptions as set forth below.

CEQA Guidelines Section 15061(b)(3) states that a project is exempt from CEQA “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” The approval of the code amendments set

forth in the proposed ordinance does not approve any physical development and it would not result in direct or indirect physical changes in the environment. Any specific development projects that may result from these changes will be subject to environmental review. The proposed amendments are consistent with the City's General Plan. For these reasons, the proposed amendments would not have the potential to result in individually or cumulatively significant effects on the environment and these Zoning Code amendments are exempt from review under CEQA and no further environmental review is necessary.

- B. **The proposed amendment is consistent with the General Plan.** The attached Zoning Code Amendments ("Amendment") are consistent with the General Plan. The amendments would address inconsistencies, delete text that are no longer necessary, and provide clarifying language for implementation. The Amendments would adjust standards and regulations for a use that is already existing within the City.
- C. **The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.** The amendments would address inconsistencies, delete text and graphics that are no longer necessary, and provide clarifying language for implementation. None of these proposed amendments will be detrimental to the public interest, health, safety, convenience, or welfare of the City..
- D. **The proposed amendments are internally consistent with other applicable provisions in this Zoning Code.** The Amendments have been reviewed for consistency with the entirety of the Zoning Code and are consistent with other applicable provisions of the Zoning Code.

Section 3. Amendments to Title 23 Zoning Code

The City Council hereby adopts the amendments to Title 23 Zoning Code of the Rancho Cordova Municipal Code, as shown and incorporated in Exhibit A to this Ordinance.

Section 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

Section 5. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

ITEM 17.1.

ATTACHMENT 1

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Siri Pulipati, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

Exhibit A to the

Ordinance

Rancho Cordova Municipal Code

Page 1/2

23.910.040 Mobile food vendors.

A. Purpose. The purpose of this section is to regulate mobile food vendors to ensure that operations do not conflict with the functional aspects of commercial site and building operations and that the operation is limited to a short time period.

B. Applicability. Development standards herein shall apply to all mobile food vendors and shall be applied as conditions as part of a business license.

C. Standards.

1. Time Allowance: The maximum time period for a vendor in a single location is four hours.
 - A. Mobile food vendors included as part of an approved Temporary Use Permit (TUP) or permitted through a permit with the Cordova Recreation and Park District, are allowed to exceed four hours and can correlate with the hours listed for the approved event.
2. Vendor shall be able to demonstrate property owner permission.
3. Temporary Structures: On-site A-Frame signs as well as temporary tables and chairs are allowed during operating hours so long as they comply with the following development standards:
 - A. All temporary structures shall maintain at least one four-foot wide clear path of travel for pedestrians.
 - B. All temporary structures shall be outside of any clear vision triangle.
 - C. All temporary structures shall be outside of any drive aisle and shall not impair any on-site circulation.
 - D. Signs and structures shall not interfere with ADA parking spaces, ramps or other ADA required paths of travel.
 - E. Shade Structures are allowed in conjunction with tables and chairs and must be adequately secured and anchored. Shade structures must also be structure sound and stable.
 - F. A-Frame signs shall be limited to a maximum of 2 per mobile food vendor and must adhere to development standards listed in RCMC 23.743.100.
4. Mobile food vendors shall provide adequate a trash receptacles for patrons to dispose of any trash and must also ensure that the area is kept clean during hours of operation and upon leaving the location.
5. Vehicles cannot be parked at a private residence if more than two-axle vehicle. [Ord. 4-2017 § 3 (Exh. B); Ord. 12-2011 § 3 (Exh. A)].
6. Location: Mobile food vendors shall only be allowed within non-residential areas unless approved as part of a special event permit. Mobile food vendors shall also be located outside of the following areas:
 - A. Within the immediate vicinity of an area designated for a temporary use permit issued by the city for temporary use of, or encroachment on, the sidewalk or other public area, including, but not limited to, an encroachment permit, special event permit, or temporary event permit, for purposes including, but not limited to, filming, parades, events, or outdoor concerts. A prohibition of mobile food vending pursuant to this subsection shall only be effective for the limited duration of the temporary special permit. The vendors included within the approved permit must adhere to approval requirements of that permit.

Exhibit A to the

Ordinance

Rancho Cordova Municipal Code

Page 2/2

- B. Within the immediate vicinity of a permitted certified farmers' market or a permitted swap meet during the limited operating hours of that certified farmers' market or swap meet. A "certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and any regulations adopted pursuant to that chapter. A "swap meet" means a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the Business and Professions Code, and any regulations adopted pursuant to that article.

C. Public Right-of-Way

- a. Mobile food vendors parked within the public right-of-way directly adjacent to parks are allowed. However, they must maintain all paths of travel, be parked legally within the public right-of-way and be in compliance with City Safety, access, and operational standards.

7. Business License:

- A. Mobile food vendors shall obtain a business license and must provide a copy of their Environmental Management Department (Health Department) application and approval that shows days/hours of operation and approved property locations. Additionally, mobile food vendors shall adhere to all applicable State and Department of Health requirements and standards.

8. Use Permit Requirements: A Temporary Use Permit is required if more than one mobile food vendor is located on the same parcel at any given time. Temporary Use Permit must be obtained prior to operation.

- A. Food Truck Events: Events promoted through a licensed Event Planning Company may apply for a Temporary Use Permit for up to 3 days per week for one year as a trial period or may apply for a permanent even through an Administrative Use Permit. All food trucks must be located on a safe and solid surface.

23.910.040 Mobile food vendors.

A. Purpose. The purpose of this section is to regulate mobile food vendors to ensure that operations do not conflict with the functional aspects of commercial site and building operations and that the operation is limited to a short time period.

B. Applicability. Development standards herein shall apply to all mobile food vendors ~~and shall be~~ applied as conditions as part of a business license.

C. Standards.

1. ~~Time Allowance:~~ The maximum time period for a vendor in a single location is ~~two-four~~ hours.

A. ~~Mobile food vendors included as part of an approved Temporary Use Permit (TUP) or permitted through a permit with the Cordova Recreation and Parks District, are allowed to exceed four hours and can correlate with the hours listed for the approved event.~~

2. Vendor shall be able to demonstrate property owner permission.

3. ~~No freestanding signs are permitted.~~ Temporary Structures: On-site A-Frame signs as well as temporary tables and chairs are allowed during operating hours so long as they comply with the following development standards:

A. ~~All temporary structures shall maintain at least one four-foot wide clear path of travel for pedestrians.~~

B. ~~All temporary structures shall be outside of any clear vision triangle.~~

C. ~~All temporary structures shall be outside of any drive aisle and shall not impair any on-site circulation.~~

D. ~~Signs and structures shall not interfere with ADA parking spaces, ramps or other ADA required paths of travel.~~

E. ~~Shade Structures are allowed in conjunction with tables and chairs and must be adequately secured and anchored. Shade structures must also be structure sound and stable.~~

~~A-F.~~ A-Frame signs shall be limited to a maximum of 2 per mobile food vendor and must adhere to development standards listed in RCMC 23.743.100.

4. ~~No tables or chairs are permitted at site locations. Temporary tables and chairs are permitted if approved with a temporary use permit. Mobile food vendors shall provide adequate trash receptacles for patrons to dispose of any trash and must also ensure that the area is kept clean during hours of operation and upon leaving the location.~~

5. Vehicles cannot be parked at a private residence if more than two-axle vehicle. [Ord. 4-2017 § 3 (Exh. B); Ord. 12-2011 § 3 (Exh. A)].

6. ~~Location: Mobile food vendors shall only be allowed within non-residential areas unless approved as part of a special event permit. Mobile food vendors shall also be located outside of the following areas:~~

A. ~~Within the immediate vicinity of an area designated for a temporary use permit issued by the city for temporary use of, or encroachment on, the sidewalk or other public area, including, but not limited to, an encroachment permit, special event permit, or temporary event permit, for purposes including, but not limited to, filming, parades, events, or outdoor concerts. A prohibition of mobile food vending pursuant to this subsection shall only be effective for the limited duration of the temporary special permit. The vendors included within the approved permit must adhere to approval requirements of that permit.~~

B. Within the immediate vicinity of a permitted certified farmers' market or a permitted swap meet during the limited operating hours of that certified farmers' market or swap meet. A "certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and any regulations adopted pursuant to that chapter. A "swap meet" means a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the Business and Professions Code, and any regulations adopted pursuant to that article.

C. Public Right-of-Way

- a. Mobile food vendors parked within the public right-of-way directly adjacent to parks are allowed. However, they must maintain all paths of travel, be parked legally within the public right-of-way and be in compliance with City Safety, access and operational standards.

Formatted

7. Business License:

- A. Mobile food vendors shall obtain a business license and must provide a copy of their Environmental Management Department (Health Department) application and approval that shows days/hours of operation and approved property locations. Additionally, mobile food vendors shall adhere to all applicable State and Department of Health requirements and standards.

8. Use Permit Requirements: A Temporary Use Permit is required if more than one mobile food vendor is located on the same parcel at any given time. Temporary Use Permit must be obtained prior to operation.

- A. Food Truck Events: Events promoted through a licensed Event Planning Company may apply for a Temporary Use Permit for up to 3 days per week for one year as a trial period or may apply for a permanent even through an Administrative Use Permit. All food trucks must be located on a safe and solid surface.

MEMORANDUM

ITEM 18.1.



DATE: September 2, 2025

TO: Honorable Mayor and Council Members

FROM: Nick Sosa, Senior Planner

SUBJECT: **JACKSON PROPERTIES WAREHOUSE STORAGE BUILDING – MAJOR DESIGN REVIEW AMENDMENT AND HEIGHT EXCEPTION (CEQA EXEMPT PURSUANT TO SECTION 15183. PROJECTS CONSISTENT WITH A COMMUNITY PLAN OR ZONING) – PROJECT NO. PLND-0924-0110**

PROPERTY OWNER: JPI XXIX, L.P. Vincent Fugina 155 Cadillac Drive, Suite 100 Sacramento, CA 95825	APPLICANT/DEVELOPER: PWC Architects Guy Duerwald 3320 Data Drive, Suite 200 Rancho Cordova, CA 95670
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PROJECT:	Jackson Properties Warehouse Storage Building – Major Design Review Amendment
FILE:	PLND-0924-0110
LOCATION:	10391 Peter A McCuen Boulevard, Mather, CA 95655
APN:	077-0420-001
PLANNER:	Nick Sosa, Senior Planner

RECOMMENDATION

Determine the project exempt per California Environmental Quality Act (CEQA) Guidelines Exemption 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) and adopt the Resolution for the Jackson Properties Warehouse Storage Building Major Design Review Amendment and Height Exception, PLND-0924-0110, subject to the findings, Project Plans, and Conditions of Approval.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would determine the project exempt from further CEQA analysis and approve the Applicant's request for a Major Design Review Amendment and Height Exception to their previously approved project.

APPROVAL AUTHORITY

The project is located within the Mather Field Special Planning Area (MFSPA) which utilizes the 2003 Sacramento County as its regulatory document. Under Section 603-16 DESIGN REVIEW subsection (E)(ii) of the MFSPA, new construction projects that exceed 75,000 SF are considered a Design Review Level II. The City Council (equivalent to the Board of Supervisors) is considered the approval authority for Design Review Level II applications and therefore this project was originally brought to City Council for a determination in September of 2023. As the Council was the original approval authority, any amendments to this entitlement would also require approval from the City Council.

PROJECT BACKGROUND

The project is located on a 7.8+/- acre parcel located at 10391 Peter A McCuen Boulevard. The project site is within the Commercial/Office Park Subarea of the Campus District within the Mather Field Special Planning Area (MFSPA). The MFSPA was originally approved and implemented by Sacramento County in 1997. The intentions of the MFSPA are to convert the area from a military air base to a mixture of commercial, office, and public areas while also providing a cohesive design and integration into the surrounding community. Because the MFSPA was approved when the area was under the jurisdiction of the County, any development standards and/or guidelines not listed in the MFSPA would defer to the 2003 Sacramento County Code as the appropriate regulating document. The MFSPA and the 2003 Sacramento County code were the documents utilized in the review of the original project and will continue to be used for review of the proposed amendments.

The original project was approved on September 5, 2023 by City Council (Resolution 129-2023) and the applicant is now requesting to amend that approval and re-orient the site. The original project included loading docks in front of the building along Peter A McCuen Boulevard with significant landscaping for screening. However, the Applicant is now proposing to relocate those docks to the rear of the building along with some minor façade changes and site improvements.

The project is located near the intersection of Peter A McCuen Boulevard and Mather Boulevard, adjacent to the existing airport outside of the Mather Field Approach/Departure safety zones as well as any Mather Field Noise Contours. The project is located within the Mather Field Overflight Zone which encapsulates the surrounding area of the Mather Field runway, however, warehousing and storage are listed as a compatible uses within this zone. The site is surrounded by existing office buildings mostly occupied by the California Office of Emergency Services (Cal OES) as shown in **Figure 1**.

Figure 1: Project Location



ANALYSIS

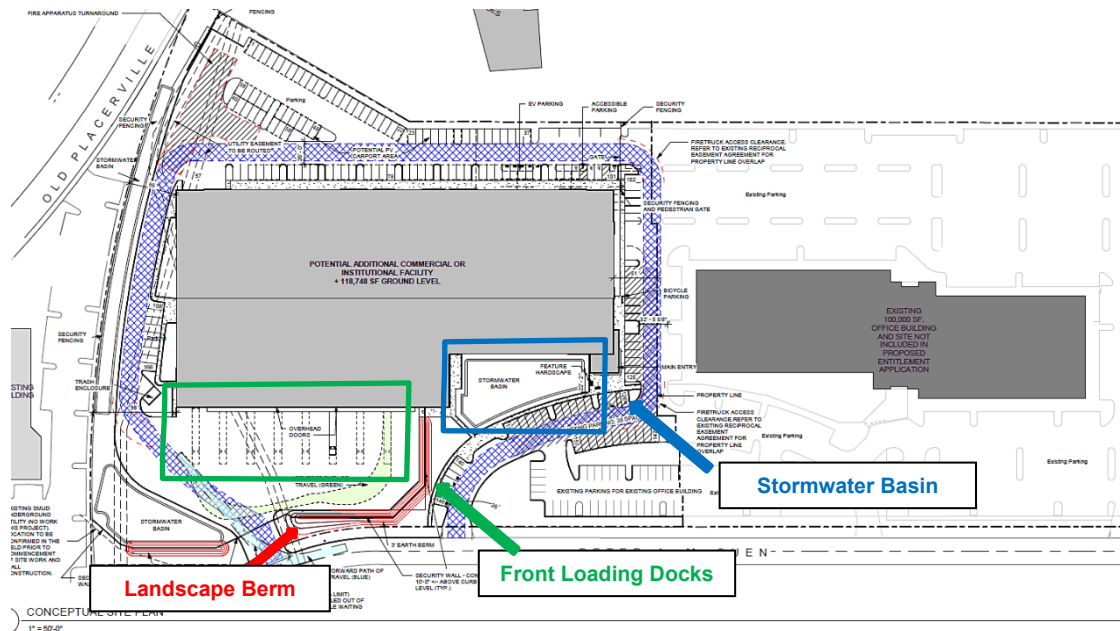
Major Design Review Amendment

The Applicant has submitted an application for a Major Design Review Amendment to modify their previous Design Review Approval for the Jackson Properties Warehouse-Storage building. The amendment proposes a slightly smaller building footprint, re-location of the building's loading docks, and re-location of site amenities such as parking, stormwater basins, and landscaping for the property.

Site Design and Parking

The original project proposed a 118,748 SF warehouse/storage building located between Peter A McCuen Boulevard and Old Placerville Road. The building included loading docks facing the public right of way with a landscape berm for screening. The project also continues to share a parking lot and frontage landscaping with the adjacent Cal OES Building F. The original site plan is shown in **Figure 2**.

Figure 2: Original Site Plan (PLND-0622-0044)



The proposed modifications to the site plan include the re-location of the stormwater basin to the rear of the property adjacent to Old Placerville Road, the re-location of the loading docks from the front of the building to the rear of the building, and removal of the landscape berm along the Peter A McCuen Boulevard frontage. The modified site plan also results in a reduction of the overall building size from 118,748 SF to a new square footage of 114,698 SF, a difference of 4,050 SF.

A placeholder for a future communications tower has also been added to the site plan at the north end of the property (rear of the property) but is not included as part of the review of this application. Should the Applicant wish to add a communications tower at this location in the future, the project would be required to go through a separate application process and would warrant further review. A condition of approval has been added (COA #27) to ensure that all required entitlements are completed prior to building permit submittals.

With the re-location of the loading docks to the rear of the building, the number of docks has increased from the original approved 9 loading docks, to a total of 18 below grade loading docks and 4 at grade roll up doors along the rear of the building with an additional 2 roll up doors (1 on each side elevation). Per the Mather Field Special Planning Area (MFSPA) design guidelines for the Campus District, loading areas are encouraged to be located in the rear of the building to minimize visibility from the public right of way. With this site's unique position between Peter A McCuen Blvd and Old Placerville Road, although the docks are located in the rear there is potential visibility from the public and passersby along Old Placerville Road. Given this visibility, in combination with dense existing and proposed landscaping, the applicant has proposed a 12-foot-tall screen wall along the edge of the loading dock area as a screening mechanism for trucks along the rear of the building as well as added landscaping along the perimeter. The 18 loading docks are below grade with a 4' drop at their lowest point. Therefore, given the 4' drop and the 12' screen wall, there would be a total of 16' of screening which would sufficiently screen a truck and trailer within the dock area. A condition of approval has also been added

Landscaping

The project site and adjacent parcels include a significant amount of existing landscape that are beneficial to the proposed project. The site provides a total of 2 access points to Peter A McCuen Boulevard with no access points to Old Placerville Road. The project continues to be integrated directly into the parking area of the adjacent existing Cal OES Building F with shared parking and front landscaping which already has some existing parking lot trees and plantings at the existing entrance with street trees along Peter A McCuen Boulevard. The site also has existing trees along the west and south side of the property that provide dense screening of the site from Old Placerville Road and a softened street view from Peter A McCuen Boulevard (See Figure 4).

Figure 4: Existing Landscaping

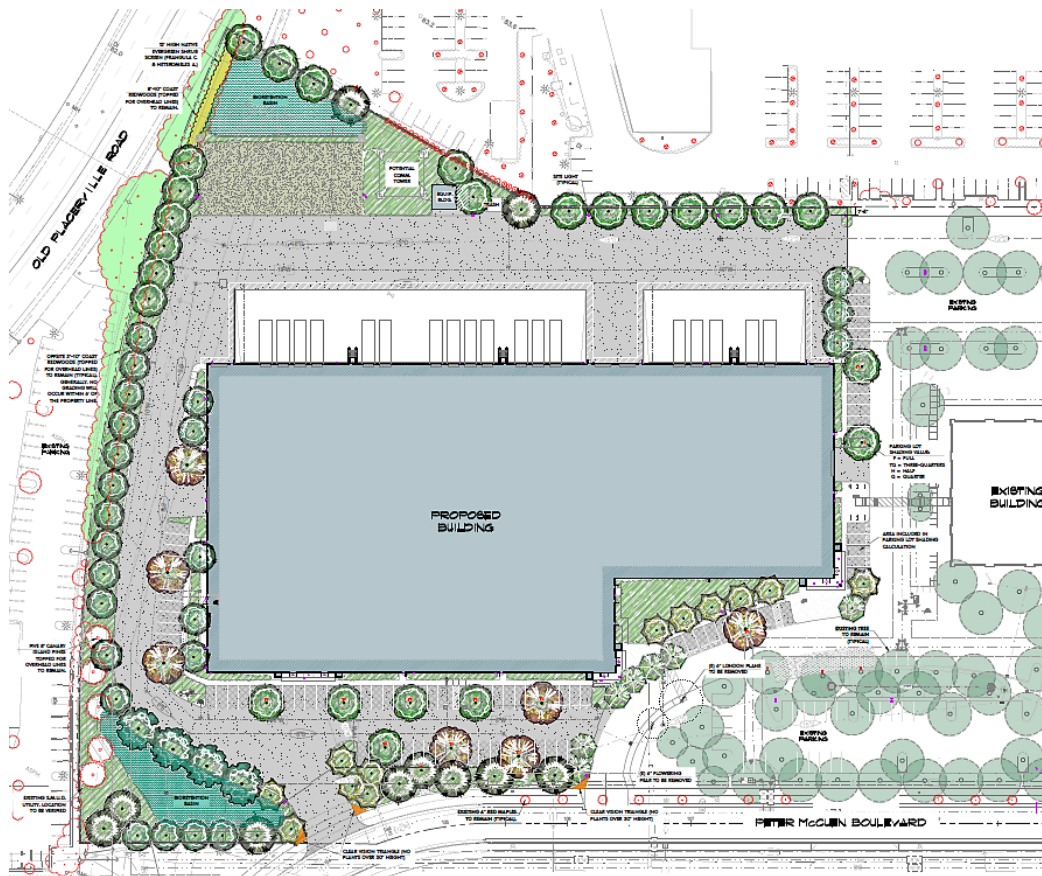




EXISTING MATURE LANDSCAPING, EYE LEVEL FROM ACROSS OLD PLACERVILLE RD.
(THE YELLOW LINE REPRESENTS THE OUTLINE OF THE BUILDING VIEWED FROM THIS
LOCATION).

In addition to the existing landscaping, the project proposes a variety of trees and shrubs throughout the site in combination with the required bioretention basins. The project proposes approximately 90 additional trees on-site to provide added screening and exceed the minimum 50% parking lot shade requirements. The Applicant has lined the west perimeter with additional trees internal to the site to provide a denser natural screening for the loading dock area. The plan in **Figure 5** below shows newly added trees internal to the site, adjacent to existing trees shown in **Figure 4**. At the northwesternmost tip of the property, with existing trees and limited space in this area, the applicant was unable to add additional trees but will be providing 12' high native evergreen shrubs (shown in yellow) to ensure that visibility remains minimal from Old Placerville Road.

Figure 5: Proposed Landscape Plan



All landscaping will be properly irrigated and maintained to continue to meet shading and screening requirements.

Building Design Amendment

With the re-location of the loading docks to the rear of the building, there were some modifications to the façade that were added as part of the requested design review amendment. Overall, the size of the building has been reduced by approximately 4,000 SF and the peak height of the structure has been reduced from the approved 48-feet in the original project, to the current proposed height of 43'-4".

The project has maintained its original color scheme and materials while making small changes to architectural elements such as tower features and a new painted band. The proposed building continues to utilize a variety of brown base colors with an aluminum storefront with metal panels to highlight main entrances. These colors and architectural features continue to be consistent with the overall design of the surrounding office park while still providing aspects that are compatible with more modern designs. A comparison of the original elevations and proposed elevations can be seen in **Figures 6-8** below. Project renderings of the current proposal can also be found in **Figure 9** below.

Figure 6: North Elevation

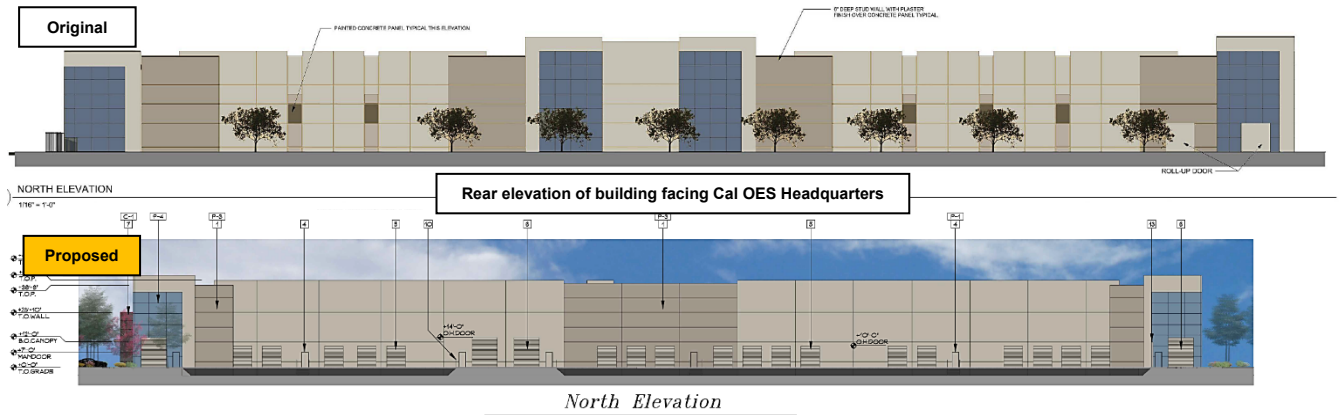


Figure 7: South Elevation

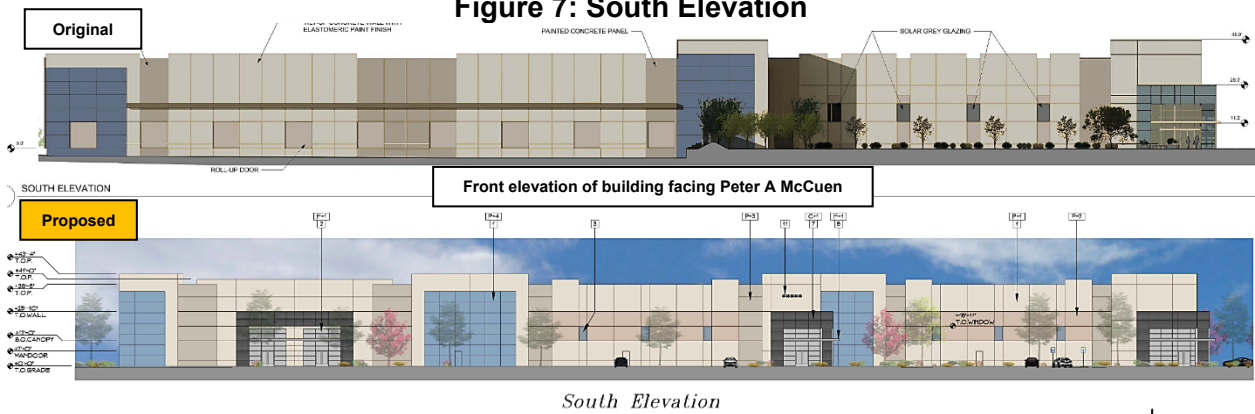


Figure 8 – East and West Elevations

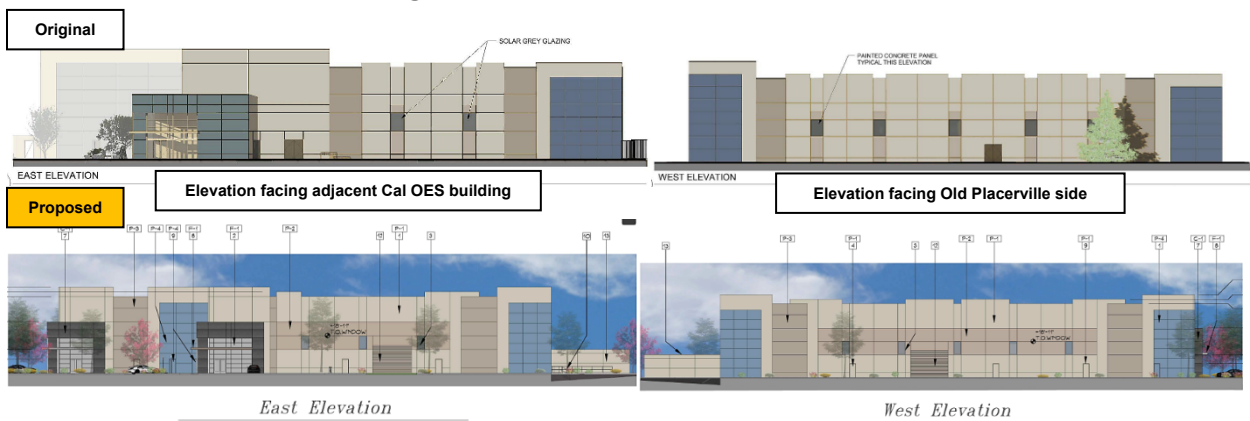


Figure 9: Project Renderings



Height Exception

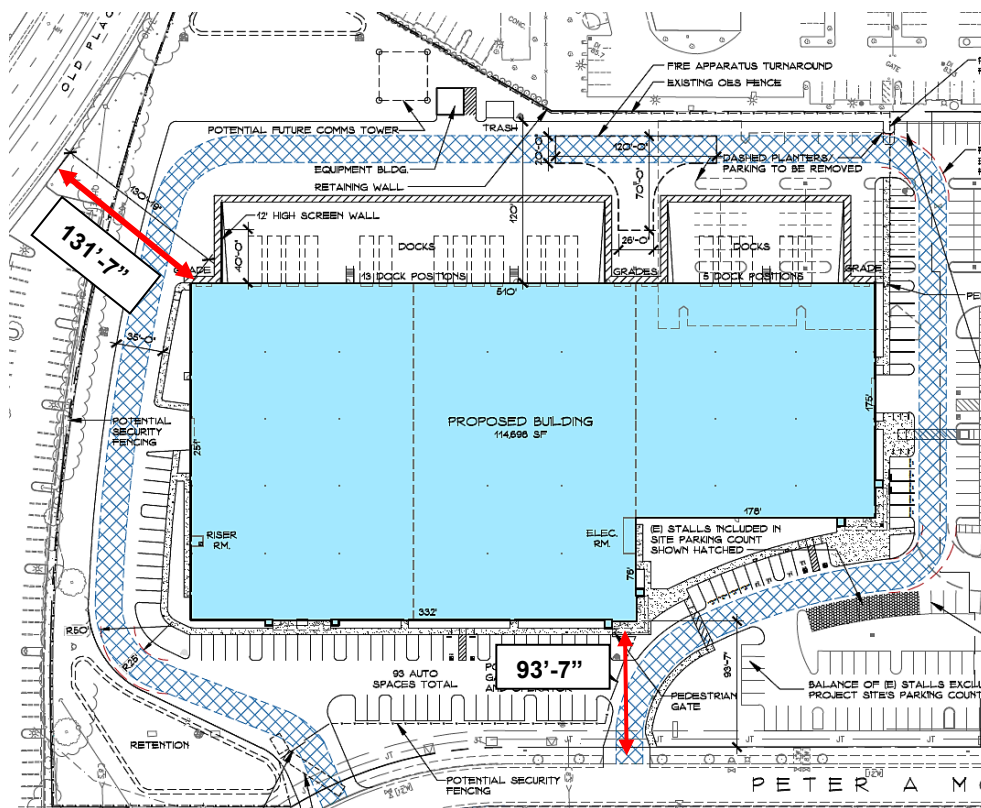
As part of the original approval, the project was also approved for a height deviation to allow the building to exceed the 40-foot maximum height allowed within the Campus District and would be asking for this same exception as part of this application. As previously mentioned, the Mather Field Special Planning Area (MFSPA) was approved by Sacramento County prior to the City's incorporation and therefore the 2003 version of the Sacramento County Code adopted by the City would be the applicable regulating document when the MFSPA references applicable county code sections. For height requirements, the MFSPA refers to Section 301-22 of the 2003 Sacramento County Code which allows height exceptions with approval from the appropriate authority.

Per Section 301-22, height limits for commercial or industrial buildings may be increased to a maximum of one-hundred fifty (150) feet in commercial and industrial land zones, provided that all buildings are set back from the ultimate right-of-way line of all abutting streets and freeways

a distance at least equal to the height of the building. The Applicant is requesting a height of 43'-4" and therefore would require a minimum of this distance from the closest right-of-way.

In **Figure 9**, the site plan shows a measured distance from the building to each public right of way. The closest point of the west side of the property is shown as 131'-7" while the closest point to the south side of the building is 93'-7". Both of these distances are much greater than the proposed 43'-4" height of the structure and therefore the project is meeting the requirements to be eligible for a height exception as described in Section 301-22 of the 2003 Sacramento County Code.

Figure 9: Site Plan



It is also important to note that the 43'-4" max height of the building is measured at the main tower architectural features located on the corners and south elevation of the building. These tower features are utilized as screening elements for roof equipment as well as architectural elements to provide additional visual interest for large facades, such as those proposed in this design, and are encouraged by the City's Design Guidelines for industrial buildings. A majority of the other parapet areas of the building, would be at a height of 38'-8" which is within the maximum height allowed by the MFSPA Campus District.

Future Uses and Tenants

As it was proposed in its original approval, the project continues to be only for a shell building and does not include specific uses at this time and therefore no use permits have been included with this project. As a shell building with large empty spaces and accessory office space, the

project has been reviewed as a “wholesaling and warehousing” use which is permitted by right within the BP zoning designation which is one of the comparable underlying zones for the Commercial Office Park Subarea of the MFSPA. Any future tenants that are utilizing the building for a use other than wholesaling and warehousing at this location will be required to obtain the appropriate use permits from the Planning Department and will be subject to additional review at that time.

Traffic Analysis Summary

The Applicant worked closely with our Public Works Department to ensure that although there are additional loading docks and roll up doors than the previously approved project, the revised project is still within the allowable trips for the project. The Applicant has provided detailed information for the site’s use as a shell building which has been analyzed as a warehouse, manufacturing, or light industrial building for trip analysis. The applicant further clarifies typical observable variables that are used in developing truck trips such as square footage of the building, number of employees, and acreage. Although loading docks and roll up doors may appear to be a measurable variable that could dictate truck trips to the site, docks are not utilized as a measurable tool as they may not accurately correlate with the number of trucks at a site. The use of roll up doors and docks depend highly on the scheduling and coordination of the facility and typically all docks are not in use at the same time as some may be used for storage of trailers, loading and unloading, or simply remaining vacant. Because loading docks may not be used consistently or regularly, they are not typically used for truck trip calculations and traffic analysis instead focuses on the previously mentioned variables of square footage, number of employees and/or acreage. The results of the Trip Generation states that the project will not generate 1,000 trips per day or 100 trips during the peak hour, and therefore no additional analysis was required. The completed Trip Generation Analysis and full summary has been included as part of the project plans in Attachment 2.

FISCAL IMPACT

Staff anticipates that the project will have a positive fiscal impact due to the short term and long-term positions for the construction of the shell building and the future uses of the site. The development of the building and the property from vacant land to a business will also provide an additional positive impact through the increase in property taxes on the site as well as within the surrounding area.

GENERAL PLAN CONSISTENCY

The project site is located within the Office Mixed Use (OMU) designation of the City’s General Plan. The General Plan compares the OMU designation to zoning designations such as Office Professional Mixed Use (OPMU) and Office Industrial Mixed Use (OIMU) within the City’s Municipal Code which are then compatible with the Business and Professional Office (BP) and Industrial Office Park (MP) of the Sacramento County Code. The proposed shell industrial building would be consistent with structures and uses envisioned within the OMU land use designation and compatible with future buildings within the same General Plan designation. The Office Mixed Use category encourages the integration of commercial and/or residential uses in conjunction with office uses of the site. Office uses are the predominant use, but others may be included in a vertical or horizontal configuration. The proposed warehouse building with loading docks adds a light industrial type structure to the area however, this area of the Mather Field Special Planning Area continues to maintain its predominantly office uses.

ZONING ORDINANCE

This project is located within the Commercial/Office Park Subarea of the Campus District within the MFSPA and was reviewed for consistency with all applicable standards and guidelines applicable to this area. Any standards not provided within the SPA are to be found within the Sacramento County Code. For permitted uses, the Commercial/Office Park Subarea is comparable to the Industrial Office Park (MP), Business & Professional Office (BP), Shopping Center Commercial (SC), and General Commercial (GC) zones within the Sacramento County Code. The proposed project does not have a designated user at this time, therefore the project has been considered as “wholesaling and warehousing” which is allowed by right in this zoning designation. Any future tenants that are not a warehousing and storage use, will be reviewed for consistency with Sacramento County Code land use tables and any necessary permits will be required to be obtained at that time.

ENVIRONMENTAL

The project applicant is requesting approval of a Major Design Review Amendment for the proposed project. Under CEQA, the City lacks the discretion under the Major Design Review approval process to consider environmental effects not related to the design of the project, including, but not limited to, human health impacts from toxic air contaminants, greenhouse gas emissions, and impacts on biological resources.

The Major Design Review Amendment associated with the Jackson Properties Warehouse Storage Building would continue to be exempt from CEQA review under CEQA State Guidelines Section 15183. This exempts from CEQA projects that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The Jackson Properties Warehouse Storage Building Major Design Review Amendment involves a re-orientation of the site, a reduction in building square footage by approximately 4,000 SF and minor amendments to the overall site plan. The Amendment does not propose any increase in square footage or increase in intensity of the uses proposed for the project. The project site was identified in the Mather Field Special Planning Area EIR. As this Major Design Review Amendment continues to be consistent with the Special Planning Area and the environmental documentation prepared for the Special Planning Area, it is exempt from further CEQA review.

RECOMMENDED MOTIONS

Staff recommends that the City Council:

- Determine the project exempt per California Environmental Quality Act (CEQA) Guidelines Exemption 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning)
- Adopt the Resolution for the Jackson Properties Warehouse Storage Building Major Design Review Amendment and Height Exception, PLND-0924-0110, subject to the findings, Project Plans ([Attachment 2](#)), and Conditions of Approval ([Attachment 3](#)).

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution - Project Plans
3. Exhibit B to the Resolution - Conditions of Approval
4. Jackson Properties PowerPoint

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA,
STATE OF CALIFORNIA, APPROVING A MAJOR DESIGN REVIEW AMENDMENT AND
HEIGHT EXCEPTION FOR THE JACKSON PROPERTIES WAREHOUSE STORAGE
BUILDING PROJECT NO. PLND-0924-0110**

WHEREAS, PWC Architects, (hereinafter referred to as Applicant) filed an application for a Major Design Review Amendment approval for the Jackson Properties Warehouse Storage Building project; and

WHEREAS, the project is located within the Commercial/Office Park Subarea of the Campus District within the Mather Field Special Planning Area (MFSPA); and

WHEREAS, per the MFSPA, the project is considered a Design Review Level II which states that the City Council is the appropriate authority to hear and take action on this project; and

WHEREAS, the project was previously approved by City Council on September 5, 2023 for a Major Design Review and Height Exception for a 118,748 SF warehouse building and site improvements; and

WHEREAS, the Applicant is now requesting to amend the previous approval to re-orient the loading dock areas to the rear of the building and update the site plan; and

WHEREAS, the City Council heard the original project and is the appropriate authority to hear the requested amendment; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code Section 65090 and has duly considered all written and verbal testimony presented during the hearing.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
HEREBY RESOLVES AS FOLLOWS:**

1. The CEQA exemption found in California Code of Regulation Title 14, Section 15183 (Projects Consistent with a Community Plan, General Plan or Zoning) is an adequate exemption according to the Guidelines of the California Environmental Quality Act.
 - A. **Finding:** The project has been analyzed and is exempt per California Environmental Quality Act Guidelines Section 15183 "Projects Consistent with the Community Plan, General Plan or Zoning".

Evidence: The project applicant is requesting approval of a Major Design Review Amendment and Height Exception for the proposed project. Under CEQA, the City lacks the discretion under the Major Design Review approval process to consider environmental effects not related to the design of the project, including, but not limited to, human health impacts from toxic air contaminants, greenhouse gas emissions, and impacts on biological resources.

The Major Design Review Amendment associated with the Jackson Properties Warehouse Storage Building would continue to be exempt from CEQA review under CEQA State Guidelines Section 15183. This exempts from CEQA, projects that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The Jackson Properties Warehouse Storage Building Major Design Review Amendment involves a re-orientation of the site, a reduction in building square footage by approximately 4,000 SF and minor amendments to the overall site plan. The Amendment does not propose any increase in square footage or increase in intensity of the uses proposed for the project. The project site was identified in the Mather Field Special Planning Area EIR. As this Major Design Review Amendment continues to be consistent with the Special Planning Area and the environmental documentation prepared for the Special Planning Area, it is exempt from further CEQA review.

2. Approve the Design Review Amendment and Height Exception, subject to the Project Plans (Exhibit A) and the Conditions of Approval (Exhibit B); supported by the following Findings and Evidence, as required by the 2003 Sacramento County Code Section 110-87.

- a) **Finding:** The proposed project is consistent with the objectives of the General Plan and Community Plan, complies with applicable Zoning Regulations, Specific Plan provisions, Special Planning Area provisions, and is consistent with the applicable “Guiding Principles” and “Design Concepts” in section 110-84.

Evidence: The proposed amendment continues to be consistent with the intent of the Mather Field Special Planning Area (MFSPA). The project is located within the Commercial Office/Park Subarea of Mather’s Campus District which allows wholesaling and warehousing as a permitted by right use. Future tenants that do not use the building as a warehouse will require an additional review to determine if additional City approvals are required.

The Applicant is requesting an exception to the maximum height allowance from 40-feet to 43’-4” to accommodate roof variation and tower features at key sections of the façade. The request is less than what was approved as part of the original project which was a 48-foot height exception. For height requirements, the MFSPA refers to Section 301-22 of the 2003 Sacramento County Code which allows height exceptions with approval from the appropriate authority. Per this section, height limits for commercial or industrial buildings may be increased to a maximum of one-hundred fifty (150) feet in commercial and industrial land zones, provided that all buildings are set back from the ultimate right-of-way line of all abutting streets and freeways a distance at least equal to the height of the building. The applicant is requesting a height of 43’-4” and therefore would require a minimum of 43’-4”-feet to the closest right-of-way. The Applicant is providing over 131 feet to the Old Placerville Road public right-of-way and over 93 feet to the Peter A McCuen Boulevard public right-of-way and therefore is meeting the required minimum distances.

The project provides infill development that is consistent with applicable portions of Section 110-84 of the 2003 Sacramento County Zoning Code including non-

residential site planning and non-residential architecture and also helps facilitate the conversion of Mather Field from a military air base to a mix of public and private uses. As the airport continues to be utilized for commercial uses, the proposed project will provide a supportive use consistent with the functionality of the airport and new services to benefit the surrounding community. The proposed wholesaling and warehousing use is an allowed use and provides an opportunity to add to the existing diversity of the Mather Field Special Planning Area.

- b) **Finding:** The proposed architecture, site design, and landscape are suitable for the purposes of the building and the site and will enhance the character of the neighborhood and community.

Evidence: The proposed amendment to the warehouse building and façade improvements are consistent with other buildings in the same general area. The Applicant has maintained a cohesive design with adjacent buildings while also adding additional architectural features such as roof articulation and accent colors to highlight the building's main entry and tower features. The architectural design of the building is suitable for the purpose of the building and the project will develop an existing vacant parcel. The project is requesting a height exception to increase the height to 43'-4" for additional architectural features. The original project was approved at 48' in height however this height is no longer needed.

The applicant has re-located the loading docks to the rear of the building, more in line with the MFSPA Design Guidelines. The loading dock area would be screened from Old Placerville Road by existing evergreen landscaping on the adjacent parcel as well as a 12' screen wall along the edge of the dock area. With the loading docks moved to the rear of the building, the front façade is able to be designed with a more office like façade consistent with buildings in the surrounding area.

The project proposes significant landscaping throughout the property. The landscape plan proposes 90 additional trees as well as a number of shrubs and groundcover. The rear of the property has existing dense landscaping on the adjacent parcels along the west property line, but the project will also be installing its own landscaping internal to the site. The project will share a parking lot with the adjacent Cal OES office building which already has some existing landscaping and parking lot shading trees. The new parking areas proposed with this project include landscaping that shows a 55% shade calculation, which exceeds the minimum 50 percent shading requirement required for parking areas.

- c) **Finding:** The architecture, including the character, scale and quality of the design, relationship with the site and other buildings, building materials, screening of exterior appurtenances, exterior lighting and signing and similar elements establishes a clear design concept and is compatible with the character of existing or anticipated buildings on adjoining and nearby properties.

Evidence: The proposed amendment maintains the original color scheme and overall design concept that was originally approved in 2023. The colors are designed to be consistent with the existing structures in the area while also

adding updated elements such as tower features and emphasized main entries. The proposed amendment to relocate the loading docks to the rear of the building is consistent with the MFSPA Design Guidelines and provides an opportunity to allow the front façade to be consistent with surrounding office buildings. Loading docks in the rear are 4' below grade and the west elevation will also include a 12' screen wall protruding from the building providing in total 16' of screening for the loading dock area along the west elevation.

The Applicant has provided a photometric plan that shows all lighting is positioned to shine internally to the site and any light trespass to adjacent properties or public rights-of-way is kept to a minimum. The project site shares a parking lot with the adjacent Cal OES building which the lighting will blend in cohesively with their existing parking lot. All wall pack lighting is shown to be pointed down to targeted areas to ensure no direct rays of light are pointed to neighboring properties.

- d) **Finding:** The proposed project will not create conflicts with vehicular, bicycle, or pedestrian transportation modes of circulation.

Evidence: In addition to the project's parking area added as part of the development, the project will also share a parking lot with the existing Cal OES office building located to the east. The project includes two access points along Peter A McCuen Boulevard, one of which exists. The other to the west that is proposed to be added will cross the existing pedestrian sidewalk. However, clear vision triangles have been maintained at the entrance to ensure visibility when exiting the project site. No other conflicts will result from the construction of this project.

The City Council, based upon the findings herein, hereby approves the Major Design Review Amendment and Height Exception for the Jackson Properties Warehouse Storage Building Project No. PLND-0924-0110.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

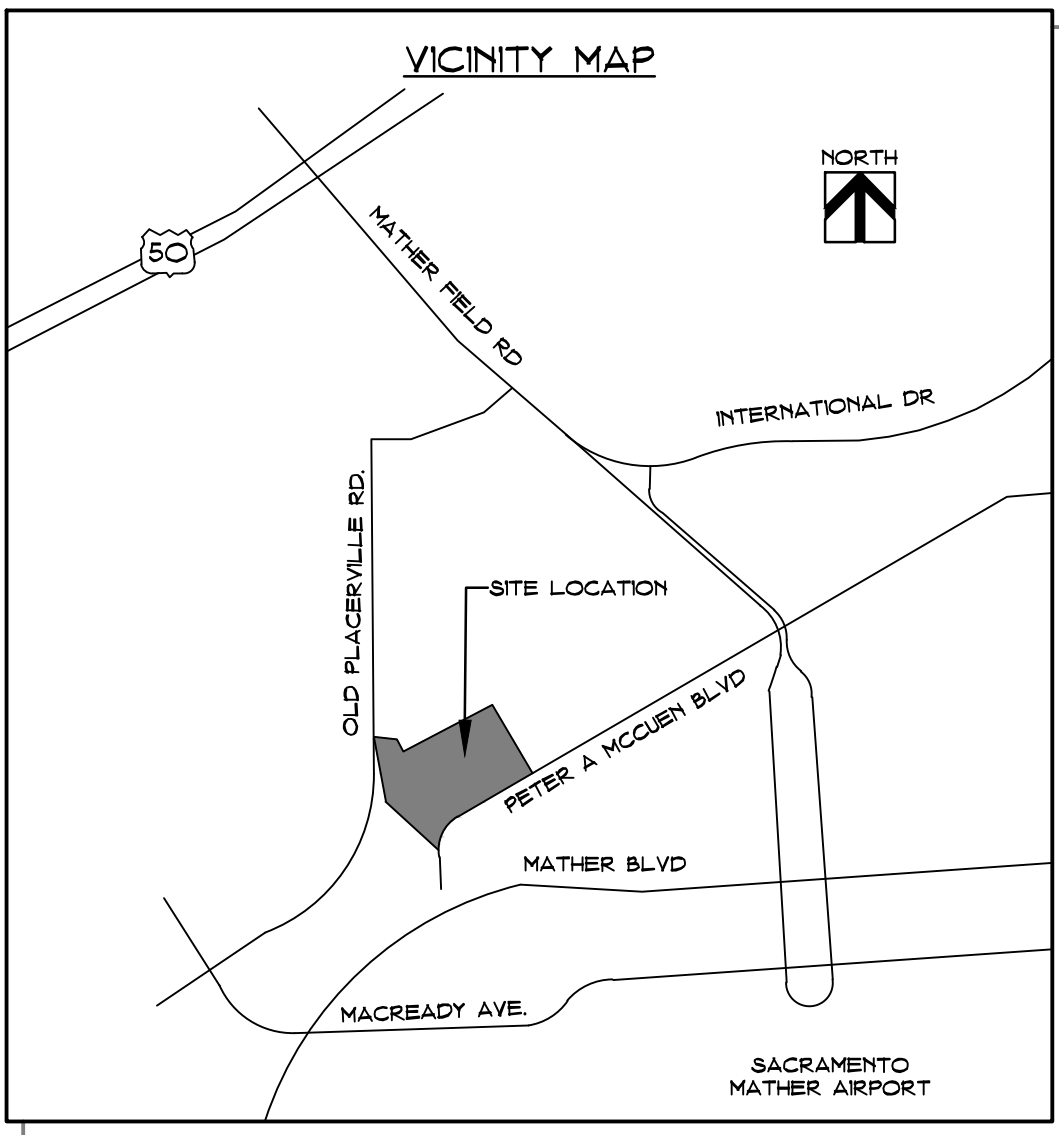
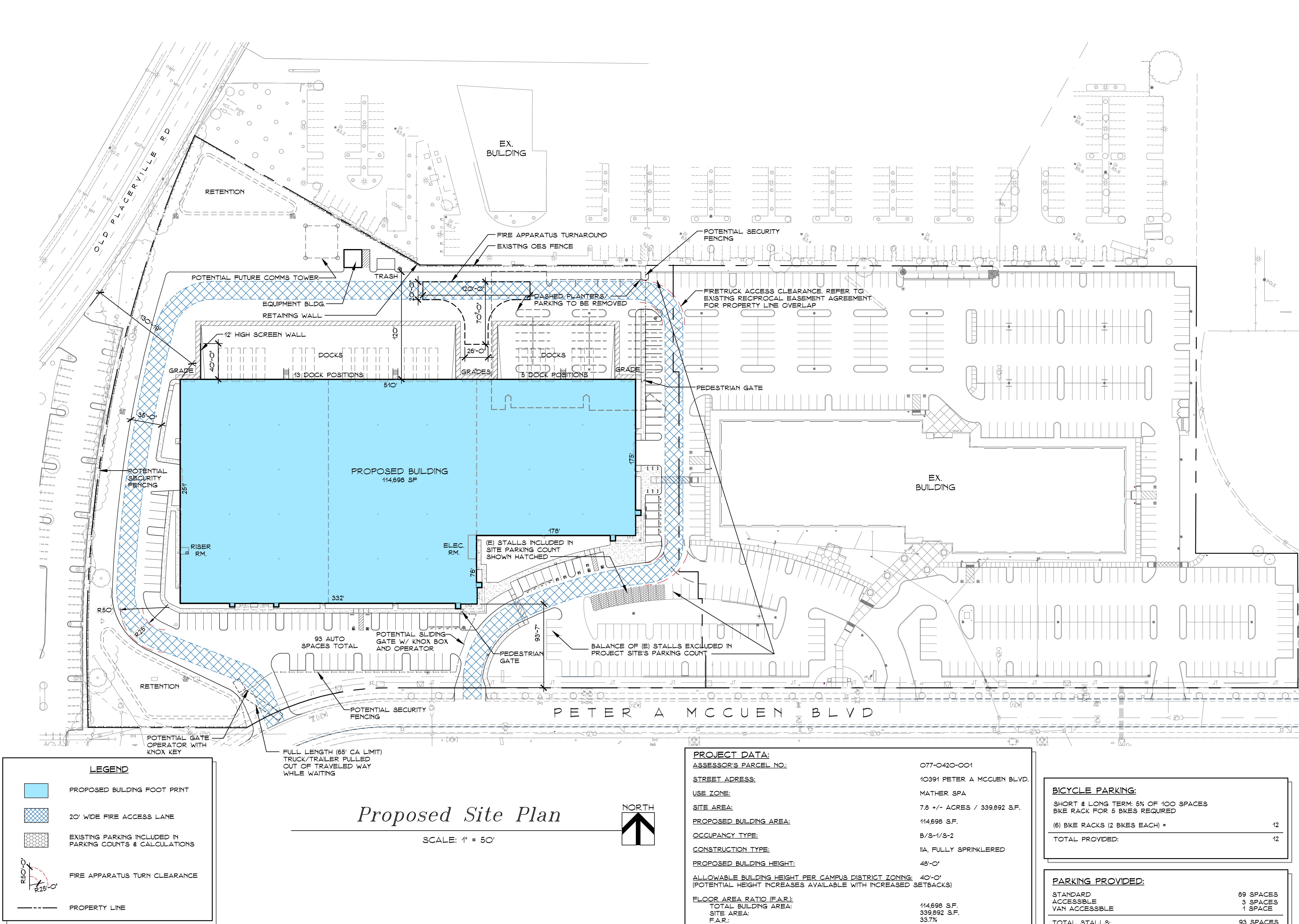
ITEM 18.1.

ATTACHMENT 1

ATTEST:

Siri Pulipati, Mayor

Stacy Leitner, CMC
City Clerk



SHEET INDEX	
ARCHITECTURAL	
A1	SITE PLAN
A1.1	SITE DETAILS
A2	FLOOR PLAN
A3	EXTERIOR ELEVATIONS
A4	PERSPECTIVE VIEWS
CIVIL	
1 OF 2	PRELIMINARY GRADING PLAN
2 OF 2	PRELIMINARY UTILITY PLAN
LANDSCAPE	
LAO1	PRELIMINARY LANDSCAPE PLAN
ELECTRICAL	
1 OF 1	SITE PHOTOMETRIC PLAN

PROJECT CONSULTANTS	
ARCHITECT	
PERKINS, WILLIAMS & COTTERILL ARCHITECTS 3320 DATA DRIVE SUITE 200 RANCHO CORDOVA, CA 95670 (916) 851-1400	
CIVIL	
MORTON & PITALO, INC. 600 COOLIDGE DRIVE SUITE 140 FOLSOM, CA 95630 (916) 496-8787	
LANDSCAPE	
GARTH RUFFNER 4120 DOUGLAS BLVD., SUITE 306 ROSEVILLE, CA 95746 (916) 797-2576	
ELECTRICAL	
IRELAND ELECTRIC 1544 SANTA ANA AVE, SUITE 120 SACRAMENTO, CA 95838 (916) 564-7300	

PROJECT DATA:			
ASSESSOR'S PARCEL NO:		077-0420-001	
STREET ADDRESS:		10391 PETER A MCCUEN BLVD.	
USE ZONE:		MATHER SPA	
SITE AREA:		7.8 +/- ACRES / 339,892 S.F.	
PROPOSED BUILDING AREA:		114,698 S.F.	
OCCUPANCY TYPE:		B/S-1/S-2	
CONSTRUCTION TYPE:		1IA, FULLY SPRINKLERED	
PROPOSED BUILDING HEIGHT:		48'-0"	
ALLOWABLE BUILDING HEIGHT PER CAMPUS DISTRICT ZONING:		40'-0"	
(POTENTIAL HEIGHT INCREASES AVAILABLE WITH INCREASED SETBACKS)			
FLOOR AREA RATIO (F.A.R.):		114,698 S.F.	
TOTAL BUILDING AREA:		339,892 S.F.	
SITE AREA:		33.7%	
F.A.R.:			
PARKING REQUIREMENTS	USE AREA	RATIO (SPACES PER S.F.)	#REQUIRED SPACES
WAREHOUSE/ STORAGE	102,533 S.F.	0.5/1,000 S.F.	51 SPACES
LOBBY (OFFICE SPACE)	10,000 S.F.	2.7/1,000 S.F.	27 SPACES
MECHANICAL/ELECTRICAL/ MAINTENANCE	2,165 S.F.	0.5/1,000 S.F.	2 SPACES
TOTAL (> 90% OF GROSS S.F.)	114,698 S.F.		80 SPACES
* NOTE: STANDARD STALL - 9'-0" X 19'-0"			

BICYCLE PARKING:	
SHORT & LONG TERM: 5% OF 100 SPACES BIKE RACK FOR 5 BIKES REQUIRED	
(6) BIKE RACKS (2 BIKES EACH) =	12
TOTAL PROVIDED:	12

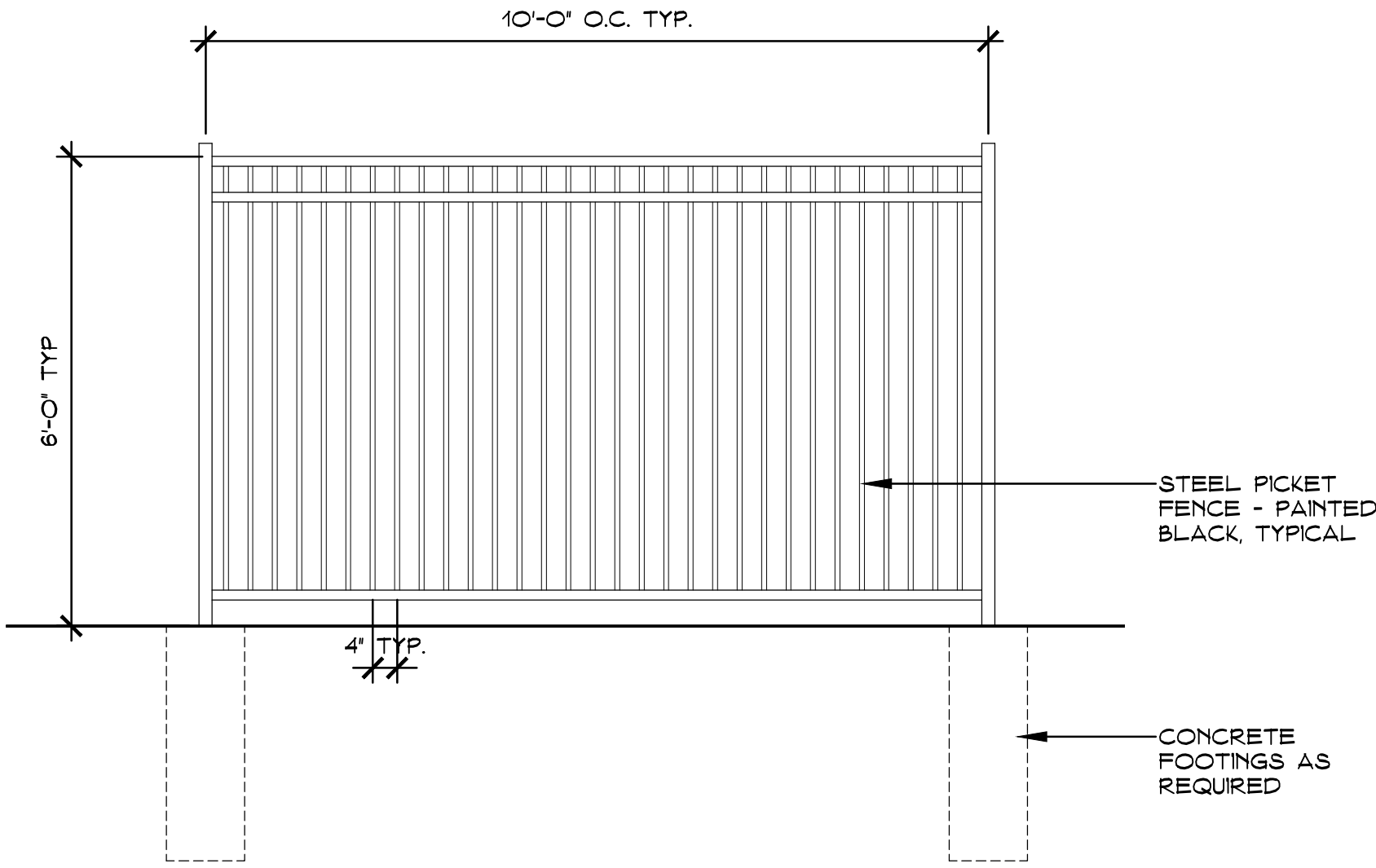
PARKING PROVIDED:	
STANDARD	89 SPACES
ACCESSIBLE	3 SPACES
VAN ACCESSIBLE	1 SPACE
TOTAL STALLS:	93 SPACES
REQUIREMENTS FOR EV STALLS:	
TOTAL PARKING STALLS PROVIDED:	93
EV CAPABLE SPACES REQUIRED:	17
EV CAPABLE SPACES PROVIDED:	13
EVCS (CHARGING STATIONS) PROVIDED: (INCLUDE 1 VAN)	4
TOTAL EV STALLS:	17

PERKINS, WILLIAMS & COTTERILL, INC.
ARCHITECTS
3320 Data Drive, Suite 200 - Rancho Cordova, California 95670
T (916) 851-1400 F (916) 851-1408 E pwcarch@pwcarchitects.com

Site Plan		
Project: MATHER COMM. CENTER		
Job No.	24-313	Date: 9-6-24
Scale: AS NOTED		
△ PC#1-RESPONSE	11-11-24	A1
△ PC#2-RESPONSE	2-7-25	
△ PC#3-REVISION	5-30-25	

Mather Commercial Center

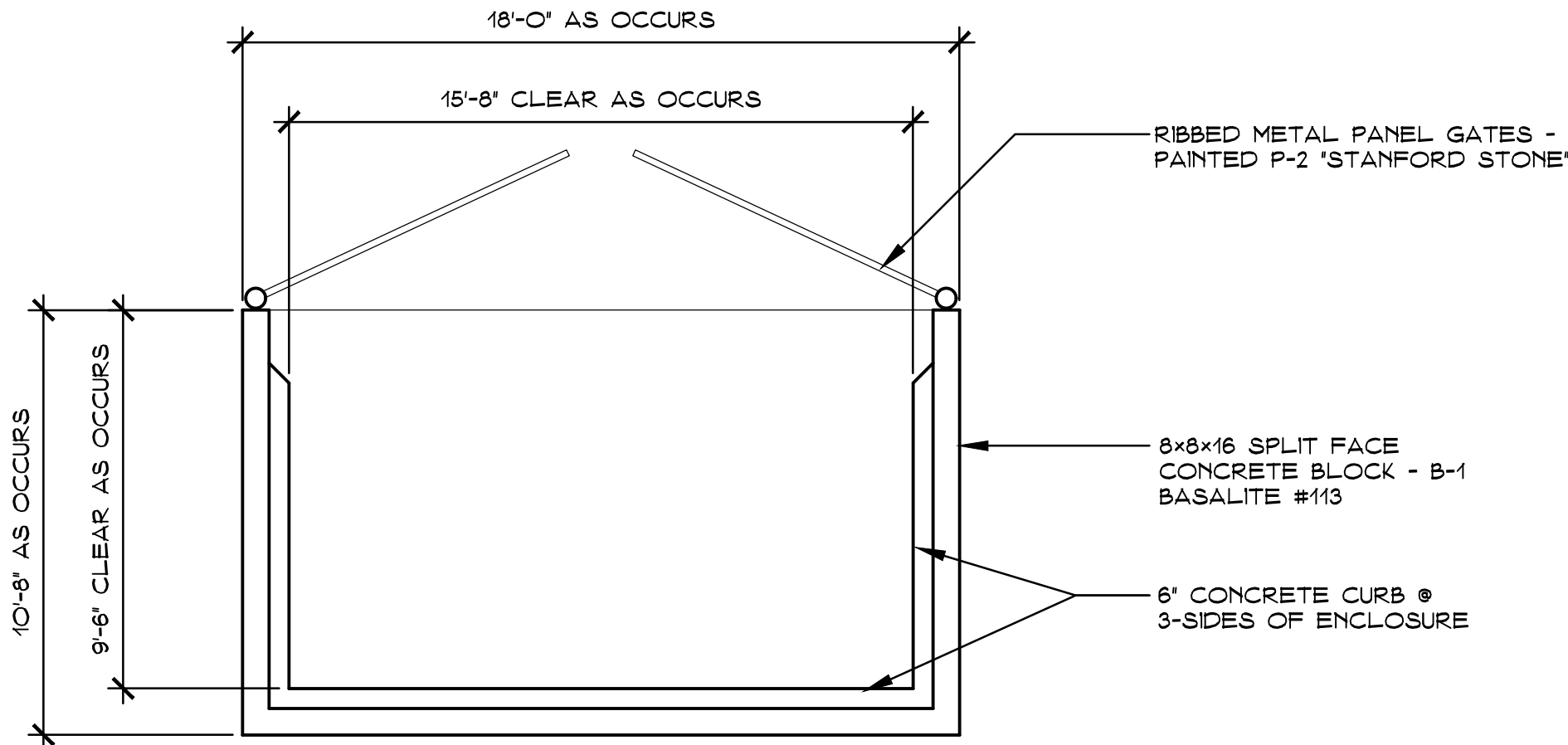
Rancho Cordova, CA



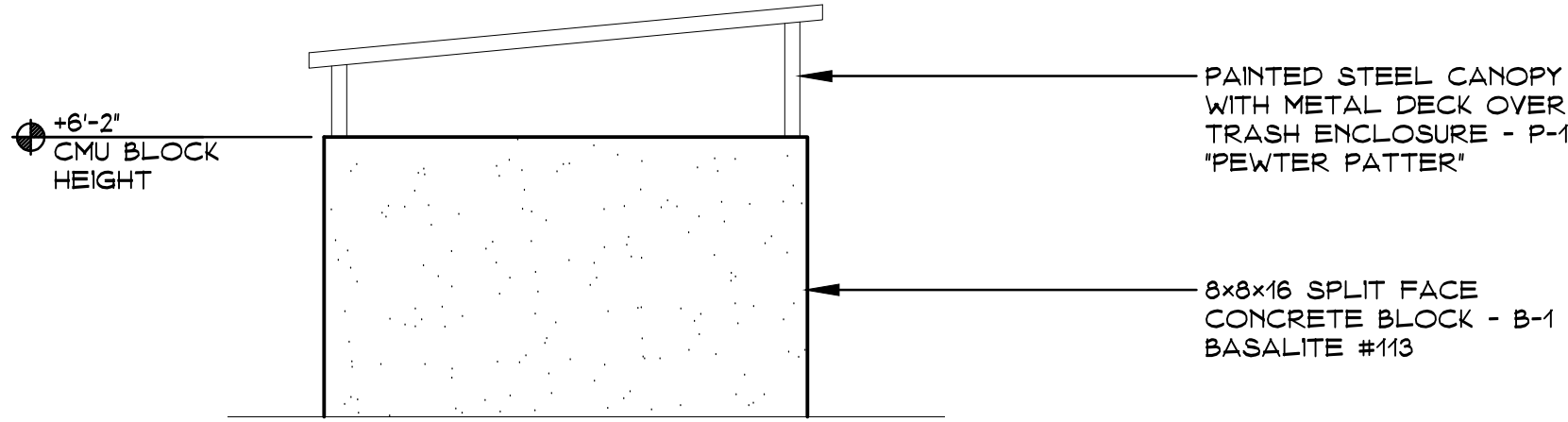
3 TYPICAL STEEL FENCE
A1.1 SCALE = 1/2" = 1'-0"



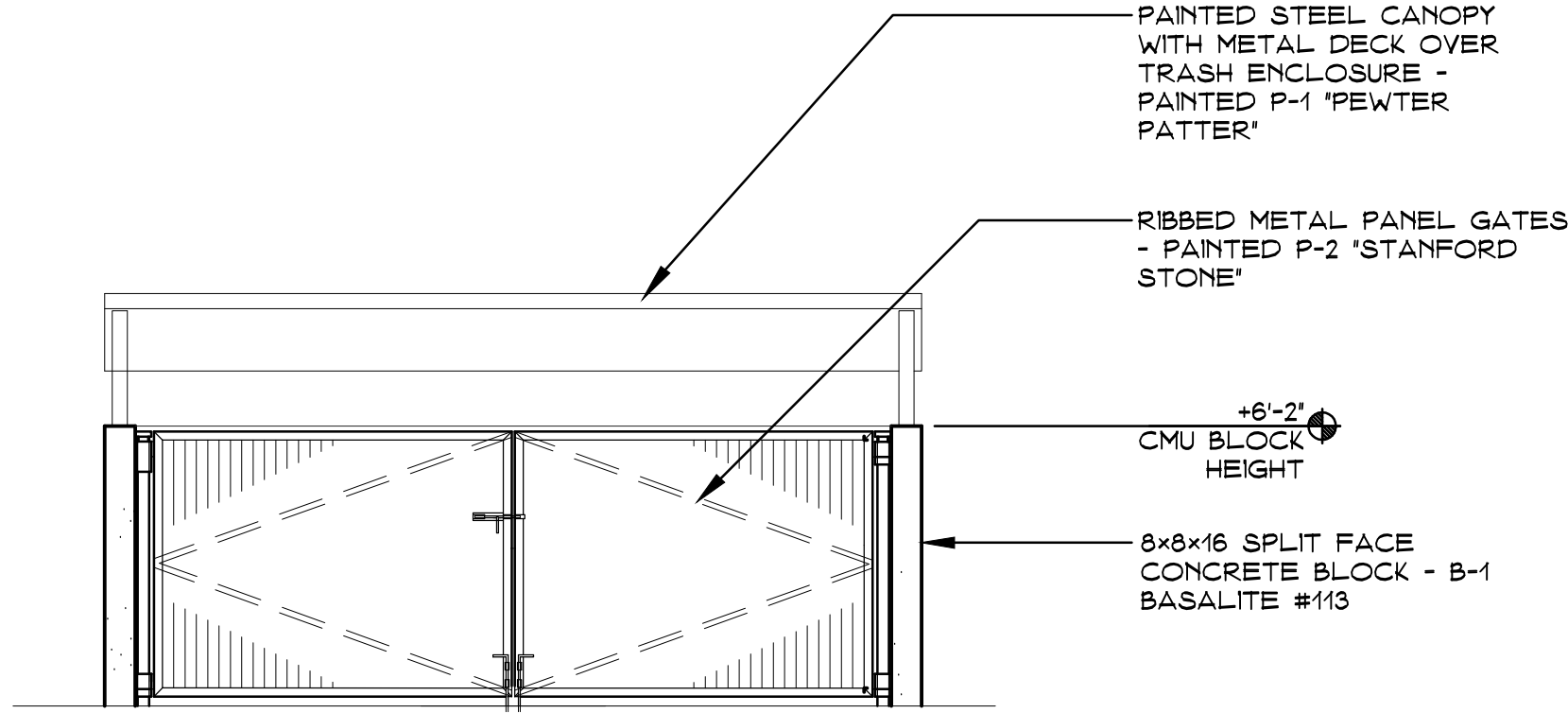
2 BICYCLE PARKING
A1.1 N.T.S.



PLAN



SIDE



FRONT

1 TRASH ENCLOSURE
A1.1 1/4" = 1'-0"

Mather Commercial Center

Rancho Cordova, CA

PERKINS, WILLIAMS & COTTERILL
ARCHITECTS
3320 Data Drive, Suite 200 • Rancho Cordova, California 95670
T (916) 851-1400 F (916) 851-1408 E pwcarch@pwcarchitects.com

Site Details

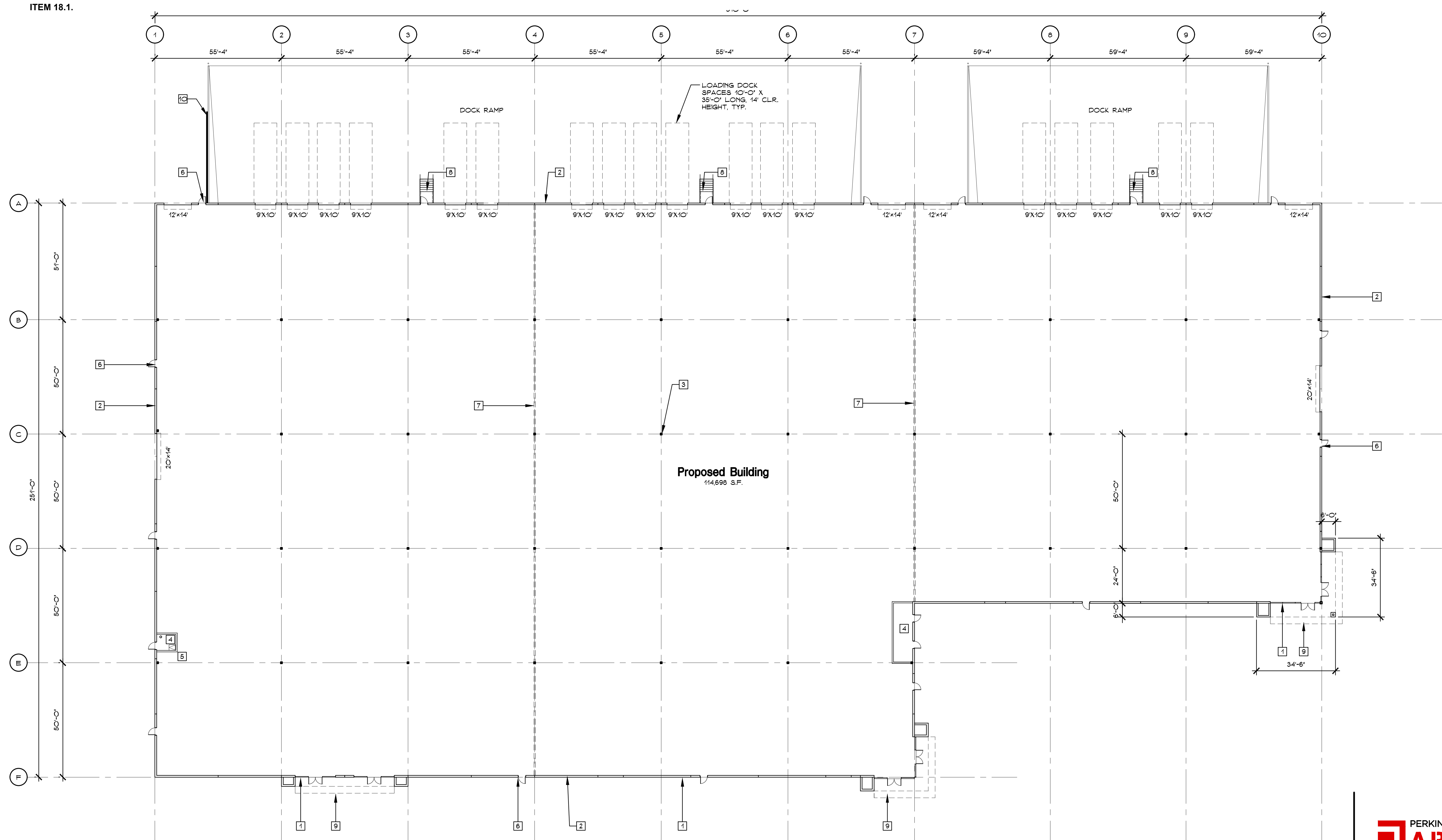
Project: MATHER COMM. CENTER

Job No. 24-313 Date: 8-21-24

Scale: AS NOTED

PC#1-RESPONSE 11-11-24

A1.1



Floor Plan

SCALE: 1" = 20'-0"



KEYNOTES

- 1 GLASS IN ALUM. STOREFRONT SYSTEM
- 2 CONCRETE TILT-UP WALL PANEL
- 3 STEEL COLUMN, TYP.
- 4 ELECTRICAL & FIRE RISER ROOM
- 5 ROOF ACCESS LADDER
- 6 3'x7' METAL MAN DOOR
- 7 FUTURE DEMISING WALL
- 8 STEEL STAIR SYSTEM
- 9 STEEL CANOPY ABOVE
- 10 12' HIGH SCREEN WALL

PERKINS, WILLIAMS & COTTERILL, INC.
ARCHITECTS
3320 Data Drive, Suite 200 • Rancho Cordova, California 95670
T (916) 851-1400 F (916) 851-1408 E pwcarch@pwcarchitects.com

Floor Plan

Project: MATHER COMM. CENTER

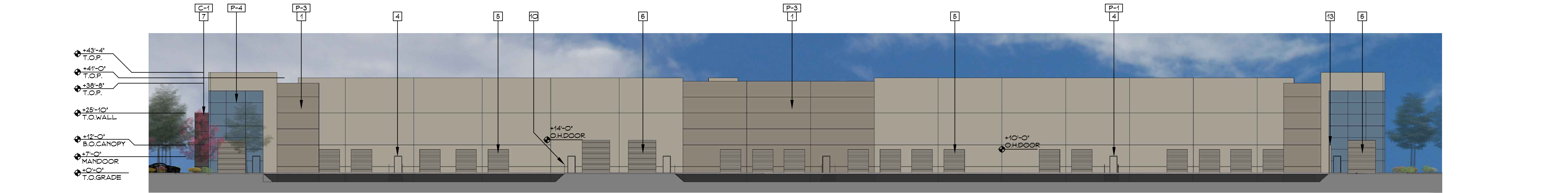
Job No. 24-313 **Date:** 8-21-24

Scale: AS NOTED

- △ PC#1-RESPONSE 11-11-24
- △ PC#2-RESPONSE 2-7-25
- △ PC#3-REVISION 5-30-25

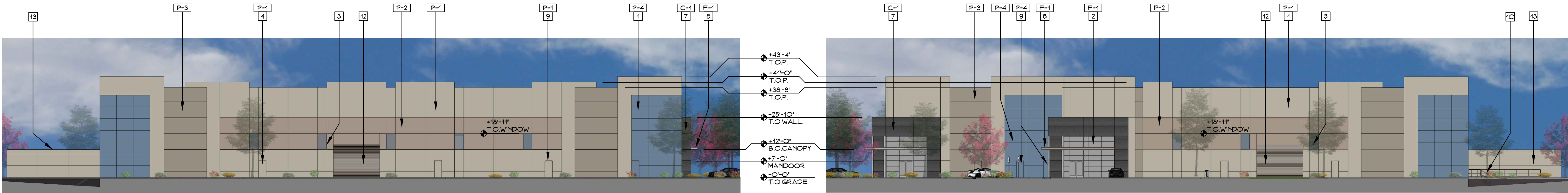
A2

Mather Commercial Center
Rancho Cordova, CA



North Elevation

SCALE: 1" = 20'-0"

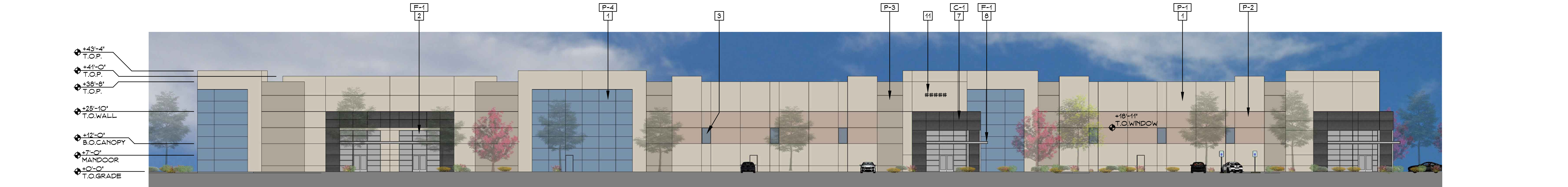


West Elevation

SCALE: 1" = 20'-0"

East Elevation

SCALE: 1" = 20'-0"



South Elevation

SCALE: 1" = 20'-0"

PAINT

P-1	'PEWTER PATTERN' DET627	C-1	ALUCOBOND: 'DUSTY CHARCOAL II'
P-2	'STANFORD STONE' DET696	F-1	STOREFRONT & CANOPY: CLEAR ANODIZED
P-3	'BARNWOOD GRAY' DET620		
P-4	'LAKEVILLE' DE5872		

KEYNOTES

- | | |
|--|--|
| 1 CONCRETE TILT-UP WALL PANEL W/ ARCHITECTURAL REVEALS | 8 METAL CANOPY, TYP. |
| 2 GLASS IN ALUM. STOREFRONT SYSTEM, TYP. | 9 ELECTRICAL & FIRE RISER ROOM |
| 3 STOREFRONT WINDOW, TO MATCH STOREFRONT SYSTEM, TYP. | 10 LOADING DOCK GUARDRAIL, TYP. |
| 4 3'x7' METAL MAN DOOR, FINISHED TO MATCH ADJACENT SURFACE, TYP. | 11 BUILDING ADDRESS |
| 5 9'x10' DOCK DOOR, STANDARD MFTR. COLOR, TYP. | 12 20'x14' GRADE DOOR, STD. MFTR. COLOR TYP. |
| 6 12'x14' GRADE DOOR, STANDARD MFTR. COLOR, TYP. | 13 12' HIGH SCREEN WALL |
| 7 BUILD OUT AT ENTRIES W/ DARK ACCENT PAINT COLOR, TYP. | |

PERKINS, WILLIAMS & COTTERILL, INC.
ARCHITECTS
3320 Data Drive, Suite 200 - Rancho Cordova, California 95670
T (916) 851-1400 F (916) 851-1408 E pwcarch@pwcarchitects.com

Exterior Elevations

Project: MATHER COMM. CENTER

Job No. 24-313 Date: 8-21-24

Scale: AS NOTED

PC#1-RESPONSE 11-11-24
PC#2-RESPONSE 2-7-25
PC#3-REVISION 5-30-25

A3

Mather Commercial Center
Rancho Cordova, CA



Mather Commercial Center
Rancho Cordova, CA

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Perspective Views

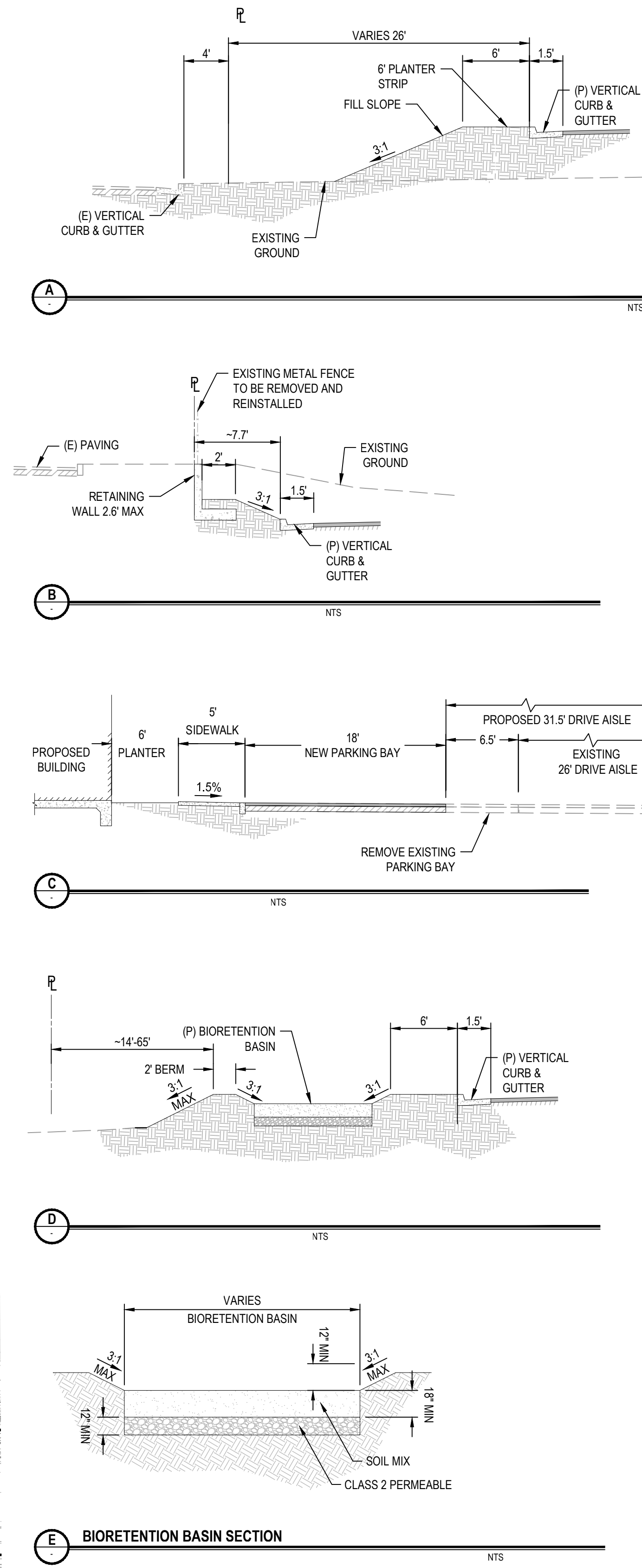
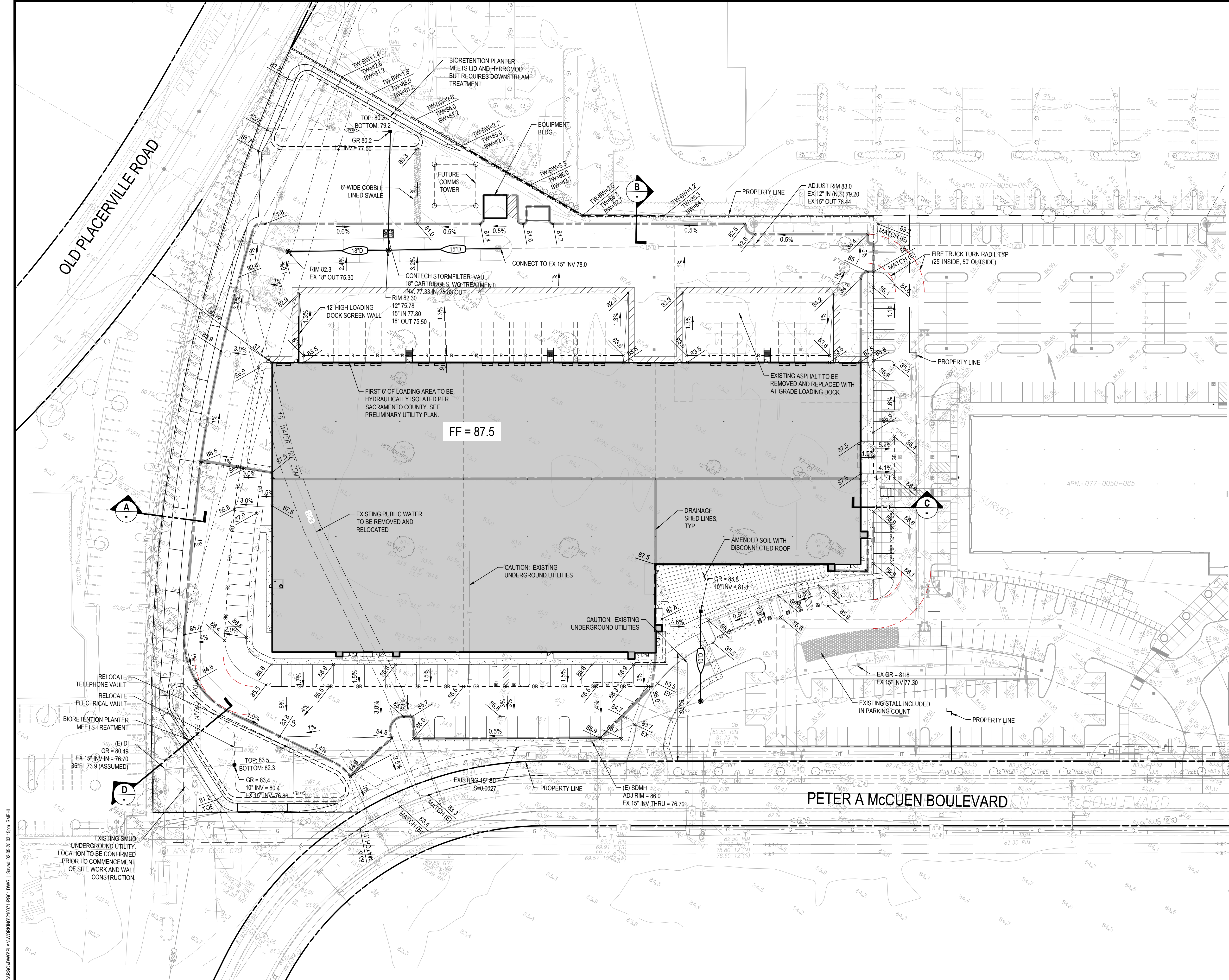
Project: MATHER COMM. CENTER

Job No. 24-313 **Date:** 8-21-24

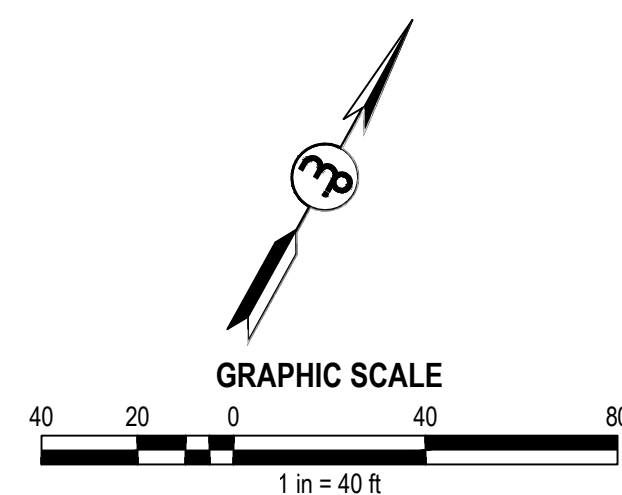
Scale: AS NOTED

- △ PC#1-RESPONSE 11-11-24
- △ PC#2-RESPONSE 2-7-25
- △ PC#3-REVISION 5-30-25

A4



REVISIONS Dep. X3202174-001100 INTJ10						SCALE:	BENCH MARK	COMPUTED	 MORTON & PITALO, INC. CIVIL ENGINEERING • LAND PLANNING • LAND SURVEYING Folsom * Fresno 600 Coolidge Drive, Suite #140 Folsom, CA 95630 phone: (916) 984-7621 web: www.mpengr.com	MATHER CARGO PARK PRELIMINARY GRADING PLAN RANCHO CORDOVA, CALIFORNIA	DATE JUNE 2, 20
						HORIZ. 1" = 40'		DESIGNED JDT			SHEET
						VERT. 1" = N/A		DRAWN RC			OF
								PROJ. ENGR. JDT			
	NO.	DESCRIPTION	APPD. ENGR.	DATE	APPD. E.U.	DATE					

[illegible]

NOT FOR CONSTRUCTION



PARKING LOT
SHADE CALCULATIONS:

TREE TYPE	AREA/ FULL	QUANTITY FULL 3/4 1/2 1/4	SUBTOTAL	TOTAL
30' DIA. TREES				
CEDRUS DEODARA	706 S.F.	0 0 1 0	353 S.F.	
LAURUS NOBILIS	706 S.F.	0 6 0 1	3354 S.F.	
30' TOTAL:				3707 S.F.
35' DIA. TREES				
EXISTING QUERCUS V.	962 S.F.	0 0 2 0	962 S.F.	
EXISTING ULMUS P.	962 S.F.	0 0 0 1	241 S.F.	
PISTACHIA CHINENSIS	962 S.F.	0 5 0 1	3848 S.F.	
35' TOTAL:				5051 S.F.
PARKING STALL PAVING AREA:				15780 S.F.
SHADE REQUIRED:			50%	7890 S.F.
SHADE PROVIDED:			55%	8151 S.F.

PLANT LIST & LEGEND

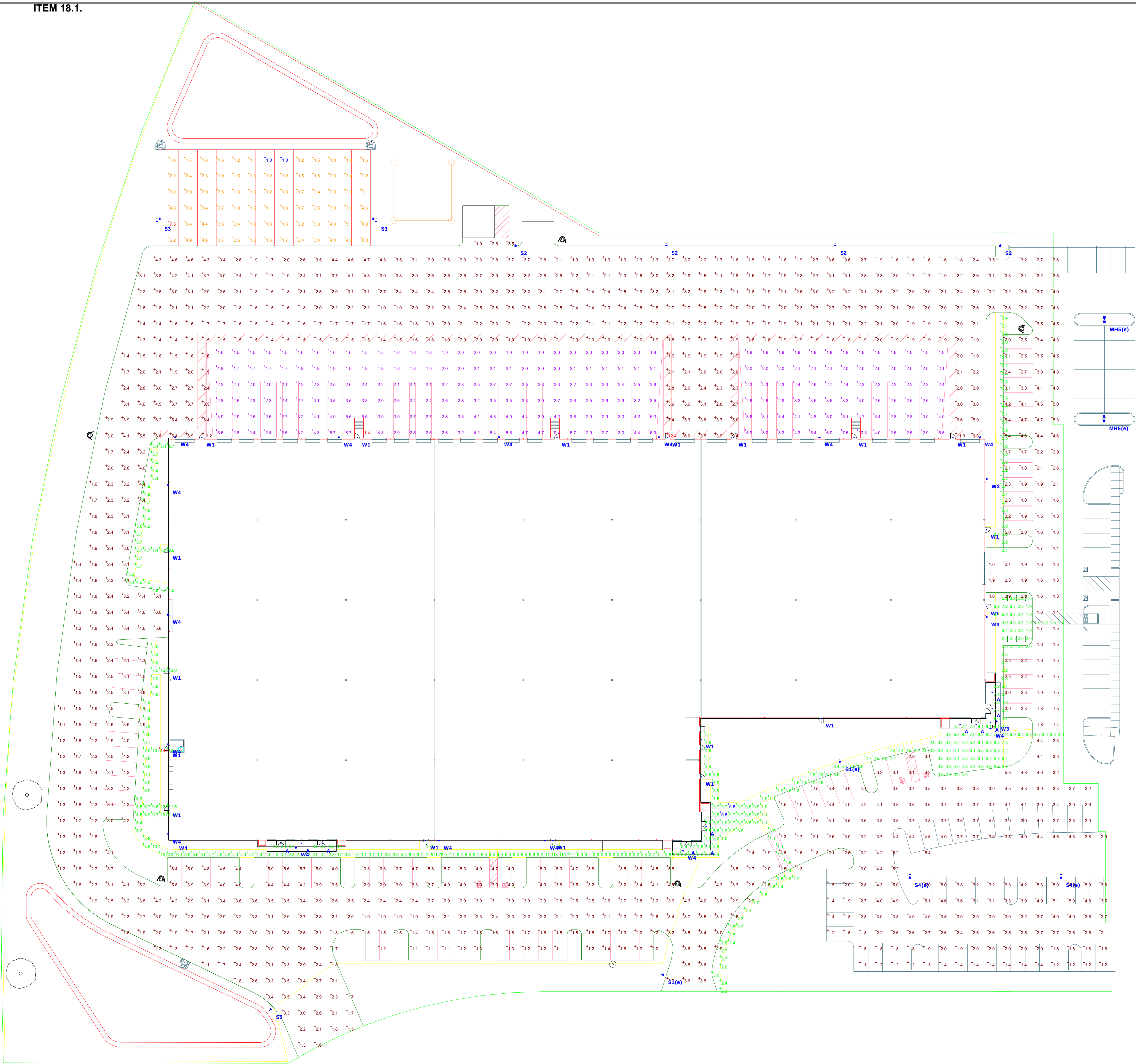
SYMBOL	BOTANIC NAME/COMMON NAME	WUCOLS IV WATER USE	SIZE	QUANTITY	MATURE SIZE (HxW)
	CEDRUS DEODARA/DEODAR CEDAR	LOW	15 GALLON	11	60'x40'
	CERCIS CANADENSIS 'OKLAHOMA'/REDBUD (STANDARD)	LOW	15 GALLON	7	20'x20'
	LAURUS NOBILIS 'SARATOGA'/GRECIAN LAUREL	LOW	15 GALLON	25	40'x30'
	OLEA EUROPEA 'SWAN HILL'/FRUITLESS OLIVE	VERY LOW	24" BOX	24	25'x25'
	PARROTIA PERSICA/PERSIAN PARROTIA	LOW PER CITY LIST	15 GALLON	12	30'x30'
	PISTACHIA CHINENSIS/CHINESE PISTACHE	LOW	15 GALLON	7	40'x40'
	QUERCUS LOBATA/VALLEY OAK	LOW	15 GALLON	4	60'x70'
	SHRUB & GROUND COVER AREA:				
	ACACIA REDOLENS 'DESERT CARPET'/PROSTRATE ACACIA	LOW	5 GALLON		2'x10'
	ARCTOSTAPHYLOS D. 'HOWARD McMINN'/MANZANITA	LOW	5 GALLON		4'x8'
	BACCHARIS PILULARIS 'PIGEON POINT'/DW.F. COYOTE BRUSH	LOW	1 GALLON		2'x8'
	CHONDRPETALUM TECTORUM/DW.F. CAPE RUSH	LOW	5 GALLON		3'x5'
	CALLISTEMON V. 'LITTLE JOHN'/DW.F. BOTTLE BRUSH	LOW	5 GALLON		3'x6'
	CALAMAGROSTIS X. 'STRICTA'/FEATHER REED GRASS	LOW	1 GALLON		2'x2'
	COTONEASTER D. 'LOWFAST'/PROSTRATE COTONEASTER	LOW	5 GALLON		1'x8'
	CAREX DIVULSA/EURASIAN GRAY SEDGE	LOW	1 GALLON		1'x3'
	CAREX SPISSA/SAN DIEGO SEDGE	LOW	1 GALLON		3'x3'
	DIETES BICOLOR	LOW	1 GALLON		3'x5'
	FRANGULA CALIFORNICA/CALIFORNIA COFFEEBERRY	LOW	5 GALLON		12'x15'
	HEROMELES ARBUTIFOLIA/TOYON	VERY LOW	5 GALLON		12'x15'
	LOMANDRA LONGIFOLIA 'LOMLON'/LIME TUFF MAT RUSH	LOW	1 GALLON		3'x4'
	MYOPORUM PARVIFOLIUM/CREeping BOOBIALLA	LOW	1 GALLON		1'x10'
	NANDINA DOMESTICA 'GULF STREAM'/DW.F. HEAVENLY BAMBOO	LOW	5 GALLON		3'x2'
	PENSTEMON HETEROPHYLLUS 'MARGARITA B.O.P./BEARD TONGUE	LOW	1 GALLON		1'x4'
	ROSA CALIFORNICA/WILD ROSE	LOW	5 GALLON		5'x8'
	ROSA X. HYBRIDA 'MEIRADENA'/CECAP ROSE	LOW	5 GALLON		4'x4'
	ROSA X. 'MEUCOS'/PINK DRIFT ROSE	LOW	1 GALLON		2'x6'
	BIORETENTION PLANTER: SEE PLANTS MARKED WITH "B" ABOVE. SEE CIVIL PLANS FOR SOIL MIX & CROSS-SECTIONS.				
	NATIVE ANNUAL GRASSES (CALTRANS MIX #3): FESTUCA MICROSTACHYS (1 1/2 oz/1000sq.ft.) & FESTUCA OCTOFLORA (2 oz/1000sq.ft.)				

PROPOSED
IRRIGATION STATEMENT

POTABLE WATER WILL BE UTILIZED FOR THE PROPOSED IRRIGATION SYSTEM. IRRIGATION WATER WILL BE DISTRIBUTED WITH OVERHEAD STREAM ROTOR SPRINKLERS IN MOST AREAS OVER 10' IN WIDTH (75% EFFICIENCY) WHILE A SUBSURFACE DRIP GRID SYSTEM WITH A PROJECTED EFFICIENCY RATE OF 8% WILL BE UTILIZED EVERYWHERE ELSE. THE IRRIGATION SYSTEM WILL BE IN FULL COMPLIANCE WITH THE CITY OF RANCHO CORDOVA'S WATER EFFICIENT LANDSCAPE ORDINANCE.

LANDSCAPE NOTES:

1. ROOT BARRIERS WILL BE PROVIDED FOR ALL TREES PLANTED WITHIN 10' OF PAVING OR HARDSCAPE.
2. FREE EFFICIENT WATER WILL BE APPLIED TO ALL NON-SEEDED PLANTER AREAS.
3. BARK MULCH WILL BE INSTALLED IN ALL PLANTERS TO A MINIMUM DEPTH OF 3 INCHES.
4. TREES WILL MAINTAIN A MINIMUM 15' CLEARANCE FROM LIGHT POLES & 4' FROM UNDERGROUND UTILITIES. 10' CLEARANCE IS ALLOWED FOR SMALLER CANOPY TREES.
5. FENCES, SHRUBS, SIGNS AND OTHER OBSTRUCTIONS SHALL NOT EXCEED 30 INCHES IN HEIGHT ABOVE ADJACENT ROADWAY SURFACES WITHIN THE "CLEAR VISION TRIANGLE" AT INTERSECTIONS.
6. TOTAL LANDSCAPE AREA IS 52, 686 SQUARE FEET.
7. NO EXISTING TREES ARE PROPOSED FOR REMOVAL.
8. ALL EXISTING TREES SHALL BE PROTECTED DURING CONSTRUCTION PER CITY STANDARDS.
9. 25% OF PROPOSED TREES WILL BE FROM A MINIMUM 24" BOX CONTAINER (21.5% PROVIDED).
10. 30% OF THE PROPOSED TREES ARE REQUIRED TO BE EVERGREEN (26 TREES) WHILE 55% EVERGREEN TREES ARE PROPOSED (66%).



Plan View
Scale - 1/32" = 1ft

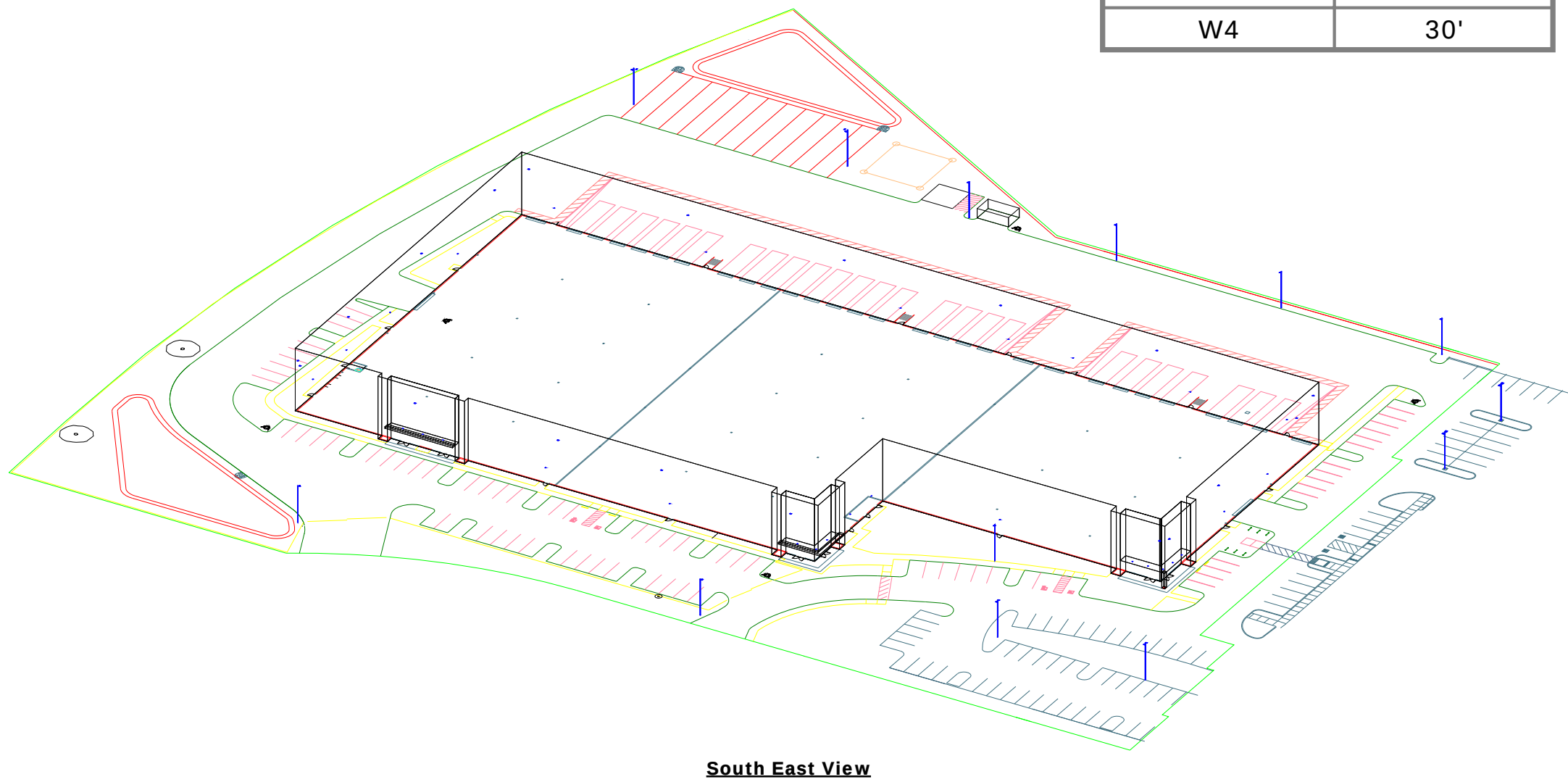
Schedule										
Symbol	Label	Image	Quantity	Manufacturer	Catalog Number	Description	Number Lamps	Lumens Per Lamp	Light Loss Factor	Wattage
	A		11	Lithonia Lighting	LDN6 40/10 LOGAR LD	6IN LDN, 4000K, 1000LM, CLEAR, MATTE DIFFUSE REFLECTOR, CRI80	1	851	0.9	10.44
	MH5(e)		2	Lithonia Lighting	KAD 400M RSS (PULSE START)ONE 400-WATT CLEAR BT-37 PULSE START METAL HALIDE, HORIZONTAL POSITION.	Area Luminaire, 400W MH, RSS Reflector, Full Cutoff MEETS THE "NIGHTTIME FRIENDLY" CRITERIA, LIF ADJUSTED DOWN FROM 400wTO 320w. *** EXISTING POLE***	1	38000	0.6	930
	S1(e)		2	Lithonia Lighting	DSX0 LED P7 40K T3M MVOT	DSX0 LED P7 40K T3M MVOT *** EXISTING POLE***	1	18644	0.9	170.81
	S2		4	Lithonia Lighting	DSX0 LED P7 40K TFTM MVOLT	DSX0 LED P7 40K TFTM MVOLT	1	18356	0.9	166
	S3		2	Lithonia Lighting	DSX0 LED P7 40K TFTM MVOLT	DSX0 LED P7 40K TFTM MVOLT	1	18356	0.9	332
	S4(e)		2	Lithonia Lighting	DSX0 LED P7 40K T5M MVOLT	DSX0 LED P7 40K T5M MVOLT, *** EXISTING POLE***	1	19058	0.9	332
	S5		1	Lithonia Lighting	DSX0 LED P7 40K T3M MVOT	DSX0 LED P7 40K T3M MVOLT	1	18644	0.9	170.81
	W1		18	Lithonia Lighting	WDGE1 LED P2 40K 80CRI VW	WDGE1 LED WITH P2 - PERFORMANCE PACKAGE, 4000K, 80CRI, VISUAL COMFORT WIDE OPTIC, E4WH Emergency battery backup battery	1	1982	0.9	15.0178
	W3		3	Lithonia Lighting	WDGE4 LED P1 70CRI R3 40K	WDGE4 LED WITH P1 - PERFORMANCE PACKAGE, 4000K, 70CRI, TYPE 3 OPTIC	1	11883	0.9	76.21
	W4		16	Lithonia Lighting	WDGE4 LED P6 70CRI RFT 40K	WDGE4 LED WITH P6 - PERFORMANCE PACKAGE, 4000K, 70CRI, FORWARD THROW OPTIC	1	25586	0.9	185.23

Statistics

Description	Symbol	Avg	Max	Max / Min	Avg / Min	Min
LOADING DOCK AREAS	+	2.9 fc	11.4 fc	7.6:1	1.9:1	1.5 fc
SIDEWALKS	+	4.4 fc	14.3 fc	23.8:1	7.3:1	0.6 fc
TRUCK PARKING	+	2.6 fc	7.3 fc	7.3:1	2.6:1	1.0 fc
DRIVE / PARKING	+	2.8 fc	12.4 fc	11.3:1	2.5:1	1.1 fc

Luminaire Locations

Label	MH
A	10'
MH5(e)	23'
S1(e)	23'
S4(e)	23'
S2	23'
S3	23'
W1	10'
W3	30'
W4	30'



South East View

Disclaimer
Photometric analyses performed by CJS Lighting are intended for informational and/or estimation purposes only. Using industry-recognized software, calculations correspond to the information provided to CJS Lighting, and are subject to the limitations of the software and the information received. Assumptions may be made for information that is not provided or available. It is the responsibility of the end-user to consult with a professional engineering advisor to determine whether this design meets the applicable project requirements for lighting performance, safety, suitability and effectiveness for use in a particular application. End-user environments and application can cause field performance to differ from the calculated photometric performance represented in this lighting design. Due to the above considerations, CJS Lighting does not guarantee that actual light levels measured in the field will match initial calculations, and recommend that drawings be submitted to a certified electrical engineer for verification.

Mather Commercial Center - Rancho Cordova, CA

SE Perspective



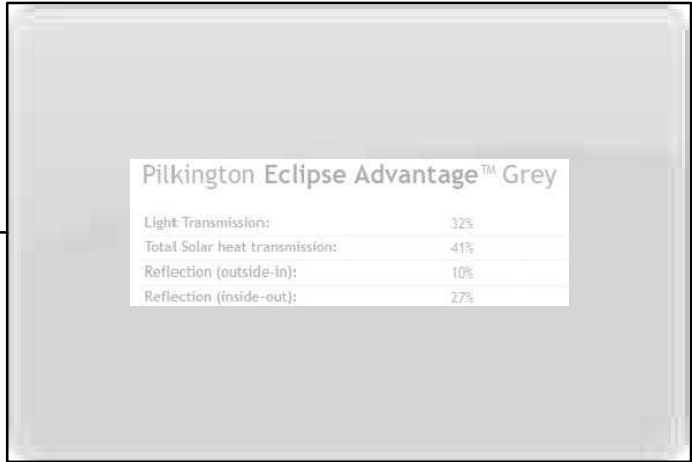
P-4
Field Accent
"Lakeville" DE5872



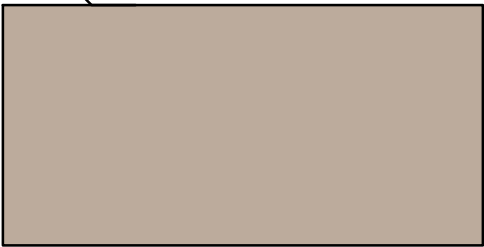
F-1
Bronze Anodized Aluminum
Storefront System & Canopy



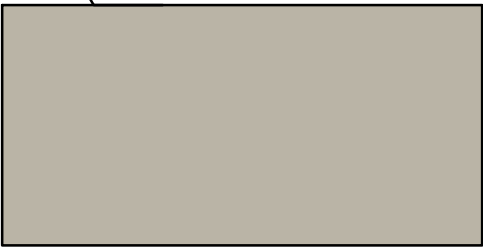
B-1
Trash Enclosure (T.E.)
Baselite: 113- Split Face Standard-Lightweight



G-1
1/4" Tinted Glazing



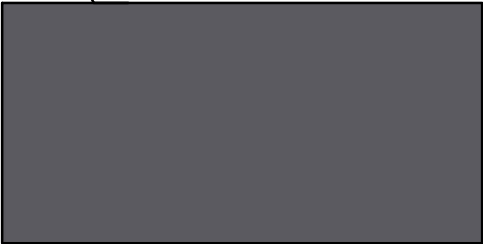
P-2
Medium Accent & T.E. Gates:
"Stanford Stone" DET696



P-1
Field: Light
"Pewter Patter" DET627



P-3
Dark Accent:
"Barnyard Gray" DET620



C-1
Entries: Alucabond Metal Panels
"Dusty Charcoal II"



MEMO

To: Vince Fugina, Jackson Construction

From: Jonathan Flecker, P.E., T.E.

Re: Summary of Mather Commercial Center Trip Generation, Rancho Cordova

Date: August 21, 2025

Jackson Properties is proposing to construct a 114,698 square foot warehouse facility, Mather Commercial Center, along Peter A McCuen Blvd in Rancho Cordova. Office The property is bounded by Peter A McCuen Blvd to the south, Old Placerville Road to the west and existing office buildings to the east and north. Access will be from Peter A McCuen Blvd. The project layout includes a total of 18 loading dock positions on the north side of the building. Truck access is proposed to US 50 via the Mather Field Road interchange.

The trip generation forecast was developed based on the values contained in ITE *Trip Generation*, 11th Edition. This publication is the industry standard to forecast expected trips for projects. In addition to overall trip rates, which includes all vehicles, information is available specifically for projected truck traffic, typically for Industrial land uses.

ITE has collected data on truck trips for certain land uses. The data contained in *Trip Generation* for truck rates is based on site observations. The variables used in developing truck trips includes square footage of the building, the number of employees and acreage. These variables are observable. As part of the project layout the site will contain 18 loading docks. While loading docks may appear to be a measurable variable that would provide a method to calculate truck trips the number of loading docks may not accurately correlate to the number of trucks at a site.

Trucks deliver products to a site and ship products out. Truck logistics is the planning, coordination, and management of transporting these goods. Logistics involves coordinating various activities including the transportation, warehousing and inventory management to support the flow of products from one location to another. A key component of logistics is freight scheduling which is the coordination of pickup and delivery times to align with customer needs and warehouse availability. Freight scheduling includes management at multiple facilities to assure that the warehouses can accommodate the tractor trailers arriving and departing from various locations. Scheduling requires the warehouses to identify when trucks can arrive as well as having the trucking companies schedule truck arrivals and departures to maximize throughput.

Truck rates vary depending on the land use. For example, a fulfillment center land use, has lower truck rates than a general Light Industrial use; however, a High Fulfillment Center Warehouse can approach and exceed 1 million square feet. While truck rates may be high for some uses or low for others, the total truck trips generated is typically a function of the building square

ITEM 18.1.

Memo – Summary of Mather Commercial Center Trip Generation, Rancho Cordova

August 21, 2025

Page 2

footage. The *Trip Generation* daily truck trip rates for the General Light Industrial land use is projected to generate 0.25 daily trips per 1,000 square feet (ksf), 0.03 trips per ksf in the a.m. peak hour and 0.05 trips per ksf in the p.m. peak hour. Based on the 114.4 ksf building the project is expected to generate 29 daily trips, 3 trips during the a.m. peak hour and 6 trips in the p.m. peak hour. A worst case scenario would be a warehouse facility which would generate about 69 daily trips, 7 peak hour a.m. trips and 3 peak hour p.m. trips.

It can take two hours to unload or load a trailer. In a 10-hour workday a single loading dock could, therefore, accommodate four trucks. If all loading docks at the Mather Commercial Center site are utilized about 72 trucks would be accommodated in a day which would be consistent for a warehouse facility.

Truck arrivals and departures for loading docks would be analogous to gates at an airport. Each gate is not in constant use, with logistics scheduling when each jet arrives at an airport, what gate they are assigned to, how long they are on the ground and when they depart. Overall, there are generally more gates available than in active use. This allows for maintenance, short-term storage and fleet management. Based on the time to deplane, restock and enplane passengers, there is a maximum number of jets that can utilize one gate. Truck docks are similar with a maximum number of trucks than could utilize each loading dock. As noted above, and at maximum usage, about 70 trucks per day could utilize the site. Assuming a 10-hour day, from 7:00 a.m. to 5:00 p.m. the maximum one-way trucks trips into and out of the site could be about seven trips per hour, or one truck every 8½ minutes.

Depending on the types of goods at the warehouse, the logistical component of scheduling inbound delivery and outbound distribution could include dropping trailers for unloading and storing the trailer at the dock for later outbound use. This would reduce the number of working loading docks, thereby reducing the number of trucks to and from the site. The number of trucks at the site will be dependent on multiple factors, including the number of loading docks. As noted above and based on the truck data developed by ITE a maximum of about 70 daily truck trips could be expected based on the project square footage. This coincides with the number of proposed loading docks and the time it takes to unload and load a trailer. However, the actual number of trucks expected at the site will be based on the actual use of the facility. Considering the surrounding area includes Office of Emergency Services (OES) offices, and assuming OES were to use the facility the number of truck trips could be less were the site used to store supplies for use during emergencies.

SUMMARY

The Mather Commercial Center project will construct a 114,698 square foot facility which could be used for warehousing, manufacturing or general light industrial uses. The project is expected to generate about 559 daily trips with 85 a.m. peak hour trips and 72 p.m. peak hour trips. This is a worst-case scenario for total vehicles generated by the project. Regarding truck traffic the worst-case scenario would be a warehouse. A warehouse of this size could be expected to generate about 70 daily truck trips; however, the exact number of trucks would be based on the goods stored, how often the goods are moved both inbound and outbound, and the logistics of the truck movements.

No additional analyses are necessary as the project will not generate 1,000 trips per day or 100 trips during the peak hour.

ITEM 18.1.
Flecker Associates
Transportation Engineers

March 7, 2025

Mr. Vincent Fugina
Jackson Properties
155 Cadillac Drive, Suite 100
Sacramento, CA 95825

**RE: TRIP GENERATION ASSESSMENT FOR JACKSON PROPERTIES MATHER COMMERCIAL CENTER –
APN 077-0420-001, RANCHO CORDOVA, CALIFORNIA**

Dear Mr. Fugina:

Thank you for contacting Flecker Associates regarding your Jackson Properties project in Rancho Cordova. The project is located along Peter A. McCuen Blvd near Old Placerville Road. This letter is intended to update the previously prepared analysis prepared by KD Anderson and Associates, Inc. (KDA) in August 2022. The proposed project involves construction of a new industrial building with ancillary office space that is planned for use as a warehouse at 10391 Peter A. McCuen Blvd. The building is slated to be 114,698 square feet. The previously analyzed building was 118,800 square feet.

This assessment provides an update to the KDA analysis which considered a larger building square footage. The previous project assumed a single user for the building while the proposed project will be able to split the building for up to three users. Previously, eight loading docks were provided for the building. The building has been modified to shift the truck loading docks to the back side of the building, and 25 dock positions are now proposed.

Trip Generation Rates. The ITE Publication *Trip Generation*, 11th Edition offers industry standard trip generation rates that are appropriate for most land uses. *Trip Generation* provides a variety of uses that could occupy the site. The rates are generally dependent on employee density, as the highest rates are associated with uses that have higher numbers of employees such as manufacturing, while lower trip generation rates are identified for storage facilities such as warehousing. The uses surrounding the site are generally office space for the California Office of Emergency Services (OES). While no user is yet identified it is possible that the site could provide light industrial and warehousing for these OES facilities.

The General Light Industrial land use, Land Use Code 110 (LUC 110), was used to identify trip generation for the site. *Trip Generation* describes General Light Industrial as “A light industrial facility is a free-standing facility devoted to a single use. The facility has an emphasis on activities other than manufacturing and typically has minimal office space. Typical light industrial activities include printing, material testing, and assembly of data processing equipment. Industrial park (Land Use 130) and manufacturing (Land Use 140) are related uses”. The use of this LUC provides a conservative assessment of potential trip generation for the site.

ITEM 18.1.

Mr. Vince Fugina

Trip Generation Assessment for Jackson Properties Mather Commercial Center

March 7, 2025

Page 2

Trip Generation Forecast. The number of peak hour trips associated with the project was estimated considering the three land use categories above for comparative purposes. Table 1 presents the projected trips for each, showing both the current project and the previous project. As the building footprint was reduced by 4,100 square feet the table shows the new and previous trip generation. The Light Industrial use could generate about 559 daily trips, about a 20 trip decrease from the previous project. During the a.m. peak hour about 85 trips are projected, a decrease of about 3 peak hour trips while in the p.m. peak hour, 72 trips are projected, a decrease of about 5 trips. Similarly, fewer trips are projected considering the Manufacturing and Warehousing land uses.

TABLE 1 TRIP GENERATION RATES FORECAST									
ITE Code	Description	Average Trips per Unit							
		Unit	Daily	AM Peak Hour			PM Peak Hour		
				Total	% in	% out	Total	% in	% out
110	General Light Industrial	ksf	4.87	0.74	88%	12%	0.63	13%	87%
140	Manufacturing	ksf	4.75	0.68	76%	24%	0.74	31%	69%
150	Warehousing	ksf	1.71	0.17	77%	23%	0.18	28%	72%
Estimates for Proposed Project									
110	General Light Industrial	114.7 ksf	559	85	75	10	72	8	63
130	Manufacturing	114.7 ksf	545	78	59	19	85	26	59
150	Warehousing	114.7 ksf	196	19	15	4	21	6	15
Estimates for Previous Project									
110	General Light Industrial	118.8 ksf	579	88	77	11	77	11	66
130	Manufacturing	118.8 ksf	564	81	61	20	88	27	61
150	Warehousing	118.8 ksf	203	20	15	5	21	6	15
Net Change in Trips									
110	General Light Industrial		(20)	(3)	(2)	(1)	(5)	(3)	(3)
130	Manufacturing		(19)	(3)	(2)	(1)	(3)	(1)	(2)
150	Warehousing		(7)	(1)	(0)	(1)	(0)	(0)	(0)
Note – numbers may not match due to rounding									

Truck Traffic Forecast. ITE truck data was also reviewed to determine the project's projected truck trip generation might typically be for heavy trucks. *Trip Generation* provides supporting information for truck trips for the three possible uses. Table 2 presents the forecasted truck trip estimates for each land use. Truck traffic varies depending on the land use with the rates ranging from 25% of project traffic per thousand square feet to up to 60% of the traffic generated. Dividing the projected truck traffic by the daily trip generation produces a.m. peak hour truck rates ranging from 5.5% to 9.5% of overall traffic. In the p.m. peak hour, the rates may range between 3.4% and 6.9%.

For the General Light Industrial the project may generate about 29 daily trucks while for a Warehouse facility the truck traffic could reach 69 daily trips. The ITE data suggests that the truck percentage is lower during peak commute hours, and this is shown in Table 2. The General Light Industrial use is projected to generate 3 a.m. peak hour truck trips and 1 p.m. peak hour trip. The Manufacturing land use could

ITEM 18.1.

Mr. Vince Fugina

Trip Generation Assessment for Jackson Properties Mather Commercial Center

March 7, 2025

Page 3

TABLE 2 TRUCK TRIP GENERATION RATES FORECAST									
ITE Code	Description	Average Trips per Unit							
		Unit	Daily Truck Rate per ksf	AM Peak Hour			PM Peak Hour		
				Peak Hour Percent	% in	% out	Peak Hour Percent	% in	% out
110	General Light Industrial	114.7 ksf	25%	9.5%	48%	52%	3.4%	44%	56%
140	Manufacturing	114.7 ksf	45%	7.8%	51%	49%	4.9%	43%	57%
150	Warehousing	114.7 ksf	60%	5.5%	44%	56%	6.9%	60%	40%
<i>Estimates for Proposed Project</i>									
110	General Light Industrial	5% ¹	29	3	1	1	1	0	1
130	Manufacturing	9% ¹	51	4	2	2	3	1	1
150	Warehousing	35% ¹	69	4	2	2	5	3	2
¹ Percentage of daily traffic from Table 1 (e.g., 29/579 = 5%) Figures may not equal due to rounding									

ITEM 18.1.*Mr. Vince Fugina**Trip Generation Assessment for Jackson Properties Mather Commercial Center**March 7, 2025**Page 4*

generate 4 a.m. peak hour trips and 1 p.m. peak hour trip while the Warehousing land use would be expected to generate 4 a.m. and 5 p.m. peak hour truck trips.

Expected Truck Routes. The site is located between the Bradshaw Road interchange to the west and the US 50 / Mather Field Road interchange to the east. The most direct route between US 50 and the site is along Peter A. McCuen Blvd and Mather Field Road. The Mather Sports Center Complex is located along Peter A. McCuen Blvd between Mather Field Road and Schriever Avenue, with this segment of Peter A. McCuen Blvd about 30 feet wide with no parking permitted. Two driveways are located along the road, one for the Sports Complex and the other for the Sacramento County Utilities Billing and Services building. The roadway serves as a connector between the various office complexes to the west and Mather Field Road.

The project would introduce trucks onto the roadway. The number of trucks generated by the site during peak hours is a maximum of 5 vehicles, assuming the more conservative warehouse land use. On average, this would be one truck every 12 minutes. We also understand there is a safety concern and that the previously approved project included Conditions related to improving safety in the corridor near the Sports Complex. It is recommended that those Conditions be implemented.

The project intends to operate California Legal trucks from the site. The City's zoning code allows most trucks other than STAA trucks to operate on City streets. Should the project desire to operate STAA trucks a Terminal Access route would need to be established. Currently, the following roads allow STAA trucks: Mather Field Road between US 50 and Rockingham Drive; Rockingham Drive between Mather Field Road and Old Placerville Road; and Old Placerville Road between Rockingham Drive and Bradview Drive. A new STAA route would be required to provide Terminal Access to the site. The shortest distance would be the proposed current route, along Mather Road to Mather Field Road. A second alternative would require out of direction travel and use Mather Road and McCready Avenue, connecting into the existing STAA route on Old Placerville Road. An STAA Terminal Route application would need to be prepared prior to operating these trucks.

Loading Docks. The revised building footprint will decrease the building size by 4,100 square feet when compared to the original building layout. The original site plan provided two access driveways, one along Peter A. McCuen Blvd and one along Old Placerville Road. The primary entrance was along Peter A. McCuen Blvd with eight loading docks provided at the front of the building. Employee parking was provided along the north, west and east sides of the building.

The site has been reconfigured with both access driveways located along Peter A. McCuen Blvd. A circulating roadway will be provided using the existing reciprocal access easement on the east side of the site. The truck loading docks have been shifted from the south side (front) of the building to the back side (north) side of the building. The proposed project is intended to support activities in the adjacent area with truck traffic limited to California Legal trucks and smaller. Should OES utilize the building it is assumed that emergency supplies would be stored at the site. It is expected that there would be various daily trips into and out of the site delivering supplies to various local agencies and replenishing those materials.

As noted above, the previous site plan provided eight loading docks. With the revised site plan, the loading docks are intended to span the entire building length, accommodating 25 loading docks. The additional loading docks should not add additional traffic to the site as the number of trucks at a site is dependent upon the site usage and size of facility. For example, an Amazon fulfillment center warehouse operates

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*Mr. Vince Fugina**Trip Generation Assessment for Jackson Properties Mather Commercial Center**March 7, 2025**Page 5*

24 hours a day, with interstate trucks arriving and departing at various times throughout the day. A smaller light industrial building, however, would be expected to generate fewer trucks as the smaller building and fewer loading docks would inherently generate less trips. Additional loading docks provide better on-site logistics for planning truck traffic. For scheduling purposes trucks are allotted different times to load and unload cargo. With fewer docks available a delay in an outbound trailer being loaded can cause delays for inbound traffic. In addition, if a truck and trailer are owned by different entities a loading dock could be used for logistic management scheduling, allowing delivery by one truck and distribution by another. The additional loading docks provide maximum flexibility to load and unload cargo to minimize delaying truck schedules.

Conclusions. The proposed Mather Commercial Center project will construct a 114,700 square foot building along Peter A. McCuen Blvd near Old Placerville Road in Rancho Cordova. The project reduces the original site plan by 4,100 square feet. Using the General Light Industrial land use (LUC 110) as the basis for the project, the site is expected to generate about 559 daily trips with 85 a.m. peak hour trips and 72 p.m. peak hour trips. This is a reduction of 20 daily trips, 3 a.m. trips and 5 p.m. trips from the previously approved project.

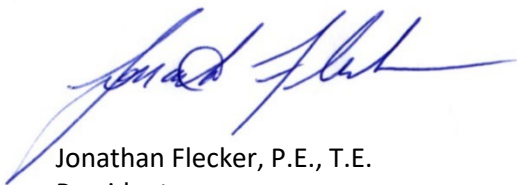
Truck traffic generated by the project is estimated to be 29 daily trips with 3 a.m. peak hour trips and 1 p.m. peak hour trip. If a worst-case scenario for the site is assumed with the site analyzed as a Warehouse facility, the expected truck traffic could be 69 daily trips with 4 a.m. peak hour trips and 5 p.m. peak hour trips. The site will provide 25 loading docks for truck traffic. The additional loading docks should not increase the number of truck trips but will allow trucks and trailers to be parked at the loading docks without having to consider logistics for arrivals and departures.

The most direct truck access to US 50 is along Mather Field Road to Peter A. McCuen Blvd. Trucks using this route will pass by the Mather Sports Center Complex. Safety has previously been raised as a concern with the City conditioning the previously approved project to provide measures in the segment to enhance safety. It is recommended that those measures continue to be implemented.

The City of Rancho Cordova's traffic study guidelines typically determine the need for additional traffic impact analysis based on consideration of a project's overall trip generation estimate. Those projects generating fewer than 1,000 daily or 100 peak hour trips do not typically require traffic impact analysis. As the proposed project will generate less than these values, further analysis is not necessary.

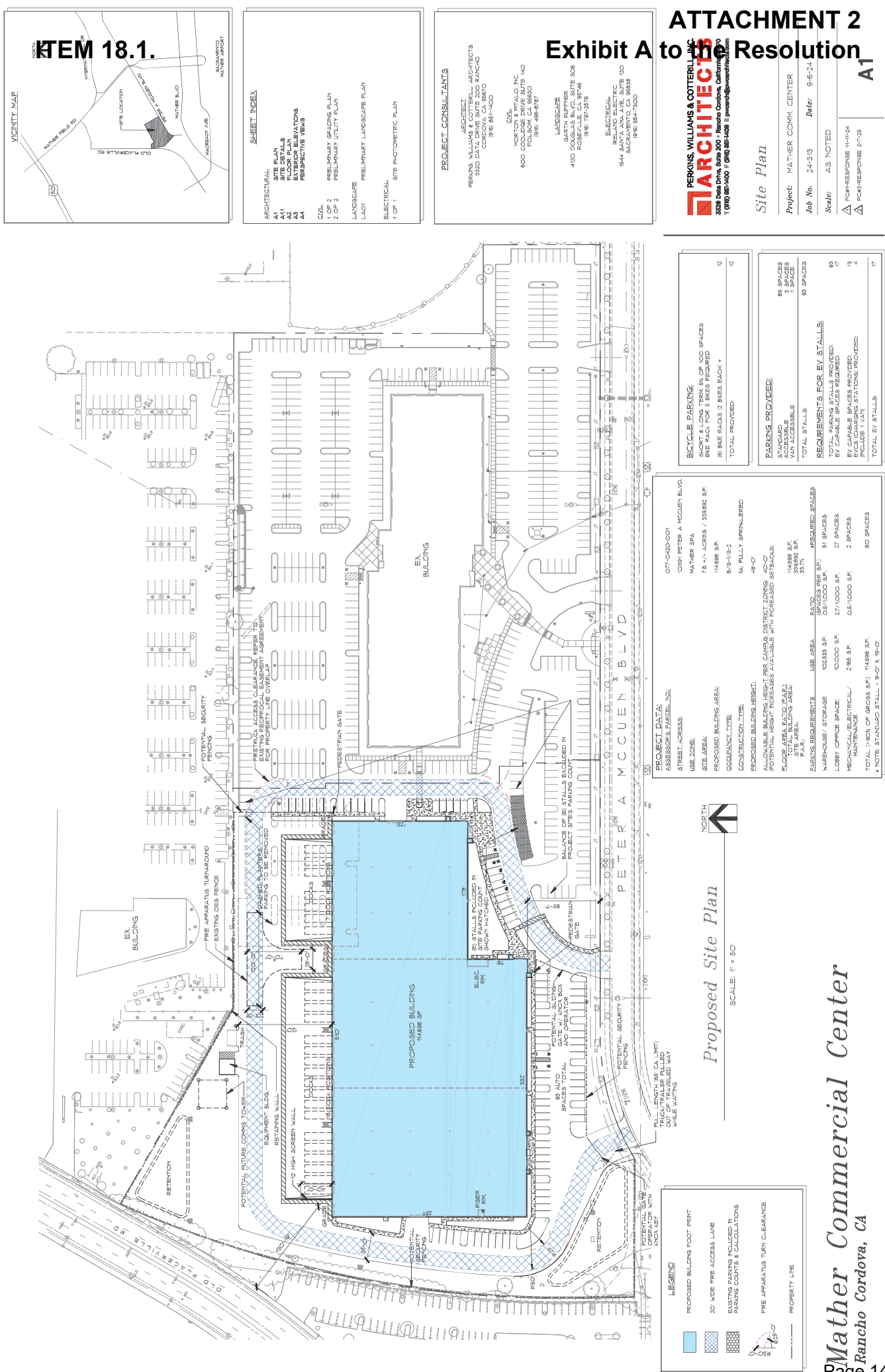
Thank you for contacting Flecker Associates to provide an updated trip assessment. Please feel free to call me if you have any questions or need additional information.

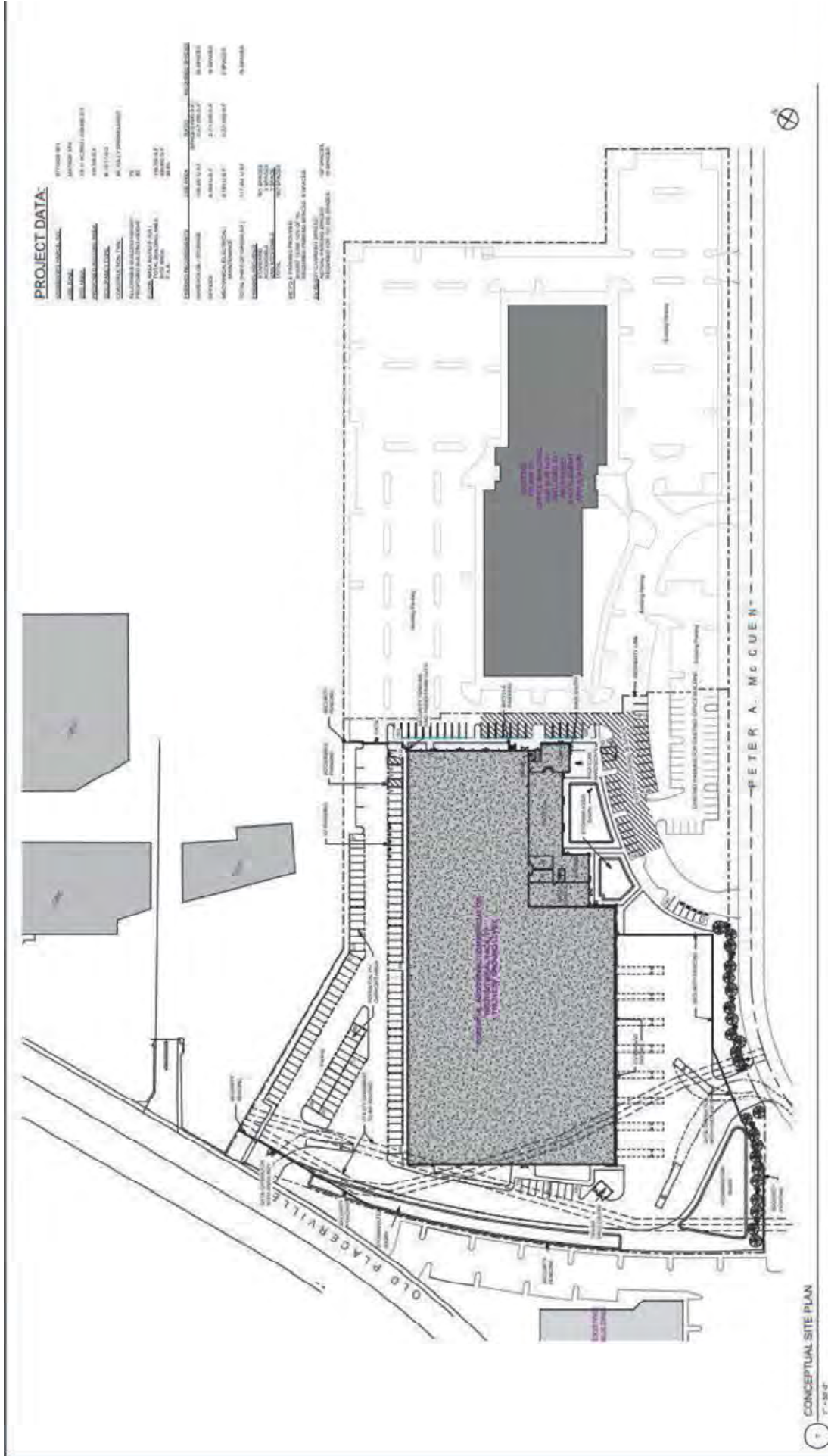
Sincerely,



Jonathan Flecker, P.E., T.E.
President

Attachments





nacht & lewis
600 Q. St. Suite 100
Sacramento, CA 95811
nachtlewis.com
916.329.4000

JACKSON PROPERTIES, INC.
MATHER COMMERCIAL CENTER TEST FIT
PRELIMINARY DESIGN

PA0.1
CONCEPTUAL SITE PLAN
As indicated
04/26/2022

RANCHO CORDOVA
CALIFORNIA

ORIGINAL SITE PLAN

KD Anderson & Associates, Inc.
Transportation Engineers
4025-001 RA 8/23/2022

figure 2

Land Use: 110

General Light Industrial

Description

A light industrial facility is a free-standing facility devoted to a single use. The facility has an emphasis on activities other than manufacturing and typically has minimal office space. Typical light industrial activities include printing, material testing, and assembly of data processing equipment. Industrial park (Land Use 130) and manufacturing (Land Use 140) are related uses.

Additional Data

The technical appendices provide supporting information on time-of-day distributions for this land use. The appendices can be accessed through either the ITETripGen web app or the trip generation resource page on the ITE website (<https://www.ite.org/technical-resources/topics/trip-and-parking-generation/>).

The sites were surveyed in the 1980s, the 2000s, and the 2010s in Colorado, Connecticut, Indiana, New Jersey, New York, Oregon, Pennsylvania, and Texas.

Source Numbers

106, 157, 174, 177, 179, 184, 191, 251, 253, 286, 300, 611, 874, 875, 912

General Light Industrial (110)

Vehicle Trip Ends vs: 1000 Sq. Ft. GFA
On a: Weekday

Setting/Location: General Urban/Suburban

Number of Studies: 37

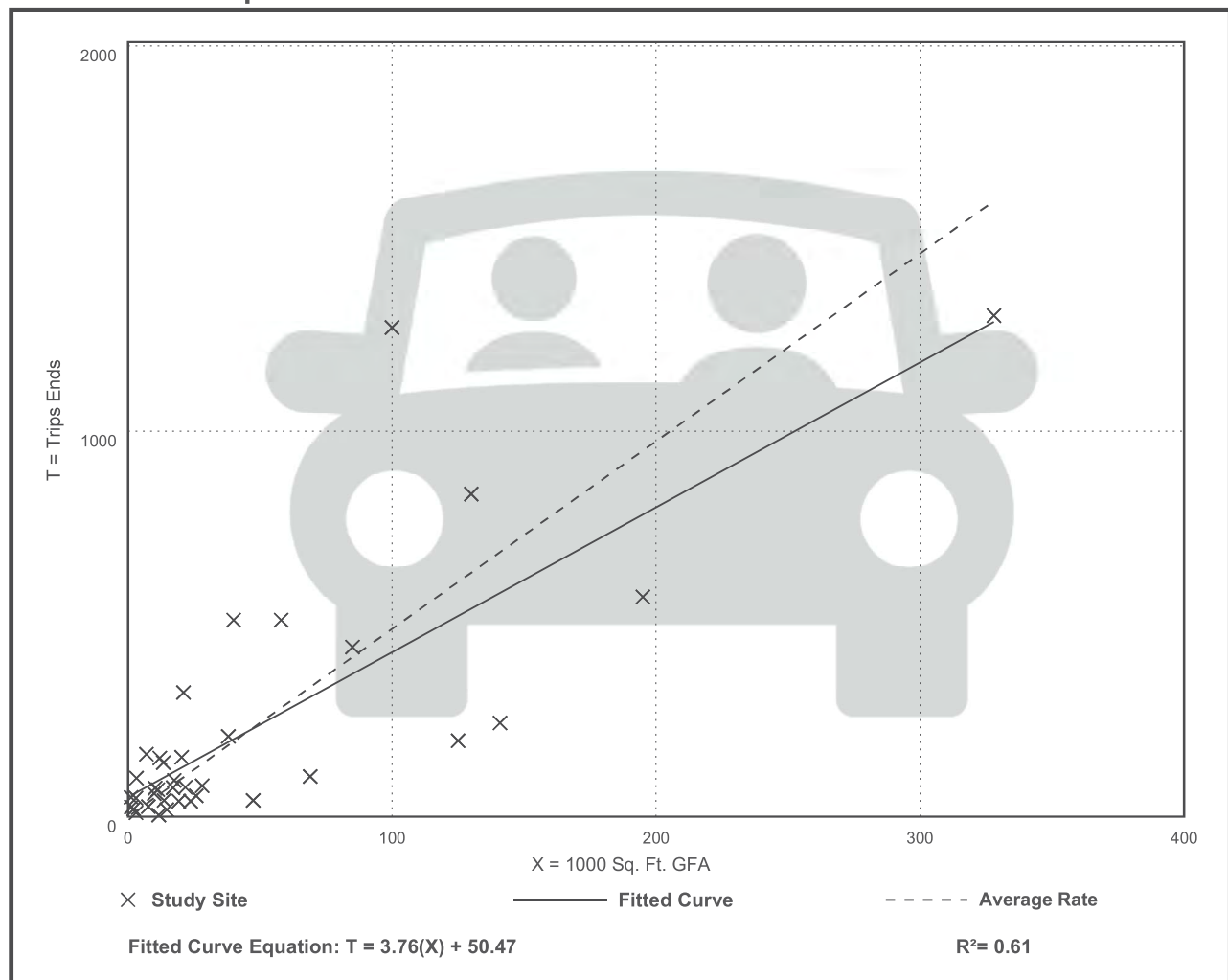
Avg. 1000 Sq. Ft. GFA: 45

Directional Distribution: 50% entering, 50% exiting

Vehicle Trip Generation per 1000 Sq. Ft. GFA

Average Rate	Range of Rates	Standard Deviation
4.87	0.34 - 43.86	4.08

Data Plot and Equation



General Light Industrial (110)

Vehicle Trip Ends vs: 1000 Sq. Ft. GFA

On a: Weekday,

Peak Hour of Adjacent Street Traffic,

One Hour Between 7 and 9 a.m.

Setting/Location: General Urban/Suburban

Number of Studies: 41

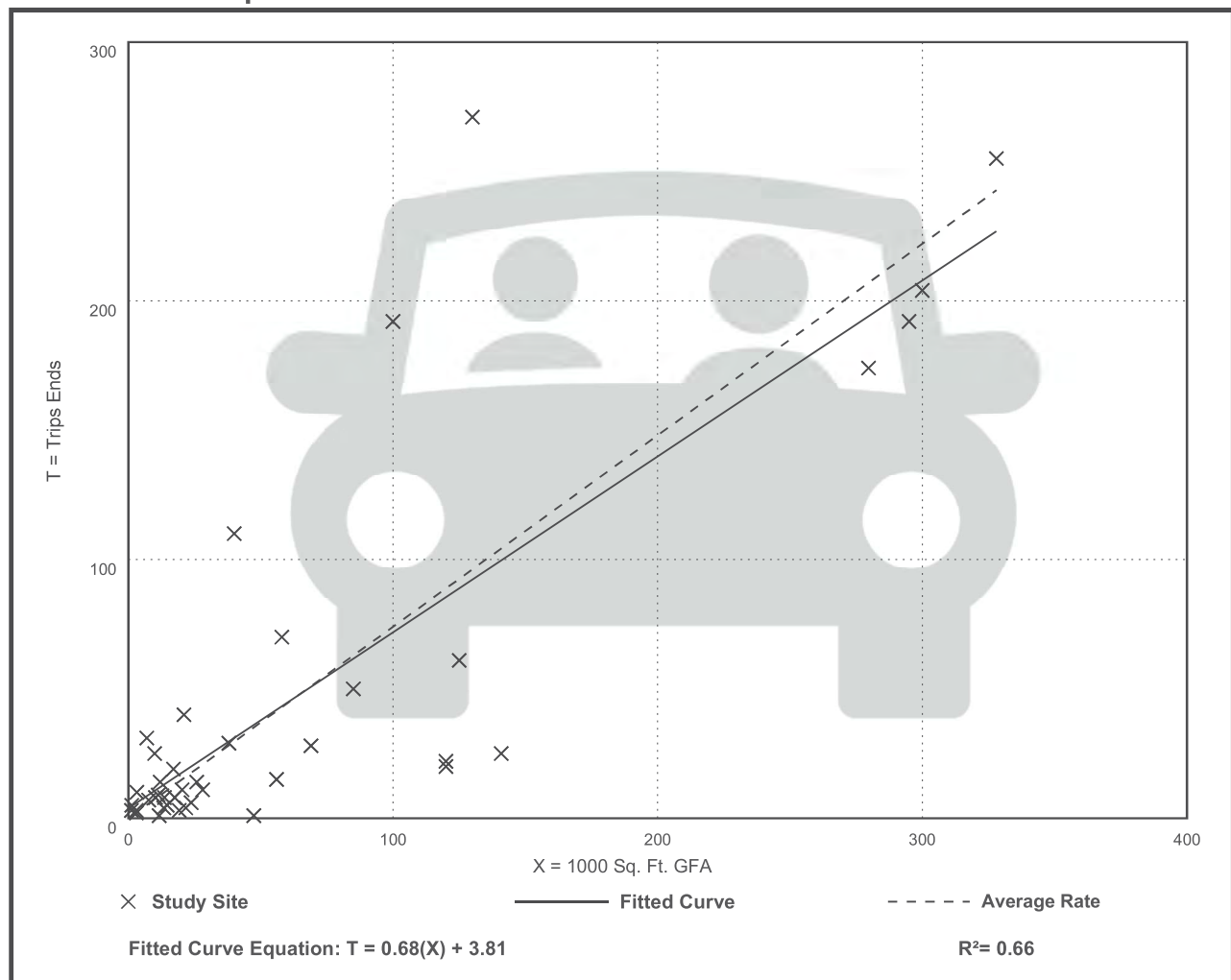
Avg. 1000 Sq. Ft. GFA: 65

Directional Distribution: 88% entering, 12% exiting

Vehicle Trip Generation per 1000 Sq. Ft. GFA

Average Rate	Range of Rates	Standard Deviation
0.74	0.02 - 4.46	0.61

Data Plot and Equation



General Light Industrial (110)

Vehicle Trip Ends vs: 1000 Sq. Ft. GFA

On a: Weekday,

Peak Hour of Adjacent Street Traffic,

One Hour Between 4 and 6 p.m.

Setting/Location: General Urban/Suburban

Number of Studies: 40

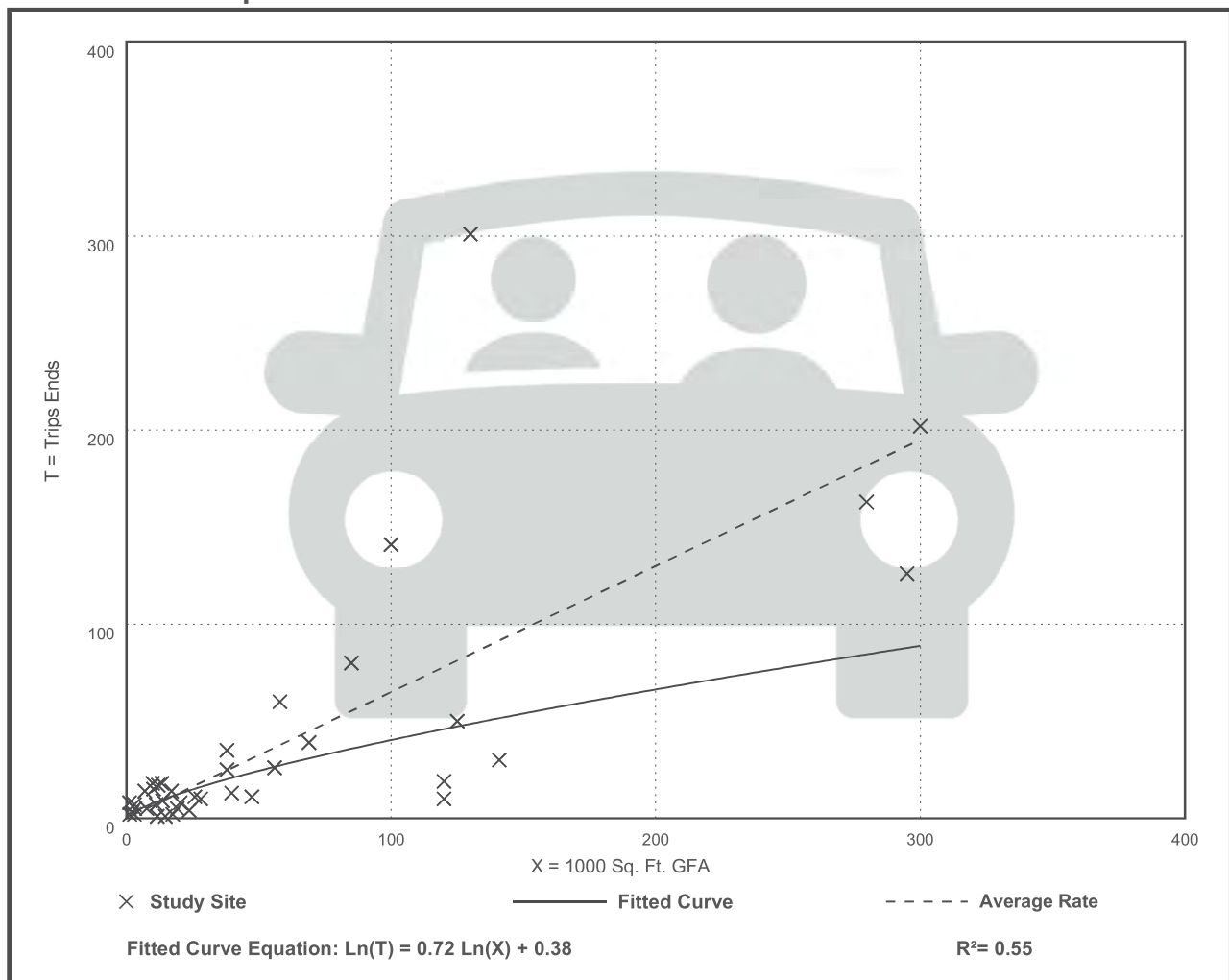
Avg. 1000 Sq. Ft. GFA: 58

Directional Distribution: 14% entering, 86% exiting

Vehicle Trip Generation per 1000 Sq. Ft. GFA

Average Rate	Range of Rates	Standard Deviation
0.65	0.07 - 7.02	0.56

Data Plot and Equation



General Light Industrial (110)

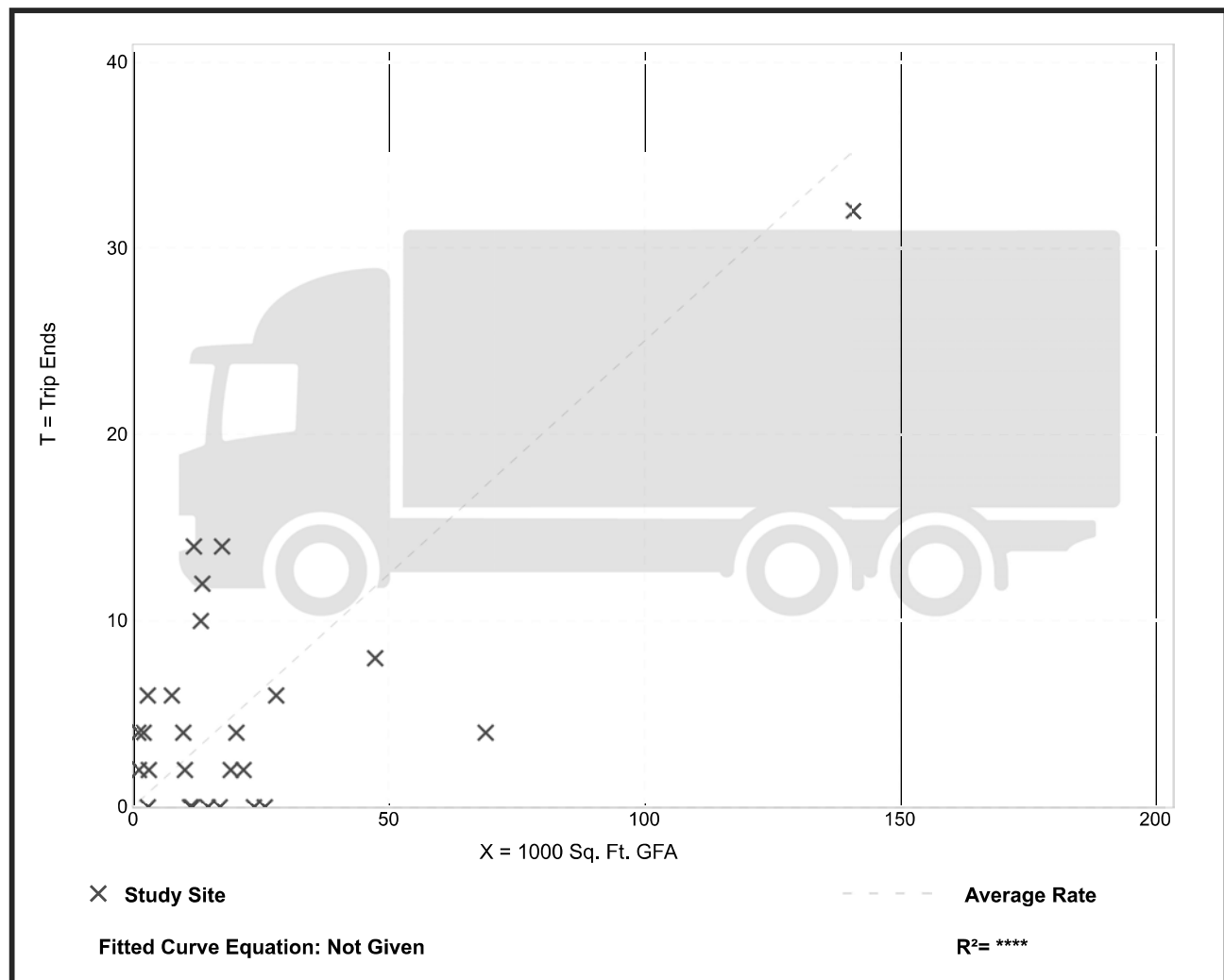
Truck Trip Ends vs: 1000 Sq. Ft. GFA
On a: Weekday

Setting/Location: General Urban/Suburban
 Number of Studies: 26
 Avg. 1000 Sq. Ft. GFA: 21
 Directional Distribution: 50% entering, 50% exiting

Truck Trip Generation per 1000 Sq. Ft. GFA

Average Rate	Range of Rates	Standard Deviation
0.25	0.00 - 3.51	0.36

Data Plot and Equation



Manufacturing (140)

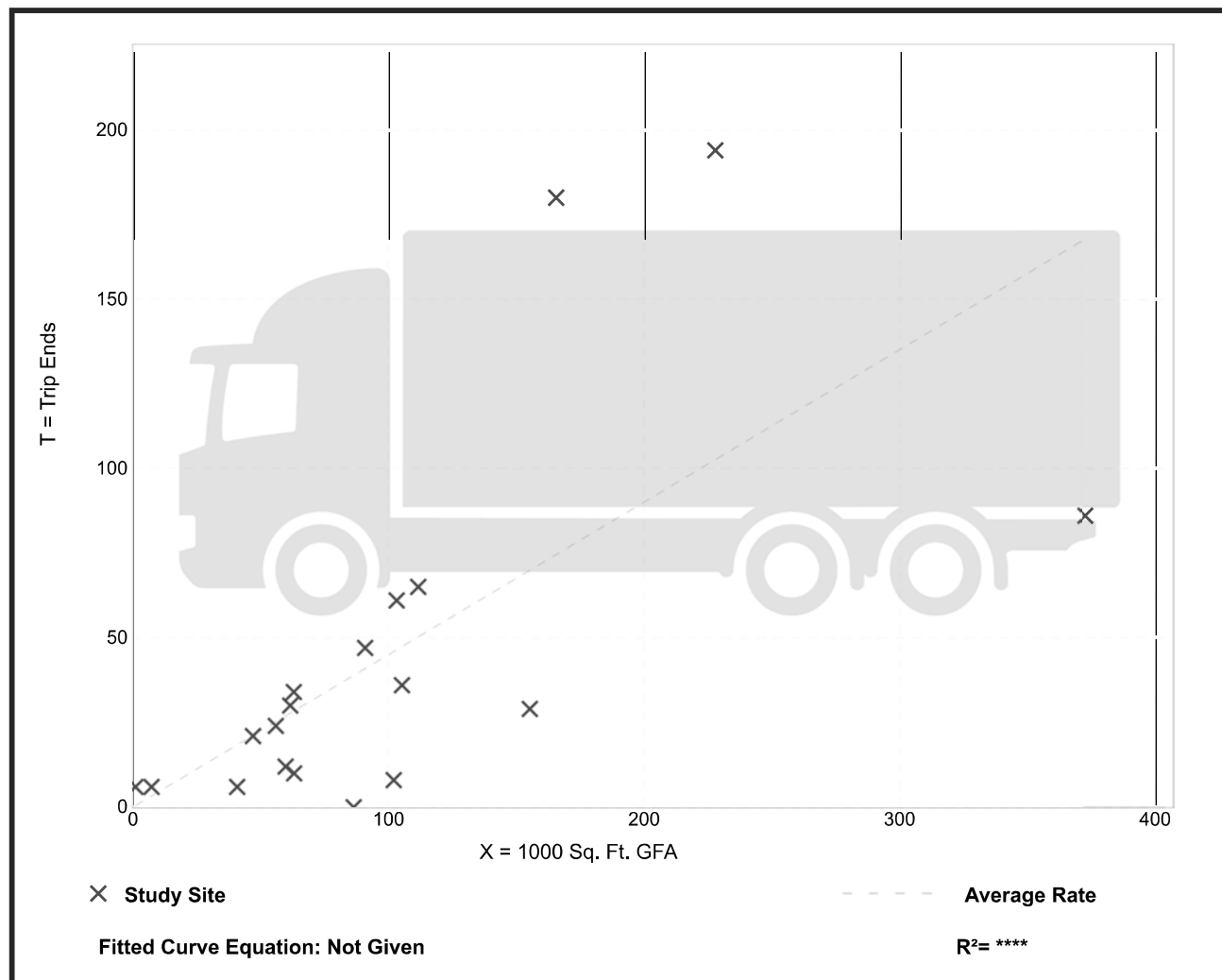
Truck Trip Ends vs: 1000 Sq. Ft. GFA
On a: Weekday

Setting/Location: General Urban/Suburban
Number of Studies: 19
Avg. 1000 Sq. Ft. GFA: 101
Directional Distribution: 50% entering, 50% exiting

Truck Trip Generation per 1000 Sq. Ft. GFA

Average Rate	Range of Rates	Standard Deviation
0.45	0.00 - 5.50	0.34

Data Plot and Equation



Warehousing (150)

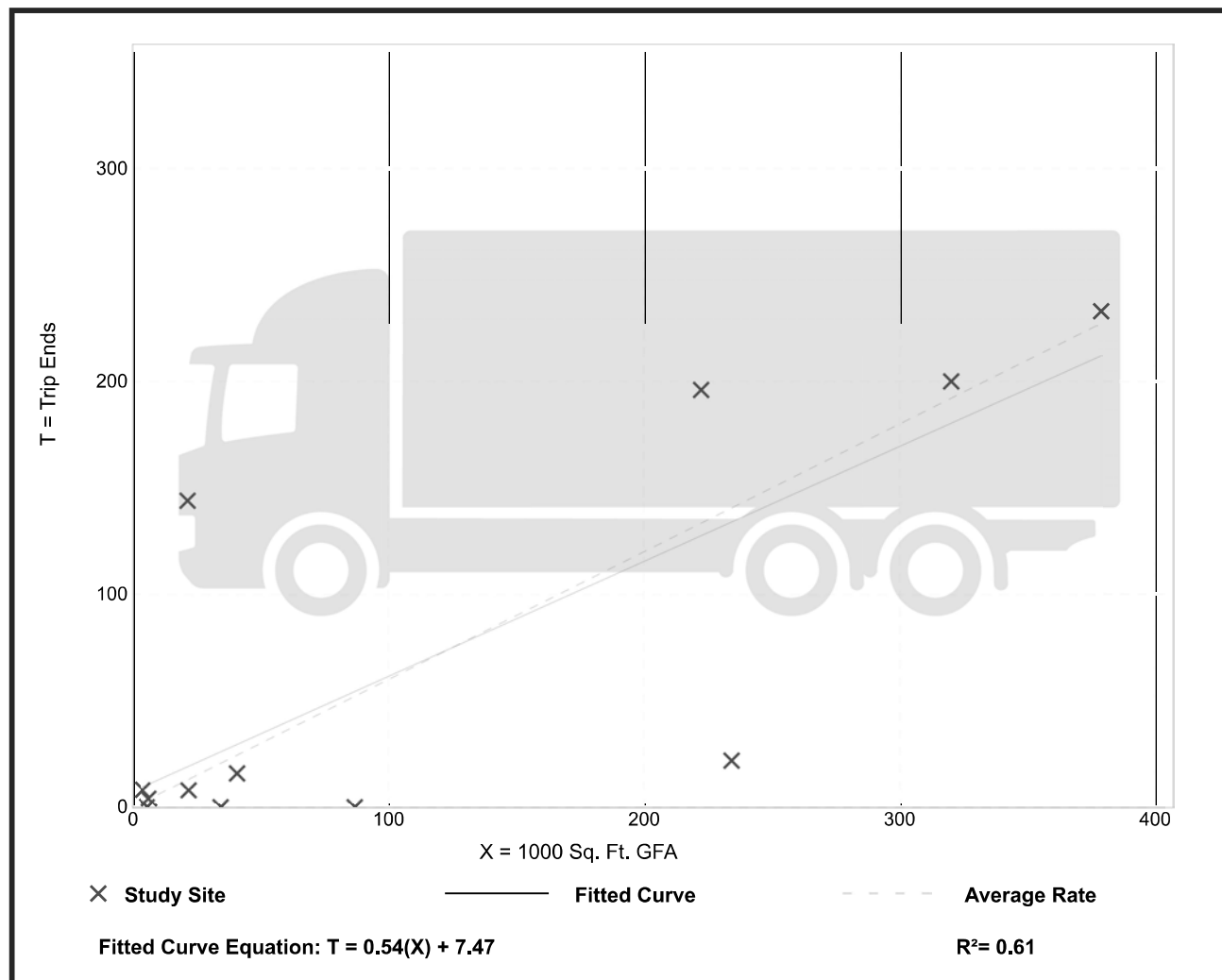
Truck Trip Ends vs: 1000 Sq. Ft. GFA
On a: Weekday

Setting/Location: General Urban/Suburban
Number of Studies: 12
Avg. 1000 Sq. Ft. GFA: 115
Directional Distribution: 50% entering, 50% exiting

Truck Trip Generation per 1000 Sq. Ft. GFA

Average Rate	Range of Rates	Standard Deviation
0.60	0.00 - 6.66	0.86

Data Plot and Equation



ITEM 18.1.
Flecker Associates
Transportation Engineers

June 20, 2025

Mr. Vincent Fugina
Jackson Properties
155 Cadillac Drive, Suite 100
Sacramento, CA 95825

**RE: MATHER COMMERCIAL CENTER – WAREHOUSE TRUCK TRIP GENERATION,
RANCHO CORDOVA, CALIFORNIA**

Dear Mr. Fugina:

Jackson Properties is proposing to construct a 114,698 square foot warehouse facility, Mather Commercial Center, along Peter A McCuen Blvd in Rancho Cordova. Office The property is bounded by Peter A McCuen Blvd to the south, Old Placerville Road to the west and existing office buildings to the east and north. Access will be from Peter A McCuen Blvd. The project layout includes a total of 18 loading dock positions on the north side of the building. Truck access is proposed to US 50 via the Mather Field Road interchange.

We previously prepared an overall trip generation assessment for the project dated March 7, 2025. In that assessment we considered three possible trip rates depending on the type of facility usage, General Light Industrial, Manufacturing and Warehousing. The trip generation forecast was developed based on the values contained in ITE *Trip Generation*, 11th Edition. This publication is the industry standard to forecast expected trips for projects. In addition to overall trip rates, which includes all vehicles, information is available specifically for projected truck traffic, typically for Industrial land uses.

TRUCK TRIP GENERATION RATES

Trip Generation offers industry standard trip generation rates that are appropriate for most land uses. It provides a variety of uses that could occupy the site. The rates are generally dependent on employee density, as the highest rates are associated with uses that have higher numbers of employees such as manufacturing, while lower trip generation rates are identified for storage facilities such as warehousing. The uses surrounding the site are generally office space for the California Office of Emergency Services (OES). While no user is yet identified it is possible that the site could provide light industrial and warehousing for these OES facilities.

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The Industrial / Manufacturing land uses in *Trip Generation* were reviewed to identify the various truck rates that could be applicable to the site. The following nine uses were considered:

- Land Use 110 – General Light Industrial
- Land Use 130 – Industrial Park
- Land Use 140 – Manufacturing
- Land Use 150 – Warehousing
- Land Use 151 – Mini Warehouse
- Land Use 154 - High Cube Transload and Short Term Warehouse
- Land Use 155 - High Fulfillment Center Warehouse
- Land Use 156 - High-Cube Parcel Hub Warehouse
- Land Use 157 - High-Cube Cold Storage Warehouse.

Descriptions of each of the land use types are presented later in this letter, with those that would not be applicable to the site identified. Those not applicable include Land Use Codes 151, 154, 155, 156 and 157, but are still described.

ITE has collected data on truck trips for certain land uses. The data contained in *Trip Generation* for truck rates is based on site observations. The variables used in developing truck trips includes square footage of the building, the number of employees and acreage. These variables are observable. As part of the project layout the site will contain 18 loading docks. While loading docks may appear to be a measurable variable that would provide a method to calculate truck trips the number of loading docks may not accurately correlate to the number of trucks at a site.

Trucks deliver products to a site and ship products out. Truck logistics is the planning, coordination, and management of transporting these goods. Logistics involves coordinating various activities including the transportation, warehousing and inventory management to support the flow of products from one location to another. A key component of logistics is freight scheduling which is the coordination of pickup and delivery times to align with customer needs and warehouse availability. Freight scheduling includes management at multiple facilities to assure that the warehouses can accommodate the tractor trailers arriving and departing from various locations. Scheduling requires the warehouses to identify when trucks can arrive as well as having the trucking companies schedule truck arrivals and departures to maximize throughput.

Truck rates vary depending on the land use. Some land uses have a higher rate of truck trips based on the specific usage. For example, LU 157, High-Cube Cold Storage Warehouse, is a storage facility for perishable products. Trucks would be expected to transfer these products to retail locations or other warehouses resulting in higher rates. Other land uses, such as LU 155, High Fulfillment Center Warehouse, such as an Amazon distribution center, tend to have larger square footages. The daily truck rate, by itself, is not necessarily reflective of the number of trucks into and out of a site as the building square footage is an important part of the calculation. For example, LU 155, the fulfillment center land use, has lower truck rates; however, the facility sizes can approach and exceed 1 million square feet. While truck rates may be high for some uses or low for others, the total truck trips generated is typically a function of the building square

ITEM 18.1.

Mather Commercial Center - Warehouse Truck Trip Generation

June 20, 2025

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footage. The *Trip Generation* daily truck trip rates for possible Industrial and Warehousing land uses within the Industrial / Manufacturing Land Use Group are illustrated in Table 1.

TABLE 1 TRUCK TRIP GENERATION RATES					
ITE Code	Description	Average Daily Trips per Unit			
		Unit	Daily ¹	AM	PM
110	General Light Industrial	ksf	0.25	0.03 ²	0.05 ²
140	Manufacturing	ksf	0.45	0.03 ³	0.05 ²
150	Warehousing	ksf	0.60	0.06 ³	0.03 ³
¹ ITE <i>Trip Generation</i> , 11 th Edition ² peak hour of generator ³ peak hour of adjacent traffic					

Table 2 presents the projected daily, a.m. and p.m. truck trips expected for the project for the three possible land uses. These truck trips represent a worst-case scenario for the a.m. and p.m. peak hours. As noted in Table 1, the a.m. and p.m. rates used are the higher of the peak hour of adjacent traffic and the peak hour of the traffic generator which may not occur in the peak hour. The worst-case scenario would be a warehouse use. It is projected that 69 daily truck trips could occur with seven trucks (total inbound and outbound trucks) in the a.m. peak hour and three trucks in the p.m. peak hour.

TABLE 2 TRUCK TRIP GENERATION				
Land Use	Area (ksf)	Trips		
		Daily	AM	PM
110 – General Light Industrial	114.4	29	3 ¹	6 ¹
140 – Manufacturing	114.4	51	3 ²	6 ¹
150 – Warehousing	114.4	69	7 ²	3 ²
¹ peak hour of generator ² peak hour of adjacent traffic				

Typically, it can take two hours to unload or load a trailer. In a 10-hour workday a single loading dock could, therefore, accommodate four trucks. If all loading docks at the Mather Commercial Center site are utilized about 72 trucks would be accommodated in a day. This appears to be consistent with the daily truck trips projected for a warehouse shown in Table 2.

Truck arrivals and departures for loading docks would be analogous to gates at an airport. Each gate is not in constant use, with logistics scheduling when each jet arrives at an airport, what gate they are assigned to, how long they are on the ground and when they depart. Overall, there are generally more gates available than in active use. This allows for maintenance, short-term storage and fleet management. Based on the time to deplane, restock and enplane passengers, there is a maximum number of jets that can utilize one gate. Truck docks are similar with a maximum number of trucks than could utilize each loading dock. As noted above, and at maximum usage,

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Mather Commercial Center - Warehouse Truck Trip Generation

June 20, 2025

Page 4

about 70 trucks per day could utilize the site. Assuming a 10-hour day, from 7:00 a.m. to 5:00 p.m. the maximum one-way trucks trips into and out of the site could be about seven trips per hour, or one truck every 8½ minutes.

Depending on the types of goods at the warehouse, the logistical component of scheduling inbound delivery and outbound distribution could include dropping trailers for unloading and storing the trailer at the dock for later outbound use. This would reduce the number of working loading docks, thereby reducing the number of trucks to and from the site. The number of trucks at the site will be dependent on multiple factors, including the number of loading docks. As noted above and based on the truck data developed by ITE a maximum of about 70 daily truck trips could be expected based on the project square footage. This coincides with the number of proposed loading docks and the time it takes to unload and load a trailer. However, the actual number of trucks expected at the site will be based on the actual use of the facility. Considering the surrounding area includes Office of Emergency Services (OES) offices, and assuming OES were to use the facility the number of truck trips could be less were the site used to store supplies for use during emergencies.

TRIP GENERATION LAND USES

Land Use Code 110 (LU 110) - *Trip Generation* describes General Light Industrial as “A light industrial facility is a free-standing facility devoted to a single use. The facility has an emphasis on activities other than manufacturing and typically has minimal office space. Typical light industrial activities include printing, material testing, and assembly of data processing equipment. Industrial park (Land Use 130) and manufacturing (Land Use 140) are related uses.”

Land Use Code 130 (LU 130) - *Trip Generation* describes Industrial Park as “An industrial park contains several individual industrial or related facilities. It is characterized by a mix of manufacturing, service, and warehouse facilities with a wide variation in the proportion of each type of use from one location to another. Many industrial parks contain highly diversified facilities. Some parks in the database have a large number of small businesses and others have one or two dominant industries. General light industrial (Land Use 110) and manufacturing (Land Use 140) are related uses.”

Land Use Code 140 (LU 140) - *Trip Generation* describes Manufacturing as “A manufacturing facility is an area where the primary activity is the conversion of raw materials or parts into finished products. Size and type of activity may vary substantially from one facility to another. In addition to the actual production of goods, a manufacturing facility typically has an office and may provide space for warehouse, research, and associated functions. General light industrial (Land Use 110) and industrial park (Land Use 130) are related uses.”

Land Use Code 150 (LU 150) - *Trip Generation* describes Warehouse as “A warehouse is primarily devoted to the storage of materials, but it may also include office and maintenance areas. High-cube transload and short-term storage warehouse (Land Use 154), high cube fulfillment center

ITEM 18.1.*Mather Commercial Center - Warehouse Truck Trip Generation**June 20, 2025**Page 5*

warehouse (Land Use 155), high-cube parcel hub warehouse (Land Use 156), and high-cube cold storage warehouse (Land Use 157) are related uses.”

Land Use Code 151 (LU 151) - *Trip Generation* describes Mini-Warehouse as “A mini-warehouse is a building in which a number of storage units or vaults are rented for the storage of goods. They are typically referred to as “self-storage” facilities. Each unit is physically separated from other units, and access is usually provided through an overhead door or other common access point.”

This Land Use Is Not Applicable As Mini-Storage Is Not A Proposed Use

Land Use Code 154 (LU 154) - *Trip Generation* describes High Cube Transload and Short Term Warehouse as “A high-cube warehouse (HCW) is a building that typically has at least 200,000 gross square feet of floor area, has a ceiling height of 24 feet or more, and is used primarily for the storage and/ or consolidation of manufactured goods (and to a lesser extent, raw materials) prior to their distribution to retail locations or other warehouses. A typical HCW has a high level of on-site automation and logistics management. The automation and logistics enable highly-efficient processing of goods through the HCW. A high-cube warehouse can be free-standing or located in an industrial park.

The HCWs included in this land use include transload and short-term storage facilities. A transload facility has the primary function of consolidation and distribution of pallet loads (or larger) for manufacturers, wholesalers, or retailers. A transload facility typically has little storage duration, high throughput, and its operations are high efficiency. A short-term HCW is a distribution facility often with custom/special features built into the structure for the movement of large volumes of freight with only short-term storage of products.

Some limited assembly and repackaging may occur within the facility.

A high-cube warehouse may contain a mezzanine. In a HCW setting, a mezzanine is a freestanding, semi-permanent structure that is commonly supported by structural steel columns and that is lined with racks or shelves. The gross floor area (GFA) values for the study sites in the database for this land use do NOT include the floor area of the mezzanine. The GFA values represent only the permanent ground-floor square footage.

The amount of office/employee welfare space that is provided within a HCW can be highly variable but is typically an insignificant portion of the overall building square footage. Within the trip generation database, common values are between 3,000 and 5,000 square feet for a Cold Storage HCW and between 5,000 and 10,000 square feet for Transload, Fulfillment Center, and Parcel Hub HCW (all of which are less than one percent of total GFA for a site). Therefore, for the trip generation data plots, any office space that is part of the normal operation of the warehouse is included in the total GFA.

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Mather Commercial Center - Warehouse Truck Trip Generation

June 20, 2025

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*Warehousing (Land Use 150), high-cube fulfillment center warehouse (Land Use 155), high-cube parcel hub warehouse (Land Use 156), and high-cube cold storage warehouse (Land Use 157) are related land uses. **The number of dock doors at a HCW is a potential independent variable. Future data submissions should include that information.***

This Land Use Is Not Applicable As The Site Is Less Than 200,000 Square Feet.

Land Use Code 155 (LU 155) - Trip Generation describes High Fulfillment Center Warehouse as “A high-cube warehouse (HCW) is a building that typically has at least 200,000 gross square feet of floor area, has a ceiling height of 24 feet or more, and is used primarily for the storage and/ or consolidation of manufactured goods (and to a lesser extent, raw materials) prior to their distribution to retail locations or other warehouses. A typical HCW has a high level of on-site automation and logistics management. The automation and logistics enable highly-efficient processing of goods through the HCW. A high-cube warehouse can be free-standing or located in an industrial park.

Warehousing (Land Use 150), high-cube transload and short-term storage warehouse (Land Use 154), high-cube parcel hub warehouse (Land Use 156), and high-cube cold storage warehouse (Land Use 157) are related land uses.

Land Use Subcategory

Each fulfillment center in the ITE database has been categorized as either a sort or non-sort facility. A sort facility is a fulfillment center that ships out smaller items, requiring extensive sorting, typically by manual means. A non-sort facility is a fulfillment center that ships large box items that are processed primarily with automation rather than through manual means. Separate sets of data plots are presented for the sort and non-sort fulfillment centers. Some limited assembly and repackaging may occur within the facility.

Additional Data

A high-cube warehouse may contain a mezzanine. In a HCW setting, a mezzanine is a freestanding, semi-permanent structure that is commonly supported by structural steel columns and that is lined with racks or shelves. The gross floor area (GFA) values for the study sites in the database for this land use do NOT include the floor area of the mezzanine. The GFA values represent only the permanent ground-floor square footage.

The amount of office/employee welfare space that is provided within a HCW can be highly variable but is typically an insignificant portion of the overall building square footage. Within the trip generation database, common values are between 3,000 and 5,000 square feet for a Cold Storage HCW and between 5,000 and 10,000 square feet for Transload, Fulfillment Center, and Parcel Hub HCW (all of which are less than one percent of total GFA for a site). Therefore, for the trip generation data plots, any office space that is part of the normal operation of the warehouse is included in the total GFA.”

This Land Use Is Not Applicable As The Site Is Less Than 200,000 Square Feet.

ITEM 18.1.

Mather Commercial Center - Warehouse Truck Trip Generation

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Land Use Code 156 (LU 156) - Trip Generation describes High-Cube Parcel Hub Warehouse as “A high-cube warehouse (HCW) is a building that typically has at least 200,000 gross square feet of floor area, has a ceiling height of 24 feet or more, and is used primarily for the storage and/ or consolidation of manufactured goods (and to a lesser extent, raw materials) prior to their distribution to retail locations or other warehouses. A typical HCW has a high level of on-site automation and logistics management. The automation and logistics enable highly-efficient processing of goods through the HCW. A high-cube warehouse can be free-standing or located in an industrial park.

A high-cube parcel hub warehouses typically serves as a regional and local freight-forwarder facility for time sensitive shipments via airfreight and ground carriers. A site can also include truck maintenance, wash, or fueling facilities. Some limited assembly and repackaging may occur within the facility.

A high-cube warehouse may contain a mezzanine. In a HCW setting, a mezzanine is a freestanding, semi-permanent structure that is commonly supported by structural steel columns and that is lined with racks or shelves. The gross floor area (GFA) values for the study sites in the database for this land use do NOT include the floor area of the mezzanine. The GFA values represent only the permanent ground-floor square footage.

The amount of office/employee welfare space that is provided within a HCW can be highly variable but is typically an insignificant portion of the overall building square footage. Within the trip generation database, common values are between 3,000 and 5,000 square feet for a Cold Storage HCW and between 5,000 and 10,000 square feet for Transload, Fulfillment Center, and Parcel Hub HCW (all of which are less than one percent of total GFA for a site). Therefore, for the trip generation data plots, any office space that is part of the normal operation of the warehouse is included in the total GFA.

Warehousing (Land Use 150), high-cube transload and short-term storage warehouse (Land Use 154), high-cube fulfillment center warehouse (Land Use 155), and high-cube cold storage warehouse (Land Use 157) are related land uses.”

This Land Use Is Not Applicable As The Site Is Less Than 200,000 Square Feet.

Land Use Code 157 (LU 157) - Trip Generation describes High-Cube Cold Storage Warehouse as “A high-cube warehouse (HCW) is a building that typically has at least 200,000 gross square feet of floor area, has a ceiling height of 24 feet or more, and is used primarily for the storage and/ or consolidation of manufactured goods (and to a lesser extent, raw materials) prior to their distribution to retail locations or other warehouses. A typical HCW has a high level of on-site automation and logistics management. The automation and logistics enable highly-efficient processing of goods through the HCW. A high-cube warehouse can be free-standing or located in an industrial park.

ITEM 18.1.*Mather Commercial Center - Warehouse Truck Trip Generation**June 20, 2025**Page 8*

A high-cube cold store warehouse has substantial temperature-controlled environments for frozen food and other perishable products.

A high-cube warehouse may contain a mezzanine. In a HCW setting, a mezzanine is a freestanding, semi-permanent structure that is commonly supported by structural steel columns and that is lined with racks or shelves. The gross floor area (GFA) values for the study sites in the database for this land use do NOT include the floor area of the mezzanine. The GFA values represent only the permanent ground-floor square footage.

The amount of office/employee welfare space that is provided within a HCW can be highly variable but is typically an insignificant portion of the overall building square footage. Within the trip generation database, common values are between 3,000 and 5,000 square feet for a Cold Storage HCW and between 5,000 and 10,000 square feet for Transload, Fulfillment Center, and Parcel Hub HCW (all of which are less than one percent of total GFA for a site). Therefore, for the trip generation data plots, any office space that is part of the normal operation of the warehouse is included in the total GFA.

Warehousing (Land Use 150), high-cube transload and short-term storage warehouse (Land Use 154), high-cube fulfillment center warehouse (Land Use 155), and high-cube parcel hub warehouse (Land Use 156) are related land uses.”

This Land Use Is Not Applicable As The Site Is Less Than 200,000 Square Feet.

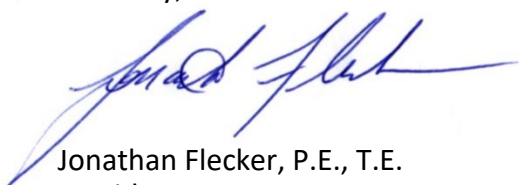
SUMMARY

The project will construct a 114,698 square foot facility which could be used for warehousing, manufacturing or general light industrial uses. Using the General Light Industrial land use (LUC 110) as the basis for the project, the site is expected to generate about 559 daily trips with 85 a.m. peak hour trips and 72 p.m. peak hour trips. This is a worst case scenario for total vehicles generated by the project. Regarding truck traffic the worst-case scenario would be a warehouse. A warehouse of this size could be expected to generate a maximum of about 70 daily truck trips; however, the exact number of trucks would be based on the goods stored, how often the goods are moved both inbound and outbound, and the logistics of the truck movements.

No additional analyses are necessary as the project will not generate 1,000 trips per day or 100 trips during the peak hour.

Please feel free to call me if you have any questions or need additional information.

Sincerely,



Jonathan Flecker, P.E., T.E.
President

ITEM 18.1.

ATTACHMENT 3

CONDITIONS OF APPROVAL

Exhibit B to the Resolution

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
On-Going Conditions				
1.	The proposed entitlement is for a Major Design Review Amendment Permit for the Jackson Properties Warehouse Storage Building as described in the City Council staff report dated (September 2, 2025) and attached Project Plans (<u>Exhibit A</u>) with project conditions herein (<u>Exhibit B</u>), for project number PLND-0924-0110.	Project Description	On-Going	Planning
2.	Applicant(s) agree to defend, indemnify and hold harmless with Counsel selected by the City of Rancho Cordova ("City") and its agents, officers, consultants, and employees ("City's Agents") from any and all claims, actions, suits, or proceedings against the City or the City's agents to attack, set aside, void, annul, or modify an approval by the City, or the City's Agents concerning the project (collectively "Claim"). The City shall promptly notify the Applicant of any Claim and the City shall cooperate fully in the defense. Nothing in this condition obligates the City to defend any Claim and the City is not required to pay or perform any settlement arising from any such Claim not defended by the City, unless the settlement is approved in writing by the City.	General	On-Going	Planning
3.	Any future alteration to the buildings, change in use, intensification of the site, or modification to the parking and landscaped area must be reviewed by the City to ensure compliance with all local, state, and federal regulations. Minor modifications that are found to be in substantial conformance with the approved plans such as colors, plant materials, or minor lot line adjustments, may be approved administratively. Major modifications shall be approved by the applicable decision-making body.	General	On-Going	Planning
4.	Applicant/Developer shall not carry a negative account balance with the City for the processing of the project. If a negative account balance occurs, it will be the	General	On-Going	Planning

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		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	developer's responsibility to pay the balance due, in order to avoid delays in the processing of future permits or recordation of maps. Please email the Finance Department at billings@cityofranchocordova.org for the status of your account with the City.			
5.	The Permit is valid for a period of three (3) years from the date of City Council approval unless an extension is granted by the Community Development Director or substantial construction of the permitted use or project has commenced and is diligently pursued to completion.	Expiration	On-Going	Planning
6.	Noise sources associated with construction, repair, remodeling, demolition, paving and/or grading of any real property must adhere to the development standards in the City's Noise Element, RCMC 6.68 and RCMC 16.18.1407(F).	Noise	On-Going	Code Enforcement /Building
7.	The removal and replanting of landscape not listed on the approved plan set must be consistent with RCMC 23.716.080 through 23.716.090 and reviewed by the Planning Department prior to the removal. All landscape care, maintenance, and tree pruning must adhere to RCMC 23.716.100 through 23.716.110.	Landscaping	On-Going	Planning
8.	Applicant shall be responsible for all damage to City streets associated with construction of the project and shall repair any damage as soon as possible.	Sidewalk Repair	On-Going	Public Works
9.	All storm drain facilities within private lots shall be privately maintained and shall be clearly labeled as "private" in the improvement plans.	Storm Drain Facilities	On-Going	Public Works
10.	Public lower laterals must not be smaller than the upper laterals, sized according to the California Plumbing Code Requirements	Sewer Laterals	On-going	Sacramento Area Sewer District
11.	SASD Design Standards and Specifications require minimum 6-inch lower laterals for commercial and industrial buildings.	Design Standards	On-Going	Sacramento Area Sewer District
12.	SASD prohibits gates that prevent access within sewer	Access	On-Going	Sacramento Area

ITEM 18.1.**ATTACHMENT 3****CONDITIONS OF APPROVAL****Exhibit B to the Resolution**

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	easements unless the District standards for accessibility through gates are met.			Sewer District
13.	Construction of a grease trap or a sand oil separator may be required. The Applicant must verify with the applicable jurisdiction's building department.	Grease Trap / Sand Oil Separator	On-Going	Sacramento Area Sewer District
14.	If any proposed garbage enclosure will contain a drain to the sewer, it must be covered.	Trash Enclosure	On-Going	Sacramento Area Sewer District
15.	Any use of SASD sewer easements, which is not compatible or interferes with the construction, reconstruction, operation, maintenance, or repair of SASD sanitary sewer(s), must not be allowed. Each proposed use must be reviewed and approved in writing by the District Engineer prior to the use of the easement by the grantor. This includes landscaping.	Sewer Easements	On-Going	Sacramento Area Sewer District
16.	SMUD has existing underground 12kV facilities along Peter A McCuen Blvd and on site that will need to remain. The Applicant shall be responsible for maintaining all CalOSHA and State of California Public Utilities Commission General Order No. 128 safety clearances during construction and upon building completion. If the required clearances cannot be maintained, the Applicant shall be responsible for the cost of relocation.	Existing Facilities	On-Going	SMUD
17.	SMUD reserves the right to use any portion of its easements on or adjacent to the subject property that it reasonably needs and shall not be responsible for any damages to the developed property within said easement that unreasonably interferes with those needs.	Easements	On-Going	SMUD
18.	In the event the Applicant requires the relocation or removal of existing SMUD facilities on or adjacent to the subject property, the Applicant shall coordinate with SMUD. The Applicant shall be responsible for the cost of relocation or removal.	Relocation or Removal	On-Going	SMUD
19.	Any necessary future SMUD facilities located on the	Future Facilities	On-Going	SMUD

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		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	Applicant's property shall require a dedicated SMUD easement. This will be determined prior to SMUD performing work on the Applicant's property.			
20.	In the event the City requires an Irrevocable Offer of Dedication (IOD) for future roadway improvements, the Applicant shall dedicate a 12.5-foot public utility easement (PUE) for overhead and/or underground facilities and appurtenances adjacent to the City's IOD.	Irrevocable Offer of Dedication	On-Going	SMUD
21.	The Applicant shall disclose existing or proposed 69kV electrical facilities to future and/or potential owners.	Electrical Facilities Disclosure	On-Going	SMUD
22.	Daily sweeping is required for Peter A McCuen Blvd during construction along with the enforcement of CA fugitive dust requirements for construction sites.	Construction	On-Going Throughout Construction	Planning
23.	Water supply will be provided by the Sacramento County Water Agency.	Water Supply	On-Going	Sacramento County Water Agency
24.	Public Water Service must be supplied to each building	Water Supply	On-Going	Sacramento County Water Agency
25.	During construction, the Project must utilize electric tools and vehicles to the extent feasible, including heavy equipment tools and construction vehicles. Any heavy equipment tools and vehicles not powered by electricity must be limited in the amount of time they are allowed to idle. City may request at any time, all equipment maintenance records and data sheets, including design specifications and emission control tier classifications. City may conduct an on-site inspection to verify compliance with this condition.	Construction Equipment	On-Going Throughout Construction	Planning
26.	Parking of trucks (with or without trailers) is not permitted on the public right of way surrounding the property and also not permitted in designated passenger vehicle parking spaces. Trucks shall not inhibit any on-site	Truck Parking	On-Going	Planning

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		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	circulation or access on the property.			
27.	Any future installation of a Communications Tower or any other tower, must receive all required entitlements and approval by the Planning Department prior to any building permits or construction.	Communications Tower	On-Going	Planning
Prior to Approval of Improvement Plans				
28.	Show the design for a fire access roadway of not less than 20-feet of unobstructed width, 13-feet, 6-inches of vertical clearance, and turning radii of 25 feet inside and 50 feet outside dimension on the improvement plans. The access roadway shall extend to within 150 feet of all portions of the exterior walls of the first story of any proposed building. <i>The use of turf-block or grass-crete or similar alternate road surfaces is not approved for installation in fire apparatus access roadways.</i>	Fire Access Roadway	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department
29.	Show the design for a minimum of 2 remote fire access roadways. Remote fire access roadways shall be spaced a distance apart equal to not less than one-half of the maximum diagonal dimension of the property or areas to be served. A minimum 2 remote access roadway shall be provided for in any of the following conditions: a) A single building in excess of 62,000 sq. ft. b) Multiple buildings within a single parcel where the total combined square footage is in excess of 62,000 sq. ft. c) Multi-family dwellings in excess of 39 units.	Fire Access	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department
30.	Show the design for aerial apparatus access for buildings 30 feet or greater. Aerial apparatus access shall be a minimum 26-feet in width, located 15-30 feet from the building, and located on no less than 2 sides of the building (as determined by the Fire Code official).	Aerial Apparatus Access	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department

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		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
31.	Show the design for an approved fire apparatus turnaround. The fire apparatus turnaround shall conform to Sacramento Metro Fire Districts, Fire Prevention Standard #3. The fire access turn-around shall be located within 50 feet of the end of the access roadway.	Fire Apparatus Turnaround	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department
32.	Show on the plan how Fire Lanes will be marked. Fire Lane identification shall be provided along the required fire access roadway. Fire Lane identification shall be in accordance with the Sacramento Metro Fire Districts Fire Prevention Standard #3 and the California Vehicle Code. Vehicle parking is prohibited on any street less than 28 feet in width. Vehicle parking is permitted on both sides of streets 36 feet or more in width. Roadway widths shall be measured between the gutter-line or edge of pavement on opposite sides of the road. Identification of fire apparatus access roadways may be required on private roads.	Fire Lanes	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department
33.	Provide a note on the plan that reads, "Fire access roadways shall be built to bear a minimum of 80,000 pounds and meet the Sacramento County Public Works Standards for roadways. A report, prepared by a registered geotechnical engineer, verifying the ability of the road to bear the required minimum weight, shall be submitted with any plan indicating construction of roadway. Verification of constructed roadway shall be provided by a registered geotechnical engineer prior to final of the project."	Fire Apparatus Access	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department
34.	Show the location of the required fire hydrants for this project on the improvement plans. Approved fire hydrants capable of providing the required fire flow for the protection of any and all structures shall be located along the fire apparatus access roadway. The required fire hydrants shall be installed and operational prior to any construction or on-site storage of combustible materials.	Fire Hydrants	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department

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	The minimum required fire flow for the protection of commercial developments is 1,500 gallons per minute (gpm) at a pressure of 20 pounds per square inch (psi) for a two-hour duration.			
35.	Provide Fire Access Agreement between all parcels connected to and served by fire access. Fire Access Agreement shall be recorded with the Public Records Office having jurisdiction.	Fire Access Agreement	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department
36.	Provide Fire Access Roadway Maintenance Agreement (RMA) between all parcels connected to and served by the fire access roadway. The Fire Access Roadway Maintenance Agreement shall be recorded with the Public Records Office having jurisdiction. The roadway maintenance agreement shall include the following: a) Provisions for the necessary repair and maintenance of the roadway surface. b) Removal of vegetation overgrowing the roadway and infringing on the roadway clear vertical height of thirteen feet six inches (13'-6") or width of twenty feet (20') c) Provisions for the maintenance, repair, and/or replacement of NO PARKING-FIRE LANE signage or striping d) Provisions for the necessary repair and maintenance of vehicle and pedestrian access gates and opening systems.	Fire Access Roadway Maintenance Agreement	Prior to Approval of Improvement Plans	Sacramento Metropolitan Fire Department
37.	Drainage Study: Applicant shall prepare and submit a project specific drainage study that includes but is not limited to: a pre- and post-project drainage analysis of the project impacts, identification of offsite project impacts or required offsite improvements, and identification of proposed connections to the City's Storm Drainage System with adequate supporting calculations. The drainage study shall conform to the requirements of	Drainage Study	Prior to Approval of Improvement Plans	Public Works

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	the Sacramento City/County Drainage Manual (Volume 2), County of Sacramento Improvement Standards (Section 9), and all other applicable City standards. The drainage study must be developed and stamped by a Professional Engineer and determined by the City to be accurate and adequate. The modeling shall extend to the downstream drainage channel owned by Sacramento County.			
38.	Stormwater Quality- Post Construction The improvement plans shall incorporate all applicable post construction stormwater quality measures; including source control (loading docks, waste management areas), treatment control, hydromodification management, low impact development measures (including but not limited to disconnected roof drains, amended soils, depressed landscaping, river friendly landscaping, etc.), and full capture trash control measures into the site improvement plans in conformance with the most recent version of the <i>Stormwater Quality Design Manual for the Sacramento Region</i> . The applicant shall prepare and submit a Post-Construction Stormwater Quality Control Plan that includes details and sizing calculations of all the proposed post construction stormwater quality measures. In addition, a maintenance covenant is required for all proposed post construction stormwater quality measures, as detailed in Appendix B of the <i>Stormwater Quality Design Manual for the Sacramento Region</i> .	Stormwater	Prior to Approval of Improvement Plans	Public Works
39.	Stormwater Quality– During Construction: SWPPP – the applicant shall prepare a Storm Water Pollution Prevention Plan (SWPPP) to be executed through all phases of grading and project construction. The SWPPP shall incorporate Best Management Practices (BMPs) to ensure that potential water quality	Stormwater Quality	Prior to Approval of Improvement Plans	Public Works

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	impacts during construction phases are minimized. These measures shall be consistent with the City's Improvement Standards and Land Grading and Erosion Control Ordinance. During construction, the applicant shall implement BMPs in accordance with the SWPPP and the City's Improvement Standards. Advisory Condition: Construction General Permit The project applicant shall file a Notice of Intent (NOI) to obtain coverage under the <i>National Pollutant Discharge Elimination System (NPDES) General Permit For Storm Water Discharges Associated With Construction And Land Disturbance Activities</i> (Construction General Permit). Permits are issued by the State Water Resources Control Board.			
40.	The SWPPP for the site shall include a contingency plan for the implementation of a process to remove fine clay sediments prior to discharge to the City of Rancho Cordova's storm drain system and/or Waters of the State (e.g., creeks, rivers) to the satisfaction of the City of Rancho Cordova. A polymer treatment system or comparable process shall be incorporated in the erosion and sediment control plan as part of the improvement plans submittal. This system shall be implemented by qualified professionals with training and proven experience in this field.	SWPPP	Prior to Approval of Improvement Plans	Public Works
41.	Drainage System Design: The applicant shall submit and obtain City approval of plans and specifications for the construction of public improvements and all grading. The drainage system shall be designed in accordance with the approved Drainage Study to accommodate runoff from the ultimate development and shall meet the City of Rancho Cordova's Improvement Standards, construction standards, and Floodplain Management Ordinances in	Drainage System	Prior to Approval of Improvement Plans	Public Works

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	effect at the time of improvement plans approval.			
42.	All development within the City must comply with the City of Rancho Cordova's Floodplain Management Ordinance. All new structures shall be protected from the 100-year (1 percent) flood event. Certified pad elevations (certified by a registered Civil Engineer or licensed Land Surveyor) shall be set at least one and two tenths foot (1.2') above all sources of 100-year flooding (see Section 9-1 of improvement standards). The overland release path must be shown on the improvement plans and the hydraulic computation must be provided to estimate the flow depths along the overland release paths. The calculations must be in conformance with Section 9-15 of the Improvement Standards.	Floodplain Management	Prior to Approval of Improvement Plans	Public Works
43.	The applicant must determine if they are required to obtain coverage under the State's "NPDES General Permit for Stormwater Discharges Associated with Industrial Activity". Applicant shall submit the determination to the City for review. The submittal must include the applicable Standard Industrial Classification (SIC) code(s), which describe the business activities that will be occurring at the facility.	Stormwater Permitting	For Industrial Site, Prior to Approval of Improvement Plans	Public Works
44.	Provide a permanent concrete stamp, or other permanently applied message to the satisfaction of the City not including paint, which reads "No Dumping-Flows to Creek" or other approved message at each storm drain inlet.	Concrete Stamp	Prior to Approval of Improvement Plans	Public Works
45.	Fees: Pay the drainage impact fees to the satisfaction of the City of Rancho Cordova Public Works Department	Drainage Impact Fees	Prior to Approval of Improvement Plans	Public Works
46.	Number, size, and location of driveways are subject to approval by the Public Works Department.	Driveways	Prior to Approval of Improvement Plans	Public Works
47.	A tree removal permit is required for the removal of any protected trees on site. Trees shall be replaced or	Tree Removal	Prior to Approval of Improvement Plans	Public Works

ITEM 18.1.**ATTACHMENT 3****CONDITIONS OF APPROVAL****Exhibit B to the Resolution**

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	mitigated per Rancho Cordova Municipal Code 19.12.120. Tree replacement is one inch per one inch ratio. In-lieu payment is \$165 per inch.			
48.	Relocate storm and water mains from under building footprint and record new utility easements.	Storm and Water Main Relocation	Prior to Approval of Improvement Plans	Public Works
49.	If there is more than one building in any single parcel and the parcel is not proposed for split, then each building on that parcel must have a separate connection to a private onsite sewer line or a separate connection to the SASD public sewer line. These improvements must be shown on the plans. Field modifications to new or existing precast manhole bases are not allowed.	Sewer Connection	Prior to Approval of Improvement Plans	Sacramento Area Sewer District
50.	Lower Laterals must not directly connect to main lines more than 19 feet deep / directly to trunk lines (lines with flow greater than 1 MGD). Connection to the sewer main line on Peter A McCuen Blvd will not be allowed except at the manhole.	Sewer Connection	Prior to Approval of Improvement Plans	Sacramento Area Sewer District
51.	All onsite sewer plans and offsite sewer plans must be submitted separately to SASD for review and approval.	Sewer Plan Submittals	Prior to Approval of Improvement Plans	Sacramento Area Sewer District
52.	Permanent structures, walls, signs and footings will not be permitted within the existing SASD easement area unless express written permission is obtained from SASD.	SASD Easement Areas	Prior to Approval of Improvement Plans	Sacramento Area Sewer District
53.	All manholes not within public right of way must be accessible with an all-weather access road.	Access	Prior to Approval of Improvement Plans	Sacramento Area Sewer District
54.	Any landscaping within easement areas is limited to lawn or similar groundcover, or plant species that are not environmentally protected and whose mature growth does not exceed five feet in height. When planting, place a root barrier system, such as trifluralin fabric, between the main lines or laterals and any trees or shrubs planted within the easement area.	Landscaping	Prior to Approval of Improvement Plans	Sacramento Area Sewer District
55.	All water lines shall be located within a public right-of-way or within easements dedicated to SCWA.	SCWA Easements	Prior to Approval of Improvement Plans	Sacramento County Water

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		Category	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u> Agency
	Easements shall be reviewed and approved by Sacramento County Water Agency prior to Improvement Plan Approval or Final Map Approval			
56.	Destroy all abandoned wells on the proposed project site in accordance with the requirements of the Sacramento County Environmental Health Division. Clearly show all abandoned/destroyed wells on the improvement plans for the project. Prior to abandoning any existing agricultural wells, applicant shall use water from agricultural wells for grading and construction.	On-Site Wells	Prior to Approval of Improvement Plans	Sacramento County Water Agency
57.	Civil Improvement Plans approved by SCWA are required for relocation of the water main. A new water pipeline easement for the relocated portion of the water main shall be dedicated to SCWA.	Civil Plan Submittals	Prior to Approval of Improvement Plans	Sacramento County Water Agency
58.	The water supply sequencing steps shall be: (1) install and cure temporary thrust restraints at locations where water main will be cut, (2) obtain approval from the Fire Department to shut down the fire loop, (3) request SCWA Operations to shut the isolation valves, (4) cut and remove the existing water main and install the relocated water main except for tie-in's (5) after disinfection, make the tie-in's then (6) after new water system is ready for SCWA acceptance allow two months for SCWA to abandon the portion of the existing water pipeline easement under the proposed building.	Water Supply Sequencing	Prior to Approval of Improvement Plans	Sacramento County Water Agency
59.	The Applicant shall dedicate a 12.5-foot public utility easement for overhead and/or underground facilities and appurtenances adjacent to all public street rights-of-way.	Easement Dedications	Prior to Approval of Improvement Plans	SMUD
60.	The Applicant shall dedicate any private drive, ingress and egress easement, (and 10-feet adjacent thereto) as a public utility easement for (overhead and) underground facilities and appurtenances. All access roads shall meet minimum SMUD requirements for access roads.	Easement Dedications	Prior to Approval of Improvement Plans	SMUD

ITEM 18.1.**ATTACHMENT 3****CONDITIONS OF APPROVAL****Exhibit B to the Resolution**

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
61.	The project plans show proposed stormwater retention/detention basins. Please provide details on vegetation management and debris/sedimentation management and long-term maintenance of the stormwater retention/detention basins including but not limited to; all inlets/outfalls, storm drains, storm drain manholes, drain inlets, and bioretention areas. It is the District's goal to have all stormwater conveyances be constructed in such a manner so that it does not breed mosquitos or require mosquito control.	Stormwater Management	Prior to Approval of Improvement Plans	Mosquito and Vector Control District
62.	All stormwater, drainage and water features including but not limited to: storm drains, storm drain manholes, drain inlets, and bioretention areas, and detention/retention basin shall be designed to be in compliance pursuant to the California Health and Safety Code (HSC 2060) to discourage or eliminate mosquito breeding.	Water Feature Requirements	Prior to Approval of Improvement Plans	Mosquito and Vector Control District
63.	Please ensure that any stormwater drainage features constructed do not hold water for more than 72 hours and vegetation is maintained to prevent mosquito breeding. (Please refer to the District's BMP manual SW-10).	Stormwater Drainage	Prior to Approval of Improvement Plans	Mosquito and Vector Control District
64.	As stated in the designs it indicates that security fencing will be installed. Please note that District Staff will need full access to all proposed stormwater and drainage features including but not limited to: storm drains, storm drain manholes, drain inlets, and bioretention areas, and detention/retention basins to conduct surveillance and treatment of potential mosquito breeding habitats.	District Access	Prior to Approval of Improvement Plans	Mosquito and Vector Control District
Prior to Issuance of Building Permit				
65.	Structural setbacks less than 14-feet shall require the applicant to conduct a pre-engineering meeting with all utilities to ensure property clearances are maintained.	Structural Setbacks	Prior to Issuance of Building Permit	SMUD

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66.	The Applicant shall not place any building foundations within 5-feet of any SMUD trench to maintain adequate trench integrity. The Applicant shall verify specific clearance requirements for other utilities (e.g., Gas, Telephone, etc.).	Utility Clearance	Prior to Issuance of Building Permit	SMUD
67.	The Applicant shall comply with SMUD siting requirements (e.g., panel size/location, clearances from SMUD equipment, transformer location, service conductors). Information regarding SMUD siting requirements can be found at: https://www.smud.org/en/Business-Solutions-and-Rebates/Design-and-Construction-Services .	Siting Requirements	Prior to Issuance of Building Permit	SMUD
68.	The Applicant shall dedicate and provide all-weather vehicular access for service vehicles that are up to 26,000 pounds. At a minimum: (a) the drivable surface shall be 20-feet wide; and (b) all SMUD underground equipment and appurtenances shall be within 15-feet from the drivable surface.	Vehicular Access	Prior to Issuance of Building Permit	SMUD
69.	The applicant shall meet the following: Civil Site Plans and Architectural Plans shall be submitted <u>and</u> approved prior to Final Building Permit being issued. Fire Sprinkler and Fire Alarm plans shall be <u>submitted</u> prior to the Final Building Permit being issued. Please note: The Sacramento Metro Fire District does not allow deferred submittals for Fire Sprinkler or Fire Alarm plans.	Plan Submittals	Prior to Issuance of Building Permits	Sacramento Metropolitan Fire Department
70.	Property Owner/Applicant shall participate in or provide a funding mechanism for maintenance services for the project's stormwater drainage and flood protection system. This may be accomplished through annexation to the City's Stormwater Utility Fee District, or other financial mechanism as may be proposed and provided by the Property Owner for the same purpose of providing	Stormwater Utility Fee District Annexation	Prior to Issuance of Building Permit	Public Works

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		Category	<u>Timing/ Implementation</u>	<u>Enforcement/ Monitoring</u>
	a funding mechanism to fund the operation and maintenance of the Project's stormwater drainage and flood protection system. Costs associated with the annexation shall be borne by the Property Owner/Applicant through payment of the annexation costs in the amount of \$7,000 per annexation. Contact Dalia Fadl at (916) 851-8718 with regard to the process to satisfy this condition of approval.			
71.	Applicant shall complete improvement plans to the satisfaction of the Public Works Department. Improvement plans shall include, but shall not be limited to: • All onsite civil improvements • Civil plan shall include an ADA access plan • All facilities, including but not limited to, sidewalk, driveways, etc. shall meet current ADA requirements and City Standards. • Utility laterals • High Visibility Enhanced crosswalks on Peter A. McCuen Boulevard at Schriever Avenue and De Bellevue Street to the satisfaction of Cordova Recreation and Park District and the Public Works Department. • Replacement of damaged sidewalk and curb and gutter along property frontage to the satisfaction of The Public Works Department. Sidewalk panels shall be replaced to the nearest joint • All site fencing shall be decorative. • Public improvement plans shall clearly delineate all transitions to existing improvements • All improvements to be designed and constructed to the satisfaction of the Public Works Department.	Improvement Plans	Prior to Issuance of Building Permits	Public Works

ITEM 18.1.

ATTACHMENT 3

CONDITIONS OF APPROVAL

Exhibit B to the Resolution

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	Complete installation of all improvements shown on the improvement plan to satisfaction of the City prior to occupancy			
72.	The owner must contact Permit Services Unit at PermitServices@sacsewer.com or by phone at (916) 876-6100 to determine if sewer impact fees are due. Fees are to be paid prior to the issuance of building permits.	Sewer Impact Fees	Prior to Issuance of a Building Permit	Sacramento Area Sewer District
73.	A final landscape plan shall be submitted in conjunction with building permit submittals and approved by the planning department prior to issuance of permits and/or any installation of landscape materials RCMC 23.716.020. The final landscape planting and irrigation plan shall be prepared by a registered licensed landscape architect and include the following items per RCMC 22.180.060: • Planting plan to scale that indicate slope • Irrigation Plan • Soils Test • Water Use Calculations • Irrigation Schedule • Permeability test for LID facilities' locations • Soil media specifications (LID features)	Landscape Plan	Prior to Issuance of Building Permit	Planning / Public Works
74.	Project building will include skylights as well as a roof that is designed to carry solar panels for future installation.	Roof Design	Prior to Issuance of Building Permit	Planning
75.	Facility shall provide adequate infrastructure and electrical capacity to prepare for future zero-emission future goods movement including EV charging for future zero-emission vehicles as well as electrical plugs at every loading dock station prior to usage for refrigerated trucks.	Infrastructure	Prior to Issuance of Building Permits	Planning

ITEM 18.1.**ATTACHMENT 3****CONDITIONS OF APPROVAL****Exhibit B to the Resolution**

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
76.	EV Charging infrastructure to be installed upon construction along with designated parking spaces to be provided to ensure the site is EV Ready consistent with California Green Building Code Requirements.	EV Infrastructure	Prior to Issuance of Building Permits	Planning / Building
77.	Signage shall be added to loading dock areas that states trucks parked in loading dock areas shall be shut off to reduce idling and no overnight parking of trucks is permitted.	Truck Idling	Prior to Issuance of Building Permit	Planning
78.	A minimum 12' screen wall shall be added along the loading area facing Old Placerville Road and shall extend out a minimum of 40'. With 4' below grade loading docks, screen wall shall be in total 16' in height from lowest grade.	Screen Wall	Prior to Issuance of Building Permit	Planning
79.	Water intensive commercial and industrial building permit applicants must conduct a water use efficiency review and submit the findings in required environmental documentation for the project.	Water Use Efficiency	Prior to Issuance of Building Permits	Sacramento County Water Agency
80.	The project requires efficient cooling systems, re-circulating pumps for fountains and ponds, and water recycling systems for vehicle washing as a condition of service	Water Efficiency	Prior to Issuance of Building Permits	Sacramento County Water Agency
81.	The project developer/owner shall pay Zone 40 development fees applicable at the time of building permit issuance in accordance with Title 4 of the Sacramento County Water Agency (SCWA) Code.	Development Fees	Prior to Issuance of Building Permits	Sacramento County Water Agency
82.	The project shall conform to the specific provisions of the City of Rancho Cordova Landscaping Ordinance (Municipal Code Title 23, Chapter 23.716)	Landscaping Efficiency	Prior to Issuance of Building Permits	Sacramento County Water Agency
83.	All projects are subject to Sacramento Metro Air District rules and regulations in effect at the time of construction. Please visit our website to find a list of the most common rules that apply at the construction phase of projects.	Construction Rules and Regulation	Prior to beginning of Construction	Sacramento Metropolitan Air District
84.	The Project shall provide an updated photometric plan showing foot-candle readings every 10 feet within the	Outdoor Lighting	Prior to Issuance of Building Permits	Planning

ITEM 18.1.

ATTACHMENT 3

CONDITIONS OF APPROVAL

Exhibit B to the Resolution

	Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
property and 10 feet beyond the property lines, with the building permit submittal and shall also meet the following applicable requirements for Outdoor Lighting: • Nuisance Prevention: All outdoor lighting shall be designed, located, installed, directed downward or toward structures, shielded, and maintained in order to prevent glare, light trespass, and light pollution. • Maintenance: Fixtures and lighting shall be maintained in good working order and in a manner that serves the original design intent. • Shielding: All outdoor lighting shall be constructed with full shielding and/or recessed to reduce light trespass to adjoining properties. Each fixture shall be directed downward and away from adjoining properties and public rights-of-way, so that no light fixture directly illuminates an area outside of the site. • Levels of Illumination: Parking lots, driveways, trash enclosures/areas, public phones, and group mailboxes shall be illuminated with a minimum maintained one foot-candle of light and an average not to exceed four foot-candles of light. • Levels of Illumination: Pedestrian walkways shall be illuminated with a minimum maintained one-half foot-candle of light and an average not to exceed two foot-candles of light. • Levels of Illumination: Entryways and exterior doors of non-residential structures shall be illuminated during the hours of darkness, with a minimum maintained one foot-candle of light, measured within a five-foot radius on each side of the door at ground level. • Maximum Height of Freestanding Outdoor			

ITEM 18.1.

ATTACHMENT 3

CONDITIONS OF APPROVAL

Exhibit B to the Resolution

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	Light Fixtures: The maximum height of freestanding outdoor light fixtures shall be 24 feet. Height shall be measured from the finish grade, inclusive of the pedestal, to the top of the fixture. • Energy-Efficient Fixtures Required: Outdoor lighting shall utilize energy-efficient (high pressure sodium, metal halide, low pressure sodium, hard-wired compact fluorescent, or other lighting technology that is of equal or greater efficiency) fixtures and lamps. All new outdoor lighting fixtures shall be energy-efficient with a rated average bulb life of not less than 10,000 hours.			
85.	On-site public PA system or other address systems shall be located in areas that are controlled so that noise levels do not exceed 45 dba at property line	Noise	Prior to Issuance of Building Permit	Planning
86.	Short-Term and Long-Term bicycle parking shall be included on-site as required by the Sacramento County Zoning Code section 330-130. Bicycle parking shall be shown on Building Plans.	Bike Parking	Prior to Issuance of Building Permit	Planning
Prior to Final Inspection				
87.	Install public and onsite improvements per the approved Public Works plans and to the satisfaction of the Public Works Department.	On-Site Improvements	Prior to Final Inspection	Public Works
88.	Upon completion of the installation of the landscaping, the designer shall certify that the landscape complies with all city water conserving landscape requirements. Certification shall be accomplished by completion of a certificate of compliance on a form approved by the director of the city public works department. Failure to submit a complete and accurate certificate of compliance will delay final approval of the project and/or discontinue water service per RCMC 22.180.090. Upon receipt of the certificate of compliance and site inspection from City	Water Conservation Requirements	Prior to Final Building Inspection	Public Works

ITEM 18.1.**ATTACHMENT 3****CONDITIONS OF APPROVAL****Exhibit B to the Resolution**

		Category	Timing/ <u>Implementation</u>	Enforcement/ <u>Monitoring</u>
	staff, the landscaping performance bond will be released.			
89.	Record drawings of grading and improvement plans (1 full size and 1 half size hard copy), as well as a compact disc containing said plans in AutoCAD and pdf format, and a GIS shape file, or equivalent to the satisfaction of the City Engineer shall be submitted and approved by the Public Works Department.	Drawing Recordation	Prior to Final Building Inspection	Public Works
90.	Approved numbers or addresses shall be placed on all new or existing buildings in such a position as to be easily read from the street or road fronting the property. The minimum size of the numbers shall not be less than six (6) inches and shall be mounted immediately adjacent to a light source and shall also contrast with their background.	Addresses	Prior to Final Building Inspection	Sacramento Metro Fire
91.	Applicant/Owner/Developer shall repair and replace all right-of-way damages caused by the construction of the building to the satisfaction of the Public Works Department. Damages include, but are not limited to: pavement, sidewalks, curbs, and gutters.	Right-Of-Way Damages	Prior to Final Inspection/ Occupancy	Public Works

ADVISORY:

- **FIRE:** Any Gates shall be installed in accordance with The County Emergency Access Gates and Barriers Standard. Plan submittal is required prior to installation.

Jackson Properties Warehouse

PLND-0924-0110 Major Design Review Amendment & Height Exception

Nick Sosa, Senior Planner
September 2, 2025



Project Background

- The Project is located within the Mather Field Special Planning Area (MFSPA) which references the 2003 Sacramento County Code as its regulatory document.
- The project is greater than 75,000 SF and therefore is considered a Design Review Level II and per the MFSPA, City Council is the appropriate approval authority.
- The original Major Design Review and Height Exception was approved on September 5, 2023.

Project Request

- The Applicant is requesting a Major Design Review Amendment and Height Exception to re-orient the loading dock area of the building and update the site plan to accommodate this change.
- The Applicant is also requesting a re-approval of a height exception to exceed the 40-foot allowed height maximum by approximately 3.5- feet.
 - This exception was approved as part of the original project for a height increase of 8-feet.



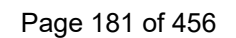
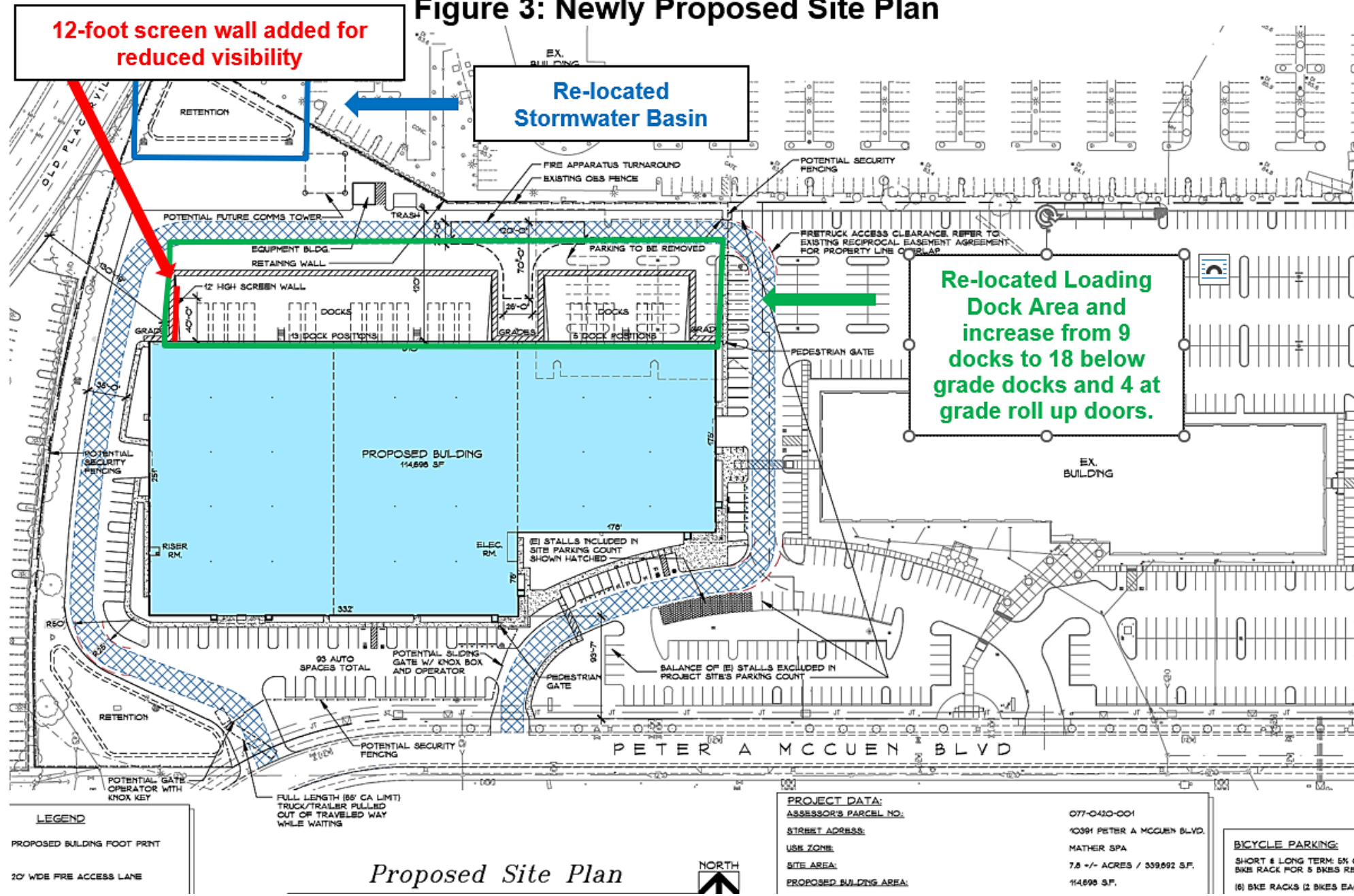


Figure 3: Newly Proposed Site Plan







Old Placerville

EXISTING MATURE LANDSCAPING, EYE LEVEL FROM ACROSS OLD PLACERVILLE RD.
(THE YELLOW LINE REPRESENTS THE OUTLINE OF THE BUILDING VIEWED FROM THIS
LOCATION).

Figure 6: North Elevation

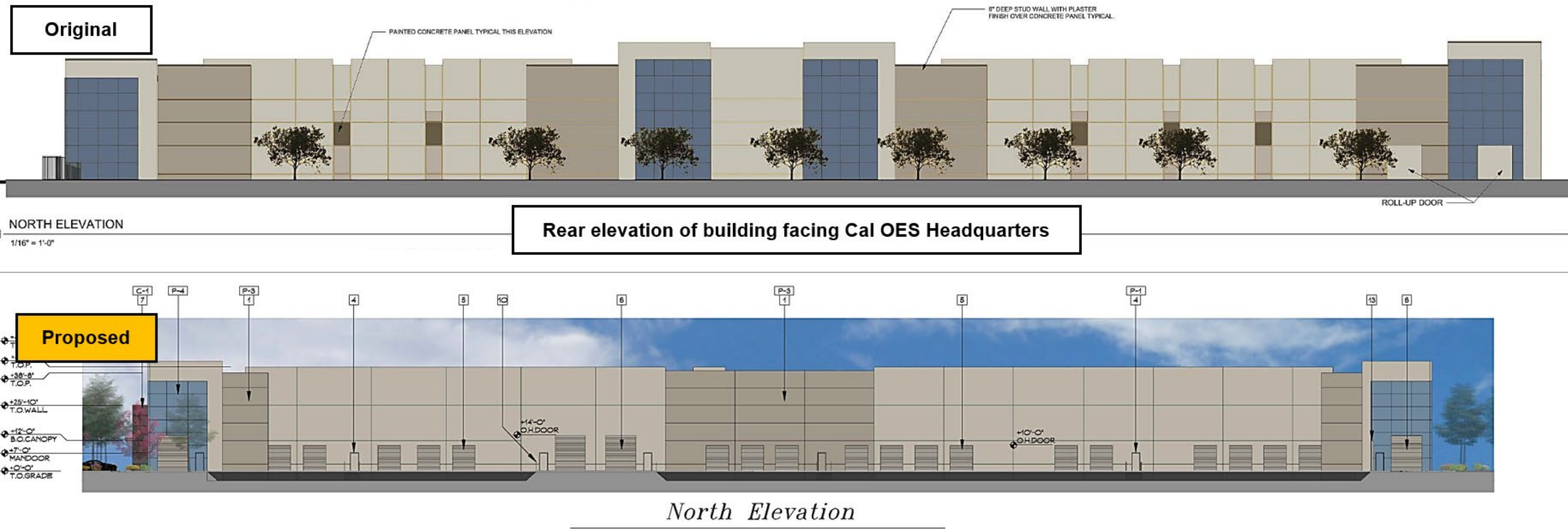


Figure 7: South Elevation

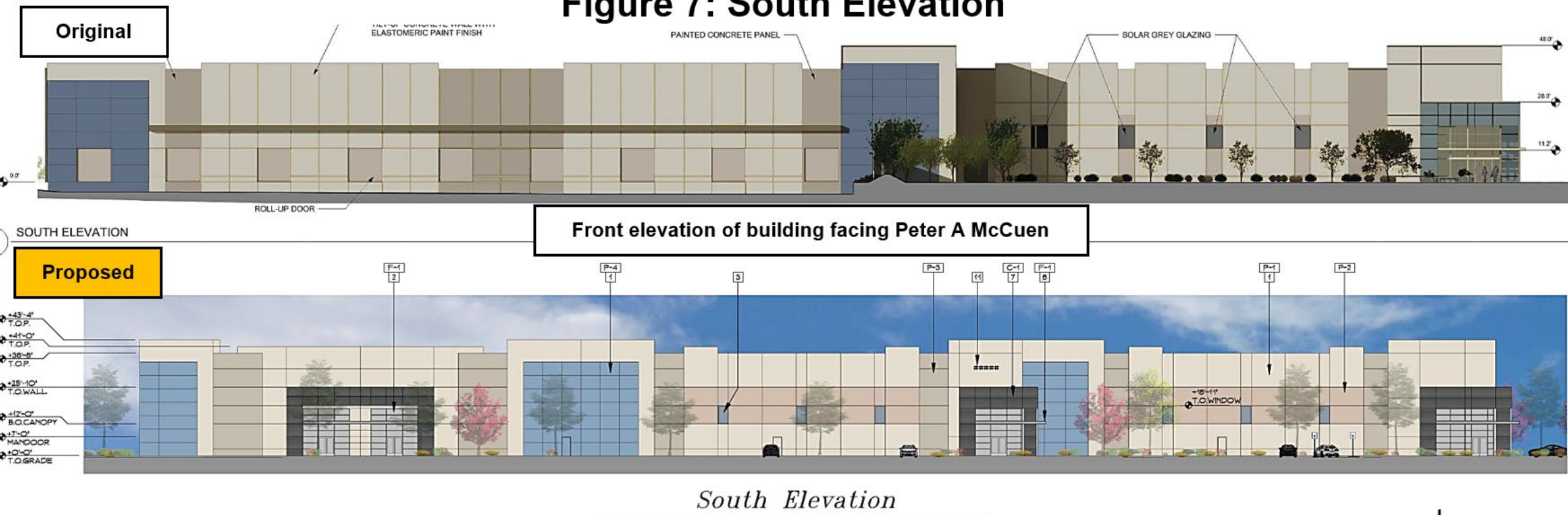
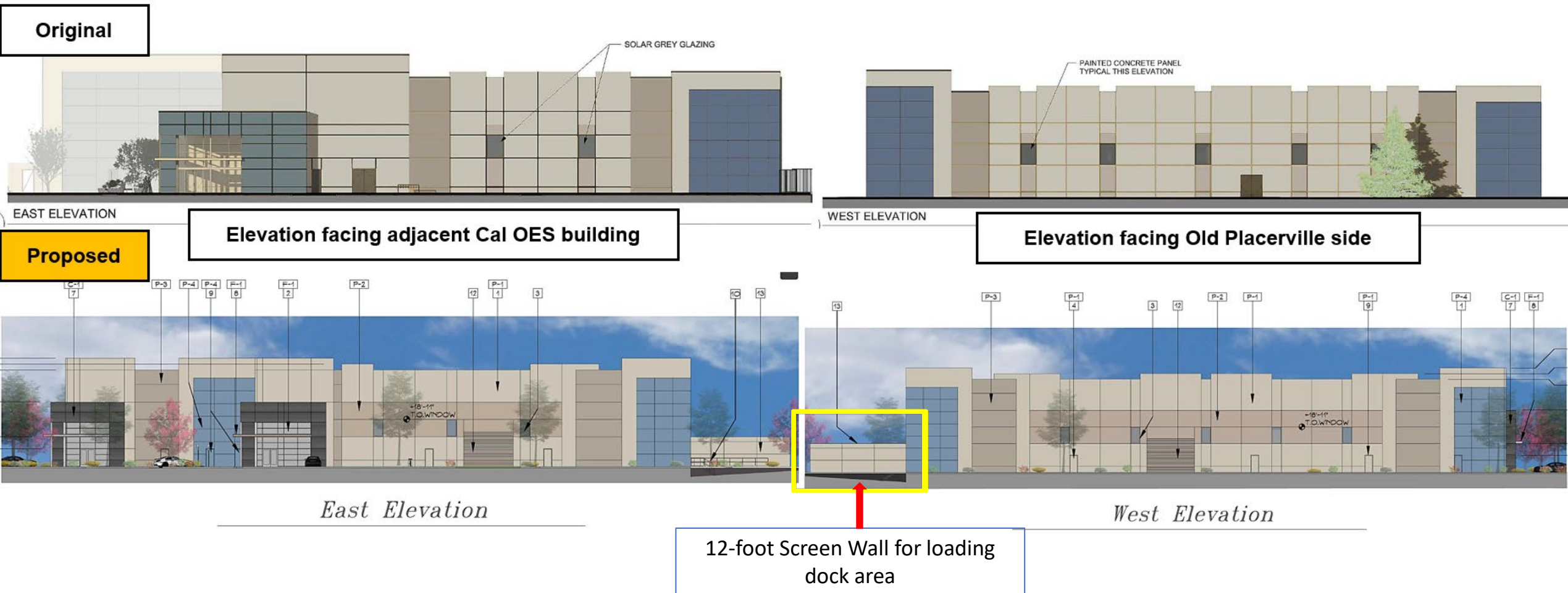


Figure 8 – East and West Elevations





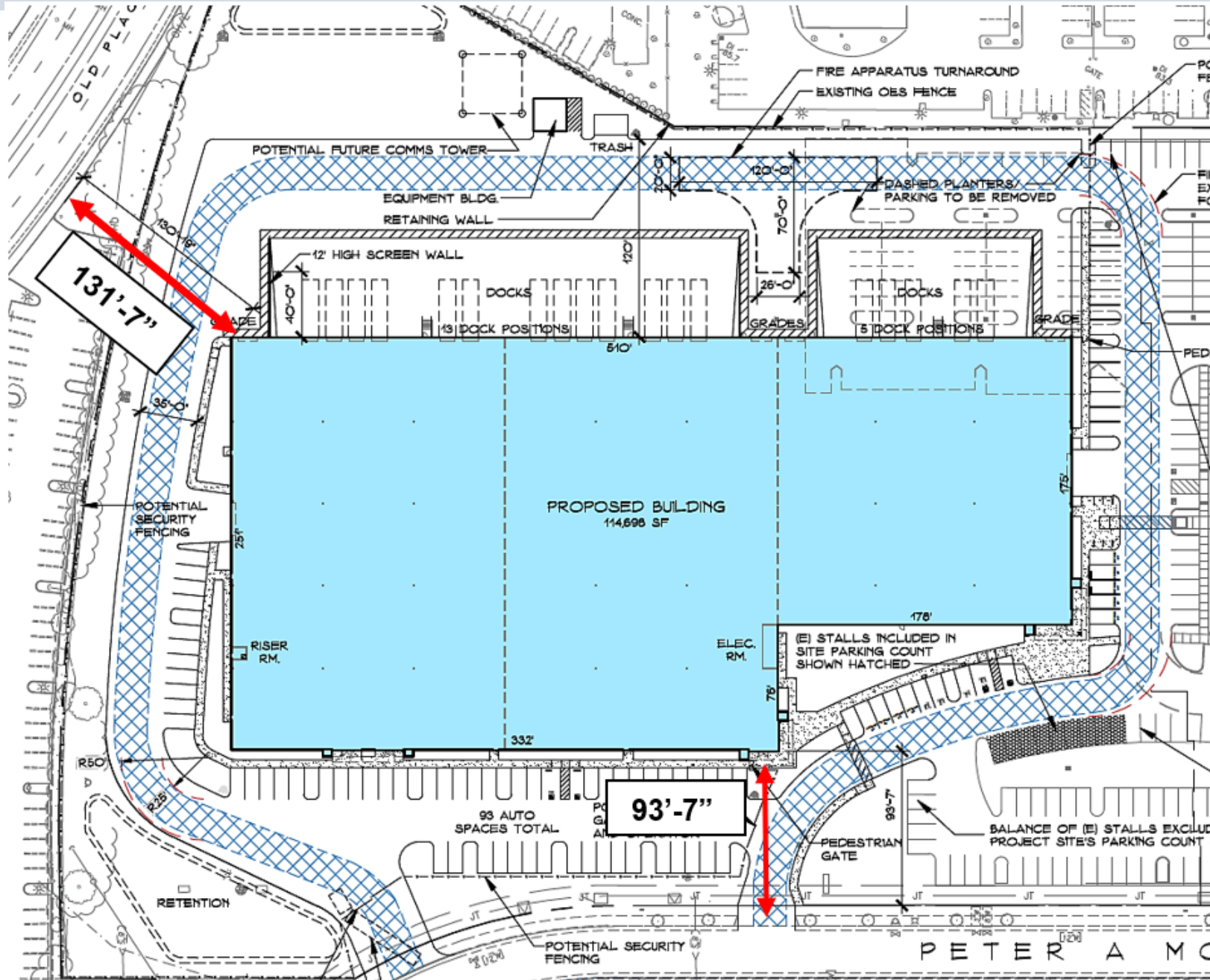
**View North West from
Peter A McCuen**



**View South East from Old
Placerville Road Side**



- Applicant is requesting a height exception to exceed the maximum allowed height from 40 feet to 43'-4".
- A height exception was granted as part of the original project approval and allowed the previous design to be constructed at a max height of 48-feet.
- A height exception may be granted by the appropriate authority per the 2003 Sacramento County Code Section 301-22.
- Height limits for commercial and industrial buildings may be increased to a maximum of 150 feet in commercial and industrial land zones, provided that buildings are set back from the right-of way line of all abutting streets a distance equal to the height of the building.
- The Applicant is requesting a 43'-4" building height and is showing measurements more than doubling that distance to the public right-of-way.



Height Exception



- The Applicant has completed an initial traffic study to ensure that the project is still within the allowable trips for the project.
- At the moment there is no designated tenant, and the building has been labeled as a warehouse/manufacturing/light industrial land use category.
- The project does propose an increase of loading docks/roll up doors however, the use of roll up doors and loading docks as a form of trip generation measurement is variable and therefore may not accurately correlate with truck trips to the site.
- Although the project does propose additional docks and roll up doors, the square footage of the facility is being reduced by approx. 4,000 SF and therefore has resulted in a small reduction in trips from the original project.
- Overall, the project is still less than 1,000 trips per day or 100 trips during the peak hour and did not require additional traffic analysis.

- The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15183, Projects Consistent with a Community Plan, General Plan, or Zoning.
- The proposed project has been reviewed and determined to be in conformity with the existing zoning, community plan, or general plan policies that were reviewed in the original certified EIR for the Mather Field Special Planning Area and no further CEQA review or environmental review is required.

- Determine the project Exempt per Section 15183, Projects Consistent with a Community Plan, General Plan, or Zoning
- Adopt the Resolution for the Jackson Properties Major Design Review Amendment and Height Exception project no. PLND-0924-0110 subject to the findings, project plans Exhibit A and Conditions of Approval Exhibit B.

Questions???

MEMORANDUM



ITEM 19.1.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Stefan Heisler, Housing Manager
Kristine Courdy, Senior Civil Engineer
SUBJECT: MILLS CROSSING PROJECT DISCUSSION

RECOMMENDATION

Receive presentation, provide feedback.

RESULT OF RECOMMENDED ACTION

The City Council will receive a presentation describing four potential implementation scenarios and next steps for the Mills Crossing Project (the "Project"). The four scenarios consider a range of project implementation options between moving forward with the full designed and entitled project and deferring the project for a future time. Council discussion and direction is requested for staff to move forward with next steps for the preferred implementation scenario.

BACKGROUND

The Project received entitlement approvals on June 2 and July 7, 2025. These included Major Design Review, Environmental Impact Report, Tentative Subdivision Map, and Specific Plan Amendment. The City's developer partner, Griffin Swinerton, is completing the design development drawings for the site infrastructure and commercial components necessary to prepare a Guaranteed Maximum Price per the City's executed Predevelopment Agreement. Through the approved design review, the Project is entitled for a 36,000 square foot community commercial and health & wellness building, a 25,000 square foot community arts center, and a 10,000 square foot community commercial and retail building, approximately two acres of plaza and community green spaces, and two additional parcels with capacity for 100-120 housing units.

Per Council discussions regarding the Project on April 21 and May 27, 2025, staff have prepared several Project implementation scenarios for Council discussion. These scenarios consider a range of implementation options including full buildout as entitled, building portions of the Project, and deferring the Project to a future time. Each scenario considers the next steps that will be taken for the corresponding scenario.

This discussion will include whether to utilize grant funding received for community health and site infrastructure. This includes a \$7,000,000 Behavioral Health Continuum Infrastructure Program ("BHCIP") grant from the California Department of Health Care Services, a \$4,688,000 Green Means Go ("GMG") grant from the Sacramento Area Council of Governments, and a

\$4,000,000 Regional Early Action Program High Impact Transformative (“REAP HIT”) grant from the California Department of Housing and Community Development. All three of these grants have an expenditure deadline of December 31, 2026.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact for this discussion, no new financial commitments are being made with this agenda item. Direction is requested regarding the preferred implementation scenario for Mills Crossing. Depending on the preferred scenario directed by Council, future actions over the next 6-12 months will involve financial commitments that will be considered when those actions are taken.

ATTACHMENT(S)

1. Presentation



Mills Crossing Project Discussion



September 2, 2025

Introduction

- The Project was entitled in June 2025 including an approved map, zone change and Environmental Impact Report
- Design Development for the entitled site is complete
- The City secured Project grant funds with the following deadlines:
 - \$9.6M SACOG GMG (December 2026) – Site Work
 - \$7M BHCIP (December 2026) – Building 1
- Further Project direction based on the grant funding expenditure deadlines

Present

- Present Implementation Scenarios for the Project

Receive

- City Council feedback

Next Steps

- Outline Next Steps
- Phase 2 Agreements, GMP and Financing Plan (Scenarios 1-3)

ITEM 19.1 SCENARIO 1



Full Mills Crossing project

Cost: \$120M

- **Building 1** – Medical Office
- **Building 2** – Arts Center
- **Building 3** – Events Hall
- **Site Work** – Grading, Utilities, Roads, Plaza, Project Green, Parking, Folsom Blvd and La Loma Streetscape

SCENARIO 2

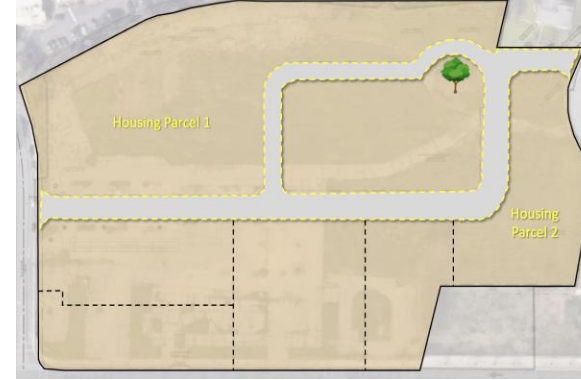


Modified Mills Crossing project

Cost: \$105M

- **Building 1** – Medical Office
- **Building 2** – Arts Center
- **No Building 3**
- **Site Work** – Grading, Utilities, Roads, Plaza, Project Green, Parking, Folsom Blvd and La Loma Streetscape

SCENARIO 3



Spend Only GMG Grant Funds

Cost: \$10M SACOG GMG Grant, forfeit \$7M BHCIP Grant

- **Build roadway network, grade the site, install underground utilities with \$9.6 million grant funds**
- **Create housing parcels for residential development**
- **Site Work** – Grading, Utilities, Roads only
- **No Community Facilities**
- **No Plaza, Project Green and Parking**

ATTACHMENT 1 No Project



Land bank the entitled project

- **Defer project**
- **Forfeit \$16M of grant funds – \$7M BHCIP, \$9.6 SACOG GMG**

SCENARIO 1

Cost: \$120M

Utilize \$7M BHCIP, \$9.6 SACOG GMG



ATTACHMENT 1 SCOPE

**Full Mills Crossing
project, including:**

- **Building 1** – Medical Office (up to 36,000 sf)
- **Building 2** – Arts Center (25,000 sf)
- **Building 3** – Events Hall (10,000 sf)
- **Site Work** – Grading, Utilities, Roads, Plaza, Project Green, Parking, Folsom Blvd and La Loma Dr Streetscape



Size	Up to 36,000 SF
Cost	\$31,000,000
Programming / Occupancy	Community Health



Community Health Programming

- Outpatient Care Facilities, services including:
 - Primary care
 - Integrated Licensed Clinical Social Worker meeting patients' behavioral health needs

SCENARIO 2

ITEM 19.1

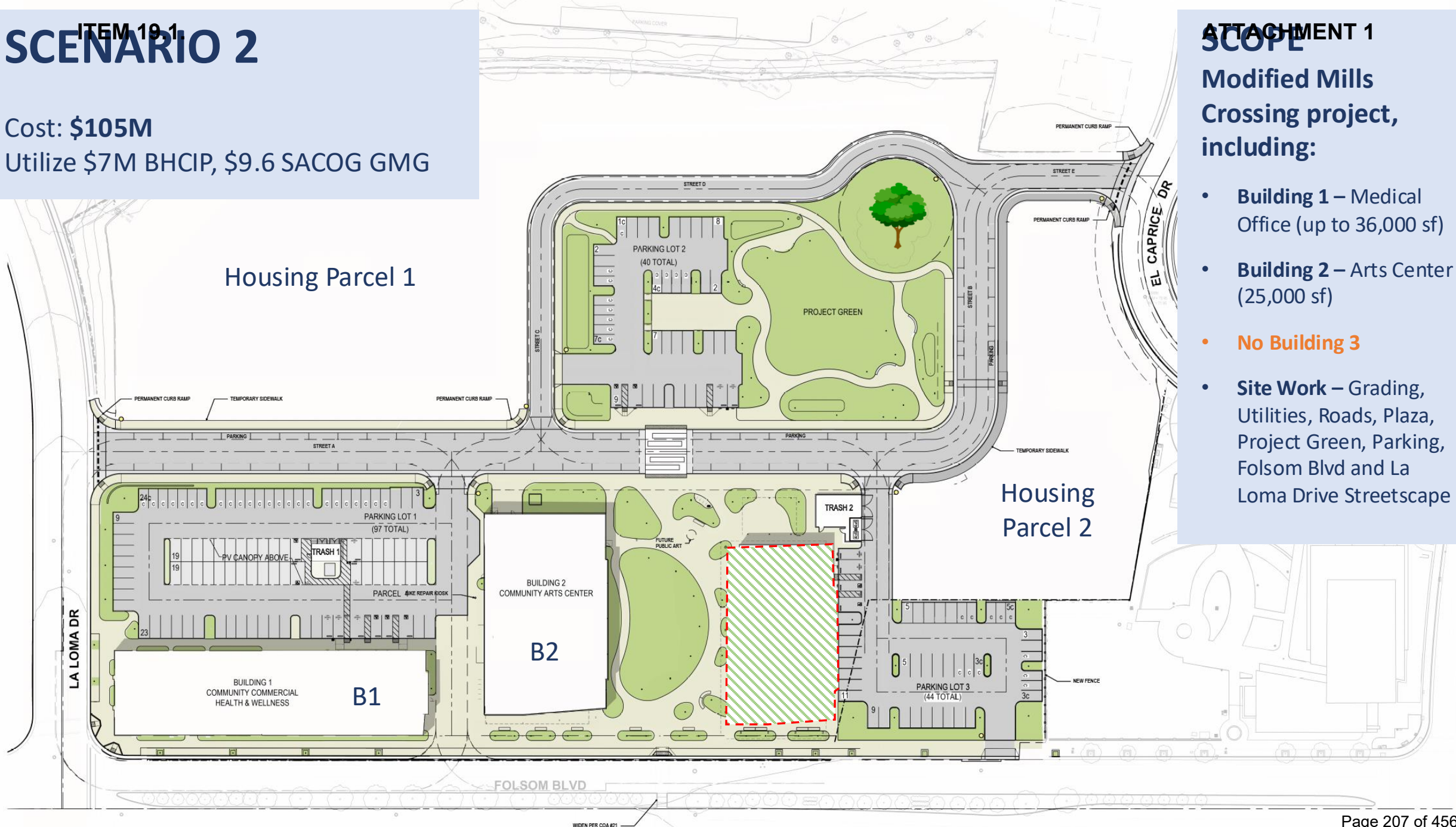
Cost: \$105M

Utilize \$7M BHCIP, \$9.6 SACOG GMG

ATTACHMENT 1 SCOPE

Modified Mills
Crossing project,
including:

- **Building 1** – Medical Office (up to 36,000 sf)
- **Building 2** – Arts Center (25,000 sf)
- **No Building 3**
- **Site Work** – Grading, Utilities, Roads, Plaza, Project Green, Parking, Folsom Blvd and La Loma Drive Streetscape



ITEM 19.1. **Scenario 1 & 2 Next Steps**

ATTACHMENT 1

Late 2025

- PDA Amendment

Early 2026

- Project Agreements/GMP

Summer 2026

- Project Permits

Late 2026

- Groundbreaking

SCENARIO 3

Utilize \$9.6M GMG Grant

Cost: **\$10M**

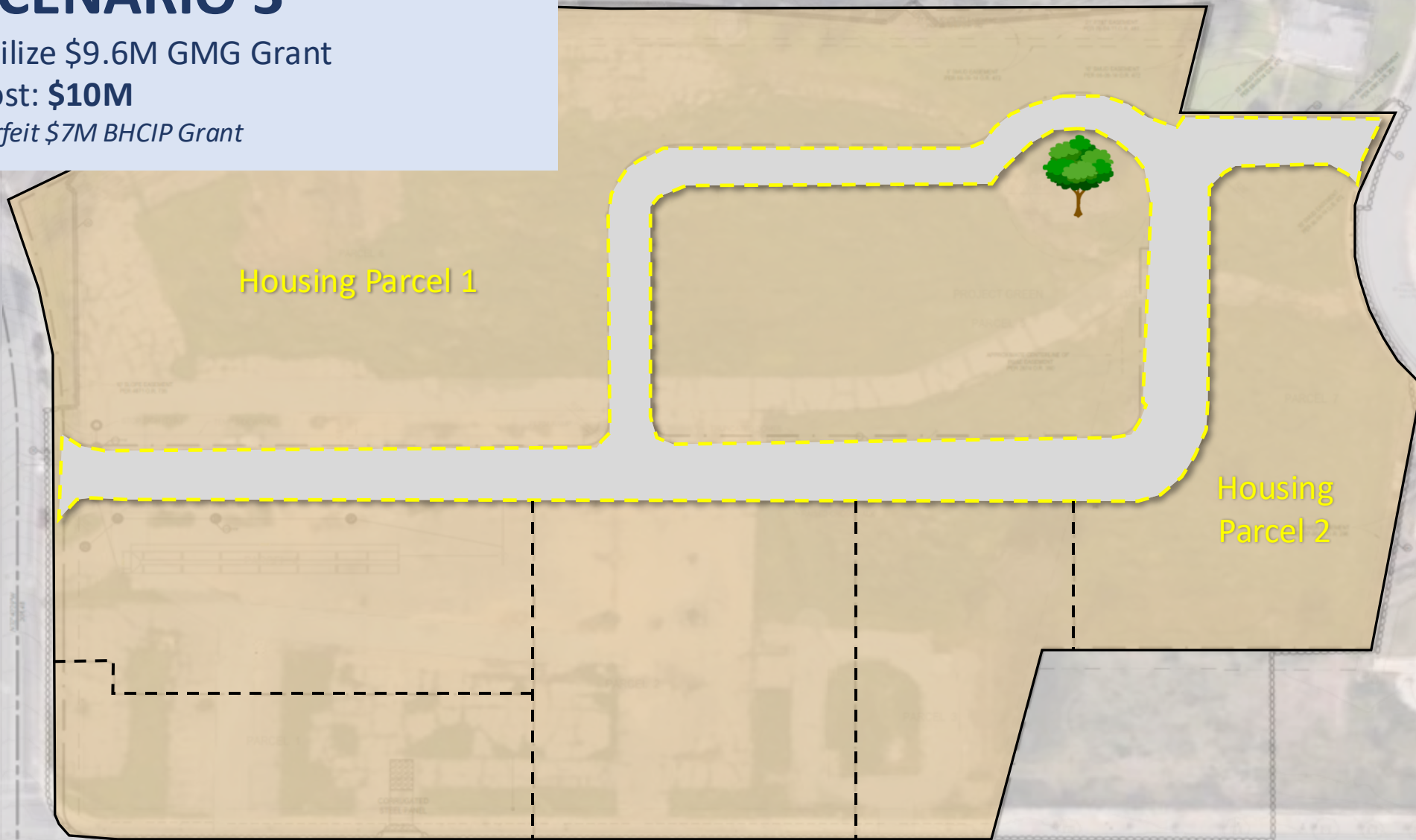
Forfeit \$7M BHCIP Grant

ATTACHMENT 1

SCOPE

Spend GMG Grant Funds Only

- Build roadway network, grade the site, install underground utilities with \$9.6 million grant funds
- Create housing parcels for residential development
- **Site Work** – Grading, Utilities, Roads only
- **No Community Facilities**
- **No Plaza, Project Green and Parking**



Folsom Blvd

Folsom Blvd

Scenario 3 – Key Considerations

- Expend \$9.6M GMG in Available Grant Funding
- The GMG Grant Funding Program is tied to creating housing
- Utilities and site layouts are based on current entitlements
- Next steps include re-visioning of the Commercial Properties
 - Restart public-use visioning
 - Reserve for future private commercial development
 - Pivot more towards additional housing uses
- Surplus Land Act maybe required for commercial private developments

Scenario 3 - Next Steps

Late 2025

- PDA Amendment
- Permitting & Utility Coordination
- Housing Coordination

Early 2026

- Project Agreements/GMP
- Re-visioning for the Site, Surplus Land Act

Summer 2026

- Site Work Groundbreaking

SCENARIO 4

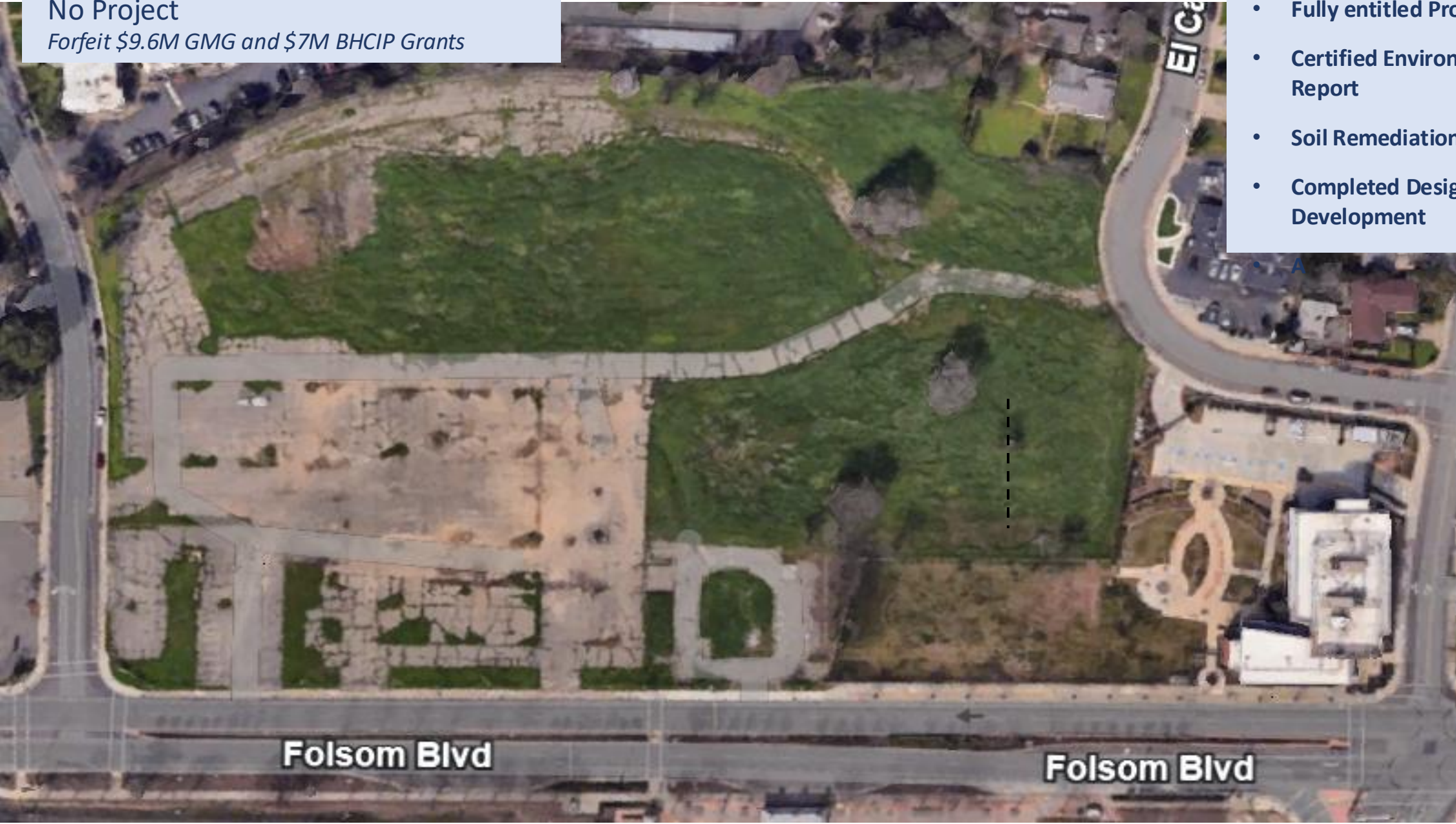
ITEM 19.1

No Project

Forfeit \$9.6M GMG and \$7M BHCIP Grants

ATTACHMENT 1 ACCOMPLISHMENTS

- Fully entitled Project
- Certified Environmental Impact Report
- Soil Remediation Project
- Completed Design Development



Scenario 4 - Next Steps

- Update Granting Agencies
- Future Council Direction on Project Funding
- Re-visioning for the Site
- Surplus Land Act

- Council Input on the Four Scenarios
 - Scenario 1 = \$120M, Full Project Build out
 - Scenario 2 = \$105M, Buildings 1 & 2
 - Scenario 3 = \$10M Site Work
 - Scenario 4 = Entitled Site for a Future Project
- Provide Staff with Project Direction

ITEM 19.1 SCENARIO 1



Full Mills Crossing project

Cost: \$120M

- **Building 1** – Medical Office
- **Building 2** – Arts Center
- **Building 3** – Events Hall
- **Site Work** – Grading, Utilities, Roads, Plaza, Project Green, Parking, Folsom Blvd and La Loma Streetscape

SCENARIO 2

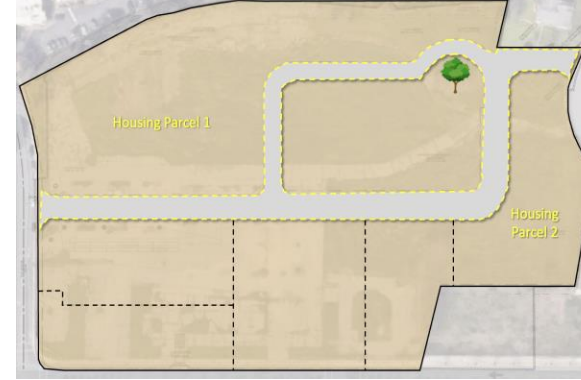


Modified Mills Crossing project

Cost: \$105M

- **Building 1** – Medical Office
- **Building 2** – Arts Center
- **No Building 3**
- **Site Work** – Grading, Utilities, Roads, Plaza, Project Green, Parking, Folsom Blvd and La Loma Streetscape

SCENARIO 3



Spend Only GMG Grant Funds

Cost: \$10M SACOG GMG Grant, forfeit \$7M BHCIP Grant

- **Build roadway network, grade the site, install underground utilities with \$9.6 million grant funds**
- **Create housing parcels for residential development**
- **Site Work** – Grading, Utilities, Roads only
- **No Community Facilities**
- **No Plaza, Project Green and Parking**

ATTACHMENT 1 No Project



Land bank the entitled project

- **Defer project**
- **Forfeit \$16M of grant funds – \$7M BHCIP, \$9.6 SACOG GMG**

MEMORANDUM



ITEM 19.2.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Michelle Mingay, Finance Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS FOR AND ON BEHALF OF IMPROVEMENT AREA NO. 3 OF THE CITY OF RANCHO CORDOVA THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1, APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT, APPROVING THE FORM OF PRELIMINARY OFFICIAL STATEMENT, APPROVING SALE OF SUCH BONDS, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the sale of Special Tax Bonds (the "Bonds") for and on behalf of Improvement Area No. 3 of the Ranch Community Facilities District No. 2021-1 for the purpose of providing money for the acquisition and construction of improvements, and the payment of certain development impact fees related to the project, within the Community Facilities District.

BACKGROUND

The Ranch Community Facilities District No. 2021-1 ("CFD 2021-1") or (the "District") was formed in 2021 to assist in the financing of the acquisition and construction of certain public facilities and payment of certain fees within a portion of the Ranch project, and at the time the City Council approved the necessity to incur bonded indebtedness in a maximum principal amount not to exceed \$86,470,000. Through various City Council actions, Improvement Areas 1, 2 & 3 were designated within the District, with bonded indebtedness and annual appropriations limit of \$20,350,000 for the territory within Improvement Area No. 1, \$14,000,000 for the territory within Improvement Area No. 2, and \$16,000,000 for the territory within Improvement Area No. 3. Bonds have previously been issued for Improvement Area No. 1 (\$12,971,000 in 2022) and Improvement Area No 2 (\$10,880,000 in February 2025).

Based on the current status of the property within Improvement Area No. 3 of the District, the appraisal estimates the value of the property within Improvement Area No. 3 at approximately \$80.25 million. This has created an opportunity for the District to issue special tax bonds. Based on the expected bond par amount, the property value compared to bonded debt lien would

exceed the required 4:1 value to lien requirement, which is consistent with prior special tax bonds issued within the City.

The proposed financing-related resolution approves: (i) the sale of the Bonds in an amount not to exceed \$15 million; (ii) a Fiscal Agent Agreement; (iii) the Preliminary Official Statement; (iv) Bond Purchase Agreement, and authorizes related documents on behalf of the District. Descriptions of these documents are as follows:

- **Fiscal Agent Agreement:** The Fiscal Agent Agreement allows U.S. Bank to act on behalf of the City to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the Bonds, and the administration and payment of the Bonds.
- **Bond Purchase Agreement:** The Bond Purchase Agreement is a legally binding document between the issuer (City on behalf of the District) and an underwriter (Piper Sandler & Co.) establishing the terms of the Bond sale wherein the City agrees to sell the Bonds to the underwriter. At the bond closing, the City delivers the Bonds to the underwriter, and the underwriter pays the City for them and simultaneously completes the sale to investors, all at the price and yield established during the Bond pricing call and reflected in the agreement at the time it is signed. Currently the pricing is scheduled for the week of September 15th.
- **Preliminary Official Statement:** The preliminary Official Statement is a document that serves as the offering prospectus for the Bonds. It is the disclosure document relied on by Bond investors that details the underlying security for the Bonds and all associated investment risks. The Official Statement sets forth the security for the bonds and other important details about the District and is used by the underwriter to market the Bonds to ultimate investors.

Assuming the City Council approves this financing, staff will work with the Bond finance team to determine the final Bond sizing, and the preliminary Official Statement will be finalized and posted electronically for investors to review. Assuming the market remains stable, the City; NHA Advisors, LLC, the City's Municipal Advisor; and Piper Sandler & Co., the bond underwriter, will hold a pre-pricing call the week of September 15th to review bond market conditions and the preliminary interest rates, after which, the Bonds will be sold. An authorized officer will then execute, on behalf of the City, a Bond Purchase Agreement with Piper Sandler & Co., finalizing the bond interest rates and setting the delivery date, which is anticipated to occur the week of September 29th.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact. The Special Tax Bonds are secured solely by the Special Taxes levies within the District and are not a debt of the City's General Fund. Costs of issuance are payable solely from Bond proceeds.

In accordance with Government Code 5852.1, the following information consists of estimates of certain costs and charges for the Bonds that have been provided by NHA Advisors, LLC, the City's municipal advisor, which has been represented by such party to have been provided in good faith: (1) estimated true interest cost of the Bonds: 5.72%; (2) estimated finance charge of the Bonds (sum of all fees and charges paid to third parties): \$587,938; (3) estimated amount of proceeds of the Bonds received by the City (net of finance charges, reserves and capitalized interest, if any): \$10,091,525; and (4) estimated total payment amount (sum total of all

payments to pay debt service on the Bonds plus the finance charge not paid with proceeds of the Bonds) calculated to the final maturity of the Bonds: \$26,674,482.

ATTACHMENT(S)

1. Resolution
2. Fiscal Agent Agreement
3. Bond Purchase Agreement
4. Preliminary Official Statement

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

**A RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS
FOR AND ON BEHALF OF IMPROVEMENT AREA NO. 2 OF THE CITY OF
RANCHO CORDOVA THE RANCH COMMUNITY FACILITIES DISTRICT NO.
2021-1, APPROVING AND DIRECTING THE EXECUTION OF A FISCAL
AGENT AGREEMENT, APPROVING THE FORM OF PRELIMINARY OFFICIAL
STATEMENT, APPROVING SALE OF SUCH BONDS, AND APPROVING
OTHER RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to (i) establish the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the "CFD"), (ii) designate within the CFD, "Improvement Area No. 1 of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1" ("Improvement Area No. 1"), and (iii) establish a "City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (Future Annexation Area)" for the CFD (the "Future Annexation Area"); and

WHEREAS, under the Act, the City Council is authorized to issue bonded indebtedness secured by special taxes levied within the CFD and improvement areas therein for the purpose of providing moneys for the construction and acquisition of improvements, and the payment of certain fees, authorized for the CFD; and

WHEREAS, on December 6, 2021, the City Council, as legislative body of the CFD, established the bonded indebtedness limit for the CFD in the principal amount of not to exceed \$86,470,000 (excluding bonds described in Section 53364.2(e) of the Act), initially allocated as follows: (i) for Improvement Area No. 1, \$20,350,000 and (ii) for land within the Future Annexation Area, \$66,120,000; and

WHEREAS, in October 2022 the City issued bonds for Improvement Area No. 1 of the District and in March 2025 the City issued bonds for Improvement Area No. 2 of the District; and

WHEREAS, this Council authorized land to be annexed to the District from the Future Annexation Area by unanimous consent of the owner(s) of land proposed to be annexed, and pursuant to a Unanimous Consent, Waiver and Vote of Sole Landowner, dated April 2, 2024 land designated as Improvement Area No. 3 of the District ("Improvement Area No. 3") was annexed to the District and bonded indebtedness for Improvement Area No. 3 was authorized in the amount not to exceed \$16,000,000 (the "Authorization") , and the City now desires to issue the first series of special tax bonds under the Authorization; and

WHEREAS, there has been submitted to the City Council a Fiscal Agent Agreement, between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent Agreement"), providing for the issuance of a first series of special tax bonds of the City for Improvement Area No. 3, designated as the "City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Improvement Area No. 3 Special Tax Bonds Series 2025" (the "Bonds"), and the City Council, with the aid of City staff, has reviewed the Fiscal Agent Agreement and found it to be in proper order for the purpose intended, and now desires to approve the Fiscal Agent Agreement and the issuance of the Bonds; and

WHEREAS, the City proposes to sell the Bonds to Piper Sandler & Co., as underwriter (the "Underwriter"), pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the City and the Underwriter, and the Underwriter proposes to offer the Bonds to the investing public by means of a Preliminary Official Statement (the "Preliminary Official Statement"); and

WHEREAS, the information required to be obtained and disclosed with respect to the Bonds in accordance with Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

WHEREAS, all conditions, things and acts required to exist and to have been performed precedent to and with respect to the issuance of the Bonds and the levy of the special taxes securing the Bonds, as contemplated by this resolution and the Fiscal Agent Agreement, have happened and exist as required by the laws of the State of California, including the Act, and the actions to be performed in due time for the issuance of the Bonds conform in form and manner to the applicable laws of the State of California, including the Act.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

SECTION 1. Findings. This Council finds and determines that (i) it is prudent in the management and development of land in the City and the CFD to issue the Bonds to provide money for the construction and acquisition of improvements, and the payment of certain fees, authorized for the CFD, and (ii) the Bonds, the CFD and Improvement Area No. 3 of the CFD are substantially in compliance with the City's Statement of Policies and Procedures for Special Assessment and Community Facilities District Debt Financing Programs, with any deviations hereby approved.

SECTION 2. Law Applicable. For the purposes of these proceedings in and for the CFD, the Act shall be the authority for the issuance of the Bonds.

SECTION 3. Bonds Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, the Bonds, in an aggregate principal amount not to exceed \$15,000,000, are hereby authorized to be issued. The Bonds shall be executed in the form set forth in, and otherwise as provided in, the Fiscal Agent Agreement. The Bonds shall be dated and executed in the forms, be in the principal amounts, denominations, mature, be payable at the place and in the priorities and bear interest at the rates as set forth in and otherwise as provided in the Fiscal Agent Agreement.

The Bonds shall not be issued unless the value of the real property within Improvement Area No. 3 subject to the special tax to pay debt service on the Bonds, based on assessed values and/or an appraisal by an independent appraiser hired by the City for the purpose of determining such value, is at least four times the proposed principal amount of the Bonds proposed to be issued and secured by a special tax levied pursuant to the Act on property within Improvement Area No. 3.

SECTION 4. Fiscal Agent Agreement. The Fiscal Agent Agreement in substantially the form on file with the City Clerk is hereby approved. The City Manager, Deputy City Manager, Administrative Services Director or such other person or persons as any of them may designate (each an "Authorized Officer") are hereby separately authorized and directed to execute and

deliver the Fiscal Agent Agreement, with such additions thereto or changes therein as are approved by the Authorized Officer upon consultation with the City's bond counsel, and including but not limited to such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the Bonds; provided, however, that no additions or changes shall authorize the issuance of an aggregate principal amount of Bonds which would cause bonds issued for Improvement Area No. 3 to be in excess of the Authorization.

The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Fiscal Agent Agreement, as finally approved and executed by an Authorized Officer. The terms and provisions of the Fiscal Agent Agreement, as finally executed, are incorporated herein by reference as if fully set forth herein. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by an Authorized Officer.

SECTION 5. Bond Preparation and Delivery; Sale of the Bonds. The Bonds, when executed, shall be delivered to the fiscal agent for authentication. The fiscal agent is hereby requested and directed to authenticate the Bonds by executing the fiscal agent's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the City by the Mayor and/or an Authorized Officer, which instructions are hereby authorized, for and in the name and on behalf of the City, to be delivered.

SECTION 6. Covenant to Foreclose. The City hereby covenants, for the benefit of the owners of the Bonds, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of debt service on the Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the Fiscal Agent Agreement.

SECTION 7. Approval of Preliminary Official Statement. The City Council hereby approves the Preliminary Official Statement in substantially the form presented to the City Council at this meeting. The Authorized Officers are each hereby authorized and directed to execute a final Official Statement (the "Official Statement"), for and in the name and on behalf of the City, in such form, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with the City's bond counsel. The City Council hereby authorizes and directs the Underwriter to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and to deliver copies of the Official Statement to all actual purchasers of the Bonds. The City Council hereby authorizes the delivery of the Preliminary Official Statement and the Official Statement. The City Council hereby authorizes and directs an Authorized Officer, on behalf of the City, to deem "final," pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement prior to its distribution to prospective purchasers of the Bonds.

SECTION 8. Approval of Purchase Agreement. The City Council hereby approves the Bond Purchase Agreement; provided, however, that the aggregate principal amount of Bonds shall not exceed \$15,000,000 or result in an Underwriter's discount in excess of 1.50%, or a true interest cost in excess of 6.95%. Subject to the foregoing parameters, an Authorized Officer is hereby authorized and directed to execute the Bond Purchase Agreement in substantially the form on file with the City Clerk, together with such changes and additions thereto deemed advisable by the Authorized Officer executing the same. The City Council hereby finds and

determines that the sale of the Bonds at negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost.

SECTION 9. Actions Authorized. All actions heretofore taken by the officers, employees and agents of the City with respect to the establishment of the CFD and the designation of Improvement Area No. 3 therein, and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the Authorized Officers are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer as specified herein, may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer.

SECTION 10. Effectiveness. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 2nd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Siri Pulipati, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

FISCAL AGENT AGREEMENT

by and between

CITY OF RANCHO CORDOVA

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Fiscal Agent**

Dated as of October 1, 2025

Relating to:

**\$ _____
Improvement Area No. 3 of
City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Special Tax Bonds Series 2025**

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EXHIBIT A FORM OF BOND

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the "Agreement") is made and entered into and dated as of October 1, 2025, by and between the City of Rancho Cordova, California, a municipal corporation and public body, corporate and politic, organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for and on behalf of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the "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 with a corporate trust office located in Seattle, Washington, as fiscal agent (the "Fiscal Agent").

WITNESSETH:

WHEREAS, the City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), to (i) establish the District (ii) designate within the District, "Improvement Area No. 1 of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1" ("Improvement Area No. 1"), and (iii) establish a "City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (Future Annexation Area)" for the District (the "Future Annexation Area"); and

WHEREAS, under the Act, the City Council is authorized to issue bonded indebtedness secured by special taxes levied within the District and improvement areas therein for the purpose of providing moneys for the construction and acquisition of improvements, and the payment of certain fees, authorized for the District; and

WHEREAS, on December 6, 2021, the City Council, as legislative body of the District, established the bonded indebtedness limit for the District in the principal amount of not to exceed \$86,470,000 (excluding bonds described in Section 53364.2(e) of the Act), initially allocated as follows: (i) for Improvement Area No. 1, \$20,350,000 and (ii) for land within the Future Annexation Area, \$66,120,000; and

WHEREAS, this Council has also authorized land to be annexed to the District from the Future Annexation Area by unanimous consent of the owner(s) of land proposed to be annexed, and pursuant to Resolution No. 37-2024 adopted by this Council on April 2, 2024 and the Unanimous Consent, Waiver and Vote of Sole Landowner, dated April 2, 2024, land designated as Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 ("Improvement Area No. 3") was annexed to the District and bonded indebtedness for Improvement Area No. 3 was authorized in the amount not to exceed \$16,000,000 (the "Authorization"); and

WHEREAS, under the provisions of the Act, on _____, 2025, the City Council of the City adopted its Resolution No. ____-2025 (the "Resolution"), which resolution authorized the issuance of its Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025 to provide moneys for the construction and acquisition of improvements for the District and provided that said issuance would be in accordance with the Act and this Agreement, and authorized the execution hereof;

WHEREAS, it is in the public interest and for the benefit of the City, the District, the persons responsible for the payment of special taxes and the Owners of the Bonds that the City enter into this Agreement to provide for the issuance of the Bonds, the disbursement of proceeds

of the Bonds, the disposition of the special taxes securing the Bonds authorized to be issued hereunder and the administration and payment of the Bonds; and

WHEREAS, the City has determined that all things necessary to cause the Bonds, when authenticated by the City for the District and issued as in the Act, the Resolution and this Agreement provided to be legal, valid and binding and special obligations of the City for the District in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS STATUTORY AUTHORITY AND
DEFINITIONS

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. Agreement for Benefit of Bondowners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Owners. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. The Fiscal Agent may become the Owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"Acquisition Agreement" means the Funding, Construction and Acquisition Agreement, dated as of October 1, 2022, by and between the City and K. Hovnanian at Jaeger Ranch, LLC, a California limited liability company (the "Developer"), and any amendments thereto.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 *et seq.* of the California Government Code.

"Additional Bonds" means any bonds other than the 2025 Bonds issued pursuant to Section 5.17 hereof.

"Administrative Expense Priority" means (i) for fiscal year 2025-26, \$30,000, and (ii) for each subsequent year, an amount equal to the preceding fiscal year's Administrative Expense Priority plus an additional 2% of such amount.

"Administrative Expenses" means any or all of the following: the fees and expenses of the Fiscal Agent (including any fees or expenses of its counsel), the expenses of the City in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, and the foreclosure of the liens of delinquent Special Taxes) including the fees and expenses of its counsel, an allocable share of the salaries of City staff directly related thereto and a proportionate amount of City general administrative overhead related thereto, any amounts paid by the City from its general funds pursuant to Section 6.02, and all other costs and expenses of the City or the Fiscal Agent incurred in connection with the issuance and administration of the Bonds and/or the discharge of their respective duties hereunder (including, but not limited to, the calculation of the levy of the Special Taxes, foreclosures with respect to delinquent taxes, and the calculation of amounts subject to rebate to the United States) and, in the case of the City, in any way related to the administration of the District and Improvement

Area No. 3. Administrative Expenses shall include any such expenses incurred in prior years but not yet paid, and any advances of funds by the City under Section 6.02 hereof.

“Administrative Services Director” means the Administrative Services Director, including any acting or interim Administrative Services Director, of the City, or person serving in a similar capacity, or a designee of such person.

“Agreement” means this Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds, including any mandatory sinking fund payments, due in such Bond Year.

“Authorization” means a principal amount of Bonds for Improvement Area No. 3 not to exceed \$16,000,000 (excluding bonds described in Section 53364.2(e) of the Act).

“Authorized Officer” means the City Manager, Deputy City Manager, Administrative Services Director or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established pursuant to Section 4.02(A) hereof.

“Bond Year” means each twelve-month period beginning on September 2 in any year and extending to the next succeeding September 1, both dates inclusive; except that the first Bond Year shall begin on the Closing Date and end on September 1, 2026.

“Bonds” means (i) the 2025 Bonds, and (ii) any Additional Bonds at any time Outstanding under this Agreement and any Supplemental Agreement.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Principal Office of the Fiscal Agent is located are authorized or obligated by law or executive order to be closed.

“Capitalized Interest Account” means the fund by that name established pursuant to Section 4.02(A) hereof.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“City” means the City of Rancho Cordova, California, and any successor thereto.

“Closing Date” means the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated as of _____, 2025, by and among the City and Goodwin Consulting Group, Inc., in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the Bonds, financial advisor fees, Bond (underwriter’s) discount or underwriting fee, legal fees and charges, including bond counsel, charges for execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.05(A) hereof.

“DTC” means the Depository Trust Company, and its successors and assigns.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Debt Service Account” means the account of the Special Tax Fund by that name established by Section 3.03(A) hereof.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.12.

“District” means the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1, established pursuant to the Resolution of Formation.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment

agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California, but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment).

(i) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as “stripped” obligations and coupons; or

(ii) Any of the following obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank, (ii) certificates of beneficial ownership issued by the Farmers Home Administration, (iii) participation certificates issued by the General Services Administration, (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (v) project notes issued by the United States Department of Housing and Urban Development, and (vi) public housing notes and bonds guaranteed by the United States of America.

“Fiscal Agent” means the Fiscal Agent appointed by the City and acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

“Improvement Area No. 3” means Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1.

“Improvement Fund” means the fund by that name established pursuant to Section 3.04(A) hereof.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2026.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Officer’s Certificate” means a written certificate of the City signed by an Authorized Officer of the City.

“Ordinance” means any ordinance of the City levying the Special Taxes.

“Original Purchaser” means the first purchaser of the Bonds from the City.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

“Owner” or *“Bondowner”* means any person who shall be the registered owner of any Outstanding Bond.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following, to the extent that they are lawful investments for City funds at the time of investment, and are acquired at Fair Market Value (the Fiscal Agent entitled to rely upon investment direction from the City as a certification that such investment constitutes a legal investment):

(i) Federal Securities;

(ii) any of following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and 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; and bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors Protection Corporation Liquidation in the event of insolvency, or any

commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank shall be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than 30 days; (d) the entity holding such securities as described in clause (c) shall have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book-entry procedures described by 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by Standard & Poor's Ratings Services or Moody's Investor Service, including funds which are managed or maintained by the Fiscal Agent;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) and (iv) above;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, or Standard and Poor's Corporation, of issuing corporations that are organized and operating within the United States and having total assets in excess of \$500,000,000, and having a rating of at least "AA" (without regard to qualifier) for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) shares in a common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments

permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;

(xiii) shares in the California Asset Management Program;

(xiv) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, provided, however, that the Fiscal Agent will be permitted to make investments and withdrawals in its own name and the Fiscal Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement; or

(xv) any other lawful investment for City funds.

“Prepayment Account” means the account of the Bond Fund by that name established by Section 4.02(A) hereof.

“Principal Office” means the corporate trust office of the Fiscal Agent set forth in Section 9.06, or such other or additional offices as may be designated by the Fiscal Agent.

“Project” means the acquisitions and improvements described in the Resolution of Formation and pursuant to the Acquisition Agreement and any joint community facilities agreements.

“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent pursuant to Section 4.03, provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company is rated in at least the “AA” category (without regard to qualifier) by S&P or Moody’s; (ii) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.03; and (d) the Fiscal Agent is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to Section 4.03.

“Rate and Method” means the Rate and Method of Apportionment of Special Tax for Improvement Area No. 3, as initially approved and as may be amended.

“Record Date” means the 15th day of the month next preceding the month of the applicable Interest Payment Date whether or not such day is a Business Day.

“Regulations” means temporary and permanent regulations promulgated under the Code.

“Reserve Fund” means the fund by that name established pursuant to Section 4.03(A) hereof.

“Reserve Requirement” means the least of (i) 125% of the average Annual Debt Service on the Bonds; (ii) Maximum Annual Debt Service on the Bonds; and (iii) 10% of the original principal amount of the Bonds (or, if the Bonds have more than a de minimis amount of original issue discount or premium, 10% of the issue price of such Series of Bonds); provided, that –

(a) in no event shall the City be obligated to deposit an amount in the Reserve Fund in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, if the amount of any such deposit is so limited, the Reserve Requirement shall be only the amount of such deposit as permitted by the Code;

(b) the City may meet all or a portion of the Reserve Requirement with respect to the Bonds by depositing a Qualified Reserve Fund Credit Instrument in accordance with the Fiscal Agent Agreement; and

(c) the Reserve Requirement shall be set at the time of issuance of the Bonds and shall not increase thereafter but may decrease.

“Resolution” means Resolution No. ____-2025, adopted by the City Council of the City on _____, 2025, which resolution authorized the issuance of the Bonds.

“Resolution of Formation” means Resolution No. 195-2021, adopted by the City Council of the City on December 6, 2021, establishing the District, designating Improvement Area No. 1 as an initial improvement area therein, and establishing the Future Annexation Area.

“Securities Depositories” means The Depository Trust Company, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“Series” means any series of bonds authorized for Improvement Area No. 3 pursuant to this Fiscal Agent Agreement or any Supplemental Agreement.

“Special Tax Fund” means the fund by that name established by Section 3.03(A) hereof.

“Special Taxes” means the “Special Tax” as defined in the Rate and Method, levied within Improvement Area No. 3 pursuant to the Act, the Ordinance and this Agreement.

“Special Tax Revenues” means the proceeds of the Special Taxes annually received by the City, including all scheduled payments, prepayments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, net of the Administrative Expense Priority and excluding any penalties and extraordinary Administrative Expenses collected in connection with any such foreclosure.

“Supplemental Agreement” means an agreement which is amendatory of or supplemental to this Agreement, but only if and to the extent that such agreement is specifically authorized hereunder.

“Surplus Account” means the account of the Special Tax Fund by that name established by Section 3.03(A) hereof.

“2025 Bonds” means the Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025.

ARTICLE II

THE BONDS

Section 2.01. Principal Amount; Designation. 2025 Bonds in the aggregate principal amount of \$_____ are hereby authorized to be issued by the City for Improvement Area No. 3 under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California. The 2025 Bonds shall be designated the "Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025."

Section 2.02. Terms of 2025 Bonds.

(A) Form; Denominations. The 2025 Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof. The 2025 Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

(B) Date of 2025 Bonds. The 2025 Bonds shall be dated the Closing Date for the 2025 Bonds.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the 2025 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2025 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2025 Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City's contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities. The 2025 Bonds shall be issued as term bonds and shall mature and become payable as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate	CUSIP (75211R)
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(T) Term Bond.

(E) Interest. The 2025 Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2025 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a 2025 Bond, interest is in default thereon, such 2025 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the 2025 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date of any Owner of \$1,000,000 or more in aggregate principal amount of 2025 Bonds; provided that so long as any 2025 Bonds are in book-entry form, payments with respect to such 2025 Bonds shall be made by wire transfer or such other method acceptable to the Fiscal Agent to the Depository. The principal of the 2025 Bonds and any premium on the 2025 Bonds are payable in lawful money of the United States of America upon surrender of the 2025 Bonds at the Principal Office of the Fiscal Agent. All 2025 Bonds paid by the Fiscal Agent pursuant to this Section shall be cancelled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled 2025 Bonds and issue a certificate of destruction thereof to the City.

Section 2.03. Redemption.

(A) Redemption Dates.

(i) Optional Redemption. The Bonds are subject to optional redemption from any source of available funds (other than prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, ____ at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

(ii) Mandatory Redemption From Prepayments. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as shall be specified by the City and by lot within a maturity, on any Interest Payment

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

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

The proceeds of any such prepayment shall be deposited in the Prepayment Account of the Bond Fund and applied by the Fiscal Agent to pay the redemption price of the 2025 Bonds.

(iii) Mandatory Sinking Fund Redemption. The Bonds maturing September 1, 20__ and September 1, 20__ (the “**Term Bonds**”) are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

September 1, 20__ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
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September 1, 20__ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
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The amounts in the foregoing tables shall be reduced pro rata at the direction of the City in an Officer's Certificate, in order to maintain substantially uniform debt service, as a result of any prior partial redemption of the 2025 Bonds pursuant to Section 2.03(A)(i) or (ii) above.

In lieu of redemption under this Section 2.03, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2025 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2025 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem 2025 Bonds pursuant to subsections (A)(i) and (A)(ii) not less than 45 days prior to the applicable redemption date.

(C) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Municipal Securities Rulemaking Board and to the Securities Depositories, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

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

The City has the right to rescind any notice of the redemption of Bonds under Section 2.03(A)(i) by written notice to the Fiscal Agent on or prior to two Business Days prior the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an event of default. The City and the Fiscal Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under this Section.

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

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

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

(D) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to

be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

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

Section 2.04. Form of Bonds. The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment, to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the City by the Mayor and the City Clerk of the City who are in office on the date of adoption of this Agreement or at any time thereafter, and the seal of the City shall be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond shall be the proper officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

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

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity.

No transfers of Bonds shall be required to be made (i) within fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal

Agent in connection with any such exchange shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (i) within fifteen (15) days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

Section 2.08. Bond Register. The Fiscal Agent will keep or cause to be kept, at its Principal Office, sufficient books for the registration and transfer of the Bonds (the "Bond Register"), which books shall show the series number, date, amount, rate of interest and Owner of each Bond and shall at all times be open to inspection by the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and destroyed by the Fiscal Agent who shall deliver a certificate of destruction thereof to the City. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the Fiscal Agent and the City satisfactory to the Fiscal Agent shall be given, the City shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Limited Obligation. All obligations of the City under this Agreement and the Bonds shall be special obligations of the City, payable solely from the Special Tax Revenues

and the funds pledged therefore hereunder. Neither the full faith and credit nor the taxing power of the City (except to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Section 2.12. Book-Entry Only System. DTC shall act as the initial Depository for the Bonds. One Bond for each maturity of the Bonds shall be initially executed, authenticated, and delivered as set forth herein as a separate fully registered certificate (in printed or typewritten form). Upon initial execution, authentication, and delivery, the ownership of the Bonds shall be registered in the Bond Register kept by the Fiscal Agent for the Bonds in the name of Cede & Co, as nominee of DTC or such nominee as DTC shall appoint in writing.

The Authorized Officers and the Fiscal Agent are hereby authorized to take any and all actions as may be necessary and not inconsistent with this Agreement to qualify the Bonds for the Depository's book-entry system, including the execution of the Depository's required representation letter.

With respect to Bonds registered in the Bond Register in the name of Cede & Co, as nominee of DTC, the Fiscal Agent shall not have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds Bonds as Depository from time to time (the "DTC Participants") or to any person for which a DTC Participant acquires an interest in the Bonds (the "Beneficial Owners"). Without limiting the immediately preceding sentence, the Fiscal Agent shall not have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co, or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the City elects to redeem the Bonds in part, (iv) the payment to any DTC Participant, any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds, or (v) any consent given or other action taken by the Depository as Owner of the Bonds.

The Fiscal Agent may treat as and deem DTC to be the absolute Owner of each Bond for which DTC is acting as Depository for the purpose of payment of the principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Fiscal Agent shall pay all principal of and interest on the Bonds only to the Owners as shown on the Registration Books, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid.

No person other than an Owner, as shown on the Bond Register, shall receive a physical Bond. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.06 hereof, references to "Cede & Co." in this Section 2.12 shall refer to such new nominee of DTC.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Fiscal Agent and the City during any time that the Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of DTC with respect to the Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the

system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners, and the City shall mail notice of such termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the Bond Register of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or name the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the Bonds will be delivered to such Beneficial Owners as soon as practicable.

Section 2.13. No Acceleration. The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section 2.13 shall in any way prohibit the redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of this Agreement under Section 9.03 hereof.

ARTICLE III

ISSUANCE OF BONDS

Section 3.01. Issuance and Delivery of Bonds. At any time after the execution of this Agreement, the City may issue the Bonds in the aggregate principal amount set forth in Section 2.01 or as authorized in any supplemental agreement and deliver such Bonds to the Original Purchaser. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance of the Bonds from the proceeds of the Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bonds to the Original Purchaser.

Section 3.02. Application of Proceeds of Sale of 2025 Bonds.

The proceeds of the purchase of the 2025 Bonds by the Original Purchaser in the amount of \$_____ (being 100% of the aggregate principal amount thereof, plus a net original issue premium of \$_____, less an Underwriter's discount of \$_____), shall be paid to the Fiscal Agent, who shall forthwith deposit such proceeds on the Closing Date as follows:

- (i) Deposit in the Improvement Fund \$_____;
- (ii) Deposit in the Reserve Fund \$_____;
- (iii) Deposit \$_____ in the Capitalized Interest Account of the Bond Fund; and
- (iv) Deposit in the Costs of Issuance Fund \$_____.

Section 3.03. Special Tax Fund.

(A) Establishment of Special Tax Fund. There is hereby established as a separate fund to be held by the Administrative Services Director, known as The Ranch Community Facilities District No. 2021-1 Improvement Area No. 3 Special Tax Bonds, Series 2025, Special Tax Fund. Within the Special Tax Fund, the Administrative Services Director shall establish and maintain two accounts, (i) the Debt Service Account, to the credit of which the City shall deposit, immediately upon receipt, all Special Tax Revenues received by the City, and any amounts required by Section 3.05(B) to be deposited in the Special Tax Fund, and (ii) the Surplus Account, to the credit of which the City shall deposit surplus Special Tax Revenues described in Section 3.03(B) below. Moneys in the Special Tax Fund shall be held in trust by the City for the benefit of the City and the Owners of the Bonds, shall be disbursed as provided below and, pending any disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

(B) Disbursements. All Special Tax Revenues shall be deposited in the Debt Service Account upon receipt. No later than 10 Business Days prior to each Interest Payment Date, the City shall withdraw from the Debt Service Account of the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit in the Reserve Fund an amount such that the amount then on deposit therein is equal to the Reserve Requirement, and (ii) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund such that

the amount in the Bond Fund equals the principal, including any mandatory sinking fund payments, premium, if any, and interest due on the Bonds on the next Interest Payment Date. After the transfers under subsections (i) and (ii) have been made, the City may, on or after September 15th of each year transfer to the Surplus Account the amount remaining in the Debt Service Account.

From time to time, the City may withdraw from the Surplus Account of the Special Tax Fund amounts needed to pay costs of the Project or incidental expenses of the District authorized under the Act, including Administrative Expenses in excess of the Administrative Expense Priority. Moneys in the Surplus Account may, at the City's discretion, also be used to pay the principal of, premium, if any, and interest on the Bonds or to replenish the Reserve Fund to the amount of the Reserve Requirement and if not needed for those purposes shall be available, to the extent required under the Acquisition Agreement, to directly finance the Project (so-called pay-as-you-go funds).

(C) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Section 3.04. Improvement Fund.

(A) Establishment of Improvement Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as The Ranch Community Facilities District No. 2021-1 Improvement Area No. 3 Special Tax Bonds Improvement Fund to the credit of which a deposit shall be made as required by Section 3.02 and as required by Section 3.03. Moneys in the Improvement Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of costs of the Project.

(B) Procedure for Disbursement. Disbursements from the Improvement Fund shall be made as determined by an Authorized Officer for the payment or reimbursement of the costs of the Project, including for costs of acquisition of portions of the Project, which may include authorized administrative expenses of the City and payment of Bonds in the event of a delinquency by the Developer, in accordance with the Acquisition Agreement, by submission of an Officer's Certificate to the Fiscal Agent requesting disbursement of moneys. The Fiscal Agent need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, that has not been released or will not be released simultaneously with such payment. The Fiscal Agent shall not incur any liability for any disbursement from the Improvement Fund made in reliance upon any Officer's Certificate.

(C) Investment. Moneys in the Improvement Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits from the investment of amounts in the Improvement Fund shall be retained in the Improvement Fund to be used for the purposes of the Improvement Fund.

(D) Closing of Fund. Upon the filing of an Officer's Certificate stating that the portion of the Project to be financed from the Improvement Fund has been completed and that all costs of such portion of the Project have been paid or are not required to be paid from the Improvement Fund, the Authorized Officer shall request the Fiscal Agent to transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for application to the payment of principal

of and interest on the Bonds in accordance with Section 4.02 and the Improvement Fund shall be closed.

Section 3.05. Costs of Issuance Fund.

(A) Establishment of Costs of Issuance Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as The Ranch Community Facilities District No. 2021-1 Improvement Area No. 3 Special Tax Bonds Series 2025 Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 3.02. Moneys in the Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance of the 2025 Bonds.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate containing respective amounts to be paid to the designated payees, signed by the Administrative Services Director or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all Costs of Issuance of the 2025 Bonds upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate requesting payment of a Costs of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date of the 2025 Bonds. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 3 months, from the Closing Date of the 2025 Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Improvement Fund, and if the Improvement Fund has been closed then to the Special Tax Fund, and the Costs of Issuance Fund shall be closed. Thereafter, every invoice received by the Fiscal Agent shall be submitted to the Administrative Services Director for payment from amounts on deposit in the Special Tax Fund.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the Costs of Issuance Fund to be used for the purposes of such fund.

ARTICLE IV

SPECIAL TAX REVENUES; BOND FUND AND RESERVE FUND

Section 4.01. Pledge of Special Tax Revenues and Other Amounts. All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided herein, the Improvement Fund and the Special Tax Fund are hereby pledged to secure the repayment of the Bonds. In addition, the 2025 Bonds shall be secured by a pledge of all amounts in the Reserve Fund, and a series of Additional Bonds may be secured by a reserve account within the Reserve Fund or a separate reserve fund, as provided in the applicable Supplemental Agreement for such Series. Such pledge shall constitute a first lien on the Special Tax Revenues and said amounts.

The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided herein) are hereby dedicated in their entirety to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Costs of Issuance Fund for any Series of Bonds are not pledged to the repayment of the Bonds. The facilities acquired with the proceeds of the Bonds are not in any way pledged to the repayment of the Bonds. Any proceeds of condemnation, destruction or other disposition of any facilities financed with the proceeds of the Bonds are not pledged to the repayment of the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 4.02. Bond Fund.

(A) Establishment of Bond Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as The Ranch Community Facilities District No. 2021-1 Improvement Area No. 3 Special Tax Bonds Bond Fund, to the credit of which deposits shall be made as required by Section 3.03(B)(ii), Section 4.03 and any other amounts required to be deposited therein by this Agreement or the Act. Within the Bond Fund, the Fiscal Agent shall establish a Prepayment Account and deposit therein moneys received, if any, from prepayments of the Special Tax pursuant to Section 2.03(A)(ii). Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

There is also hereby created within the Bond Fund a "Capitalized Interest Account" which account is hereby established for purposes of accounting for the disposition of 2025 Bonds, a portion of the proceeds of which will be deposited to such Capitalized Interest Account pursuant to Section 3.02. The amount deposited to the Capitalized Interest Account and any investment earnings thereon shall be used solely to make interest payments on a portion of the 2025 Bonds on [March 1, 2026 and September 1, 2026]. Any excess amounts therein on September 2, 2026 shall be transferred to the Special Tax Fund, and the Capitalized Interest Account shall thereupon be closed. **[Review/Confirm]**

(B) Disbursements. On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by

reason of the sinking payments set forth in Section 2.03(A)(iii) or any redemption of the Bonds as provided under Section 2.03(A)(i). Moneys in the Prepayment Account shall be disbursed for redemption of Bonds as instructed by the City.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds therein, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Administrative Services Director of the amounts so withdrawn from the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

(C) Investment. Moneys in the Bond Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit shall be retained in the Bond Fund to be used for the purposes of such fund.

(D) Deficiency. If ten days before any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner, the Fiscal Agent shall report to the Administrative Services Director such fact. The City covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

If on any Interest Payment Date the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds the Fiscal Agent shall notify the Administrative Services Director in writing of such fact, and the Administrative Services Director shall notify CDIAC of such fact within 10 days of such Interest Payment Date. The Fiscal Agent has no obligation under this Agreement to provide notice or disclosure to the Bondowners of insufficient funds or anticipation of deficiency in the Bond Fund.

Section 4.03. Reserve Fund.

(A) Establishment of Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, known as "The Ranch Community Facilities District No. 2021-1 Improvement Area No. 3 Special Tax Bonds Reserve Fund," to the credit of which a deposit shall be made as required by Section 3.02, and deposits shall be made as provided in Section 3.03(B). Moneys in the Reserve Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds secured thereby as a reserve for the payment of principal of, and interest on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Fund Credit Instrument, and (2) an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the Bonds to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, the Fiscal Agent will transfer such funds from the Reserve Fund to the City.

(B) Use of Fund. Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency within five days prior to any Interest Payment Date in the Bond Fund of the amount required for payment of the principal of, and interest on, the Bonds secured by the Reserve Fund on such Interest Payment Date. Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent shall provide written notice thereof to the Administrative Services Director.

(C) Transfer of Excess of Reserve Requirement. Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund (or any account therein) exceeds the then applicable Reserve Requirement, the Fiscal Agent shall provide written notice to the Administrative Services Director of the amount of the excess and, following any transfer required pursuant to Section 4.03(D) below, shall transfer an amount equal to the excess from the Reserve Fund to the Improvement Fund, if the Project has not been completed as of the date of such transfer, or if the Project has been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with Section 4.02.

(D) Transfer for Rebate Purposes. Investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the federal government to comply with Section 6.02.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and after making any transfer required under Section 4.03(D) above and upon receipt of an Officer's Certificate directing it to do so, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with Section 4.02 or 2.03 as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the City, after payment of any amounts due the Fiscal Agent hereunder, to be used for any lawful purpose of the City.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.03(E) until after the calculation, pursuant to Section 6.02, of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount under Section 4.03(D) for purposes of making such payment to the federal government, and payment of any fees and expenses due to the Fiscal Agent.

(F) Investment. Moneys in the Reserve Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund and other moneys in the Reserve Fund will remain therein until the balance exceeds the Reserve Requirement; any amounts in excess of the Reserve Requirement will be transferred to the Improvement Fund, if the Project has not been completed, or if the

Project has been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds secured by the Reserve Fund.

ARTICLE V

OTHER COVENANTS OF THE CITY

Section 5.01. Punctual Payment. The City will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Agreement, and it will faithfully observe and perform all of the conditions covenants and requirements of this Agreement and all Supplemental Agreements and of the Bonds.

Section 5.02. Limited Obligation. The Bonds are limited obligations of the City on behalf of Improvement Area No. 3 of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund created hereunder.

Section 5.03. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Against Encumbrances. The City will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by this Agreement.

Section 5.05. Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund and to the Special Tax Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions of the Fiscal Agent relating to the expenditure of amounts disbursed from funds and accounts held by the Fiscal Agent hereunder. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice, be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Section 5.07. Compliance with Law; Completion of Project. The City will comply with all applicable provisions of the Act and the law in completing the acquisition and construction of the Project; provided that the City shall have no obligation to advance any funds to complete the Project in excess of the amounts available therefor in the Improvement Fund.

Section 5.08. Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

Section 5.09. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 5.10. Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or within five Business Days of each June 1, the Fiscal Agent shall provide the Administrative Services Director with a notice stating the amount then on deposit in the Bond Fund and the Reserve Fund. The receipt of such notice by the Administrative Services Director shall in no way affect the obligations of the Administrative Services Director under the following two paragraphs. Upon receipt of such notice, the Administrative Services Director shall ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The City shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance such that the computation of the levy is complete before the final date on which the County Auditor will accept the transmission of the Special Tax amounts for the parcels within Improvement Area No. 3 for inclusion on the next secured real property tax roll. Upon the completion of the computation of the amounts of the levy, the City shall prepare or cause to be prepared, and shall transmit to the Administrative Services Director, such data as the County Auditor requires to include the levy of the Special Taxes on the next secured real property tax roll.

The City shall fix and levy the amount of Special Taxes within Improvement Area No. 3 required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Rate and Method and the Ordinance.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. Notwithstanding the foregoing, the Special Taxes may be collected in such other manner as the City shall prescribe if necessary to pay the debt service on the Bonds.

Section 5.11. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Section 5.13. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Section 5.14. Annual State Reports. The following requirements shall apply to the Bonds:

(A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Administrative Services Director shall prepare and supply the California Debt and Investment Advisory Commission, by mail, postage prepaid, with the information required under Section 53359.5(c) of the Act. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If within 10 days prior to any Interest Payment Date it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay regularly scheduled debt service on the Bonds in a timely manner or if the Fiscal Agent is unable to pay principal, interest and premium, if any, due on any Interest Payment Date for the Bonds due to insufficient funds in the Bond Fund, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds, the Administrative Services Director shall make the reports required under Section 4.02(D) hereof.

(C) Amendment. The reporting requirements of this Section 5.14 shall be amended from time to time, without action by the City or the Fiscal Agent, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act.

(D) No Liability. None of the City and its officers, agents and employees, the Administrative Services Director or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by this Section 5.14.

Section 5.15. Covenant to Foreclose. The City hereby covenants with and for the benefit of the Owners of the Bonds that it will 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, and if the City determines on the basis of such review that the amount so collected is deficient it will enforce the lien of the Special Taxes by commencing, or cause to be commenced, foreclosure proceedings to judgment and sale in such manner and upon such timing as advised by legal counsel, taking into account the amounts delinquent, the estimate cost of legal proceedings, the status of Special Tax collections and available debt service reserves, under the following circumstances:

(a) if the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in such Fiscal Year, it will enforce the lien on all delinquent parcels; or

(b) if property owned by any single property owner in Improvement Area No. 3 is delinquent on four or more consecutive semi-annual Special Tax installments (irrespective of the total delinquencies in Improvement Area No. 3) it will enforce the lien against such property.

Additionally, notwithstanding any of the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings may be such that the costs do not warrant the foreclosure proceedings costs. In such cases, the City shall pursue collection efforts but foreclosure proceedings may be delayed by the City until there are sufficient Special Tax delinquencies accruing to such parcel (including penalties thereon) to warrant the cost of such foreclosure proceedings.

Section 5.16. Continuing Disclosure to Owners. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered a default hereunder; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations thereunder, including seeking mandate or specific performance by court order.

Section 5.17. No Additional Bonds. The City covenants not to issue Additional Bonds payable from Special Taxes and by the Special Tax Revenues equally and ratably with Bonds previously issued, except that the City may issue bonds to refund all or part of the Bonds. The City may also issue bonds secured by Special Taxes on a subordinate basis to the pledge of Special Taxes for payment of the Bonds.

Section 5.18. Yield of the Bonds. In determining the yield of the Bonds to comply with Section 5.13 and 6.02 hereof, the City will take into account optional and mandatory prepayment redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing, without regard to whether or not redemption moneys are received or Bonds are redeemed.

ARTICLE VI**INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS;
LIABILITY OF THE CITY**

Section 6.01. Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent, shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Subject in all respects to the provisions of Section 6.02, moneys in any fund or account created or established by this Agreement and held by the Administrative Services Director shall be invested by the Administrative Services Director in any lawful investments that the City may make, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

The Fiscal Agent or Administrative Services Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent nor the Administrative Services Director shall incur any liability for losses arising from any investments made pursuant to this Section. Any losses arising from any investments made pursuant to this Section shall be offset against interest earnings and profits retained in the same fund.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. For purposes of any Fair Market Value determination hereunder, the Fiscal Agent shall be entitled to conclusively rely on an Officer's Certificate of the City and shall be fully protected in relying thereon. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued at their present value (within the meaning of Section 148 of the Code).

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent or the Administrative Services Director hereunder, provided that the Fiscal Agent or the Administrative Services Director, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent or the Administrative Services Director, as applicable, shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Fiscal Agent nor the

Administrative Services Director shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder.

Section 6.02. Rebate of Excess Investment Earnings to the United States. The City covenants to calculate and rebate to the federal government, in accordance with the Regulations, excess investment earnings to the extent required by Section 148(f) of the Code.

The City shall notify the Fiscal Agent of any amounts determined to be due to the federal government, and the Fiscal Agent shall, upon receipt of an Officer's Certificate of the City, withdraw such amounts from the Reserve Fund pursuant to Section 4.03(D), and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available to make such payments under Section 4.03(D), the Fiscal Agent shall notify the Administrative Services Director in writing of the amount of the shortfall and the Administrative Services Director shall make such payment from any amounts available in the Special Tax Fund. Any fees or expenses incurred by the Fiscal Agent or the City under or pursuant to this Section 6.02 shall be Administrative Expenses.

In order to provide for the administration of this Section 6.02, the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate.

Section 6.03. Limited Obligation. The City's obligations hereunder are limited obligations of the City on behalf of Improvement Area No. 3 of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund created hereunder.

ARTICLE VII**THE FISCAL AGENT**

Section 7.01. Appointment of Fiscal Agent. U.S. Bank Trust Company, National Association, at its Principal Office, is hereby appointed Fiscal Agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section, shall be the successor to such Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The City may remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, including, for such purpose, the combined capital and surplus of any parent holding company, and subject to supervision or examination by federal or state 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 purposes of this Section 7.01, 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 Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within 30 days after the Fiscal Agent shall have given to the City written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent or any Bondowner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with

respect to the issuance of the Bonds. The Fiscal Agent has no liability regarding the use of the proceeds from the purchase of the Bonds deposited in funds held by the City.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement, including all Officer's Certificates of the City meeting such requirements; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Fiscal Agent, the Fiscal Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owners pursuant to this Agreement unless such Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

Section 7.03. Information. The Fiscal Agent shall provide to the City such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent hereunder as the City shall reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Fiscal Agent.

Section 7.04. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any Officer's Certificate, notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties and given in accordance with the requirements hereof. The Fiscal Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Fiscal Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Fiscal Agent may consult with

counsel, who may be counsel to the City, 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 by it hereunder in good faith and in accordance therewith.

The Fiscal Agent shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established 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 willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation, Indemnification. The City shall pay to the Fiscal Agent, but only from Special Tax Revenues, from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The City further agrees, to the extent permitted by applicable law, and only from Special Tax Revenues as the source of funds, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any costs, claims, expenses or liabilities, including, without limitation, fees and expenses of its attorneys which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted. This Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. No such amendment may modify any of the rights or obligations of the Fiscal Agent without its written consent.

This Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the City and the Fiscal Agent may deem necessary or desirable, and which shall not adversely affect the rights of the Owners of the Bonds; or

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of excess investment earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations;

(E) to facilitate the issuance of Additional Bonds, to the extent permitted by Section 5.17.

Section 8.02. Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, if such consent is required under Section 8.01, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

If consent of the Owners is required under Section 8.01, such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise herein above specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.04. Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII. Upon request, the City shall provide an Officer's Certificate to the Fiscal Agent listing those Bonds which are disqualified pursuant to this Section 8.04.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental

Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued After Amendments. The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.08. Opinion of Counsel Regarding Supplemental Agreement. The Fiscal Agent shall be furnished an opinion of counsel that any Supplemental Agreement entered into by the City and the Fiscal Agent complies with the provisions of this Article VIII, and the Fiscal Agent may conclusively rely upon such opinion.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement expressed or implied, is intended to give to any person other than the City, the Fiscal Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Fiscal Agent.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the City or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. If the City shall pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent or other fiduciary, at or before maturity, money which, together with (in the event that all of the Bonds are to be defeased) the amounts then on deposit in the funds and accounts provided for in Sections 4.02 and 4.03, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(C) by irrevocably depositing with the Fiscal Agent or other fiduciary, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and (in the event that all of the Bonds are to be defeased) moneys then on deposit in the fund and accounts provided for in Sections 4.02 and 4.03, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligations of the City under Section 5.13 and to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Fiscal Agent pursuant to Section 7.05; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, shall be paid over to the City.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such 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 in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Fiscal Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on City and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the City may be given or served by being deposited postage prepaid in a post office letter box, by overnight courier or by facsimile (with receipt confirmed by telephone) addressed (until another address is filed by the City with the Fiscal Agent) as follows:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95670
Attention: Administrative Services Director

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the City to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box, by overnight courier or by facsimile (with receipt confirmed by telephone) addressed (until another address is filed by the Fiscal Agent with the City) as follows:

U.S. Bank Trust Company, National Association
1420 Fifth Avenue, 11th Floor
Seattle, Washington 98101
Attention: Global Corporate Trust
Fax: (206) 344-4630

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes.

Section 9.14. U.S.A. Patriot Act. The City and the District acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Fiscal Agent, 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 Fiscal Agent. The City and the District agree that they will provide the Fiscal Agent with such information as it may request in order for the Fiscal Agent to satisfy the requirements of the U.S.A. Patriot Act.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of October 1, 2025.

CITY OF RANCHO CORDOVA, for itself and
on behalf of CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES
DISTRICT NO. 2021-1

By: _____
Kim Juran-Karageorgiou
Administrative Services Director

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**, *as Fiscal Agent*

By: _____
Greg E. Skutnik
Vice President

EXHIBIT A
FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. _____

\$_____

IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS SERIES 2025

INTEREST RATE:
%**MATURITY DATE:**
September 1, 20__**BOND DATE:**
_____, 2025**CUSIP:**

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** _____ DOLLARS***

The City of Rancho Cordova (the "City") for and on behalf of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the "District") for Improvement Area No. 3 of the District, for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2026 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

This Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on _____, 2025 (the "Resolution"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California

Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements for the District, and is one of the bonds designated "Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of October 1, 2025, by and between the City and the Fiscal Agent (the "Agreement") and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the State of California. Capitalized terms used but not defined herein are defined in the Agreement.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the "Special Tax Revenues," being the proceeds of the special taxes annually received by the City for Improvement Area No. 3 (the "Special Taxes"), less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, and certain funds held under the Agreement.

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

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

The Bonds are subject to optional redemption from any source of available funds (other than prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, _____ at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

Mandatory Redemption from Prepayments. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as shall be specified by the City and by lot within a maturity, on any Interest Payment

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

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption. The Bonds maturing September 1, 20__ and September 1, 20__ (the “**Term Bonds**”) are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

September 1, 20__ Term Bonds

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
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September 1, 20__ Term Bonds

<u>Mandatory Redemption Date (September 1)</u>	<u>Sinking Fund Payment</u>
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The amounts in the foregoing tables shall be reduced pro rata at the direction of the City in an Officer’s Certificate, in order to maintain substantially uniform debt service, as a result of any prior partial redemption of the Bonds.

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

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

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such Owner’s order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be

required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

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

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

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

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

IN WITNESS WHEREOF, the City of Rancho Cordova has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk.

CITY RANCHO CORDOVA

By: _____
Mayor

Attested:

By: _____
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

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

Dated: _____, 2025

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**, *as Fiscal Agent*

By: _____
Authorized Officer

FORM OF ASSIGNMENT

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

(Name, address and Tax Identification Number of Assignee)

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

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17A(d)15.

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

§ _____
**IMPROVEMENT AREA NO. 3 OF
 CITY OF RANCHO CORDOVA
 THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
 SPECIAL TAX BONDS
 SERIES 2025**

BOND PURCHASE AGREEMENT

_____, 2025

City of Rancho Cordova
 The Ranch Community Facilities District No. 2021-1
 2729 Prospect Park Drive
 Rancho Cordova, California 95670

Ladies and Gentlemen:

The undersigned, 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 City of Rancho Cordova (the “City”) for its The Ranch Community Facilities District No. 2021-1 (the “Community Facilities District”), which upon acceptance will be binding upon the Underwriter and the City. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the City satisfying all of the obligations imposed upon it under this Purchase Agreement. This offer is made subject to the City’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 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 City at any time prior to the acceptance hereof by the City. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Fiscal Agent Agreement, dated as of October 1, 2025 (the “Fiscal Agent Agreement”) by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”).

1. Purchase, Sale and Delivery of the Bonds.

A. 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 City and the City hereby agrees to sell to the Underwriter all (but not less than all) of the \$_____ aggregate principal amount of the Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025 (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 Appendix A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof, plus a net original issue premium of \$_____, less an Underwriter’s discount of \$_____).

The Underwriter agrees to make a bona fide initial public offering of all of the Bonds in compliance with federal and state securities laws, at a price not in excess of the initial offering prices (or yields) set forth in Appendix 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 offering of the Bonds, without any requirement of prior notice, provided that the Underwriter shall not change the interest rates set forth in Appendix A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

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 Special Taxes and certain other amounts as provided in the Fiscal Agent Agreement, the Preliminary Official Statement (as hereinafter defined), and 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 Bonds has been duly authorized by the City pursuant to a resolution (the “Resolution”), adopted by its City Council (the “City Council”) on behalf of the Community Facilities District, on _____, 2025. The proceeds of the Bonds shall be used to (i) construct and acquire certain public facilities, including payment of fees related to public facilities, authorized for the Community Facilities District and Improvement Area No. 3 of the Community Facilities District (“Improvement Area No. 3”); (ii) make a deposit into the debt service reserve fund for the Bonds; (iii) pay capitalized interest on a portion of the Bonds through and including September 1, 2026 and (iv) pay the costs of issuance of the Bonds.

B. The City hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the City on behalf of itself and on behalf of the Community Facilities District herein, and the City 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, warranty or agreement made by the City, on behalf of itself or on behalf of the Community Facilities District, herein is incorrect in any material respect.

C. The City acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities for resale to investors in an arm’s-length commercial transaction between the City and the Underwriter and that the Underwriter has financial and other interests that differ from those of the City and the Community Facilities District; (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City, the Community Facilities District, or any other person or entity and has not assumed any advisory or fiduciary responsibility to the City or the Community Facilities District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Community Facilities District on other matters); (iii) the only obligations the Underwriter has to the City or the Community Facilities District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the Municipal Securities Rulemaking Board (the “MSRB”); and (iv) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The City acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB and acknowledges that it has engaged NHA Advisors, LLC, as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on NHA Advisors, LLC for financial advice with respect to the Bonds.

D. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement dated [POS Date], 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 City hereby consents to and ratifies the use and distribution by the Underwriter of the Preliminary Official Statement, and the City agrees to execute a final official statement relating to the Bonds (the “Official Statement”) which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Jones Hall LLP, Bond Counsel and Disclosure Counsel (herein called “Bond Counsel”), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 2(S) hereof. The City hereby authorizes and requires 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 City further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Fiscal Agent Agreement, this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the City or the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement. The Preliminary Official Statement and/or the Official Statement may be delivered and printed in a “designated electronic format” as defined in the MSRB’s Rule G-32 and as may be agreed to by the City and the Underwriter. The City confirms that it does not object to distribution of the Preliminary Official Statement or the Official Statement in electronic form. A copy of the most recent Preliminary Official Statement sent to a potential purchaser shall be sent by first class mail or electronically (or other equally prompt means) not later than the first business day following the day upon which each such request is received.

E. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), the City will undertake pursuant to the City Continuing Disclosure Certificate, in the form attached to the Official Statement under Appendix F (the “City 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.

F. Except as the Underwriter and the City may otherwise agree, the City will deliver to the Underwriter, at the offices of Bond Counsel in San Mateo, California, or at such other location as may be mutually agreed upon by the Underwriter and the City, the documents hereinafter mentioned; and the City will deliver to the Underwriter through The Depository Trust Company’s (“DTC”) FAST delivery system, the Bonds, in definitive form (all Bonds bearing CUSIP® numbers printed thereon), duly executed by the City and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement and the Community Facilities District Act at 8:00 a.m. California time, on [Closing Date] (the “Closing Date”), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) 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, which will act as securities depository for the Bonds, and the specimen Bonds will be made available for checking by the Underwriter not less than 5 days prior to the Closing.

2. Representations, Warranties and Covenants of the Community Facilities District. The City represents, warrants and covenants to the Underwriter, on behalf of itself and the Communities Facilities District, as the case may be, that:

A. The City is a municipal corporation duly organized and validly existing pursuant to the Constitution and laws of the State of California (the “State”), and has duly authorized the formation of the Community Facilities District pursuant to resolutions duly adopted by the City Council (the “Community Facilities District Formation Resolution” and, together with the

Resolution, the “Community Facilities District Resolutions”) and the Community Facilities District Act. The City Council, as the legislative body of the Community Facilities District, has duly adopted the Community Facilities District Formation Resolution, has duly approved the Unanimous Consent, Waiver and Vote of Sole Landowner, dated April 2, 2024 (the “Unanimous Consent”), has duly adopted a Resolution and Ordinance levying the Special Taxes (for all purposes herein, as such are defined in the Fiscal Agent Agreement) within Improvement Area No. 3 (the “Ordinance”), and has caused to be recorded in the real property records of Sacramento County, a notice of special tax lien (the “Notice of Special Tax Lien”) (the Community Facilities District Formation Resolution, the Unanimous Consent, the Ordinance, and the Notice of Special Tax Lien being collectively referred to herein as the “Formation Documents”), and the City Council has duly adopted the Resolution. Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended. The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State. The City 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 this Purchase Agreement and the Fiscal Agent Agreement and to carry out all transactions contemplated by each of such agreements; (ii) to enter into the City Continuing Disclosure Certificate; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Fiscal Agent Agreement, this Purchase Agreement and the Official Statement.

This Purchase Agreement, the Fiscal Agent Agreement, and the City Continuing Disclosure Certificate are collectively referred to herein as the “City Documents.”

B. By all necessary official action of the City, the City has duly authorized and approved the execution and delivery by the City of, and the performance by City of, the obligations on its part contained in, the City Documents and has approved the use and distribution by the Underwriter of the Preliminary Official Statement and the execution, use and distribution by the Underwriter of 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 City Documents will constitute the legally valid and binding obligations of the City, on its own behalf and on behalf of the Communities Facilities District, enforceable upon the City and the Community Facilities District 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. To the best of the City’s knowledge, the City has complied, and will at the Closing Date be in compliance in all respects, with the terms of the City Documents that are applicable to the City, and the Community Facilities District has complied, and will at the Closing Date be in compliance in all respects, with the terms of the City Documents that are applicable to the Community Facilities District.

C. The information in the Preliminary Official Statement (other than statements pertaining to the book-entry system and under the headings “IMPROVEMENT AREA NO. 3 – Development in the District,” as to which no view is expressed) as of its date was and as of the date hereof is, and in the Official Statement (other than statements pertaining to the book-entry system and under the headings “IMPROVEMENT AREA NO. 3 – Development in the District,” as to which no view is expressed) as of its date is, true and correct in all material respects and 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 material 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 City 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 City 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 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.” If in the opinion of the Underwriter any such event or proceedings requires the preparation and distribution of a supplement or amendment to the Official Statement, the City shall prepare and furnish to the Underwriter, at the City’s expense, such number of copies of the supplement or amendment to the Official Statement, in (i) a “designated electronic format” consistent with the requirements of the MSRB’s Rule G-32 and (ii) a printed format form in substance mutually agreed upon by the City and the Underwriter as the Underwriter may reasonably request. If such amendment or supplement to the Official Statement shall be made subsequent to the Closing Date, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

E. As of the time of acceptance hereof and as of the Closing Date, the City and the Community Facilities District, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the City Documents, and any immaterial noncompliance by the City or the Community Facilities District, if any, will not impair the ability of the City or the Community Facilities District, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of its Bonds, the City will continue to comply with the covenants of the City contained in the City Documents and it shall cause the Community Facilities District to continue to comply with the covenants of the Community Facilities District contained in the City Documents.

F. Except as described in the Preliminary Official Statement, neither the City nor the Community Facilities District is, and as of the Closing Date, neither will 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, 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 City or the Community Facilities District, as the case may be, is a party or is otherwise subject or bound; and, to the City’s knowledge, 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 City’s ability or the Community Facilities District’s ability to perform their respective obligations under the City Documents; and as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the City Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent

to be performed by the City pursuant to this Purchase Agreement, 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 City is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the City or the Community Facilities District of their respective obligations under the City Documents or the performance of the conditions precedent to be performed by the City pursuant to this Purchase Agreement. The City has received all licenses, permits or other regulatory approvals required, if any, for the pledge, collection and/or application by the Community Facilities District of the Special Taxes (as defined in the Fiscal Agent Agreement) and other moneys pledged to the payment of the principal of and interest on the Bonds under the Fiscal Agent Agreement.

G. 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 City or the Community Facilities District of their respective obligations under the City Documents, and the performance of the conditions precedent to be performed by the City pursuant to this Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

H. At the time of acceptance hereof there is and as of the Closing 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 City or the Community Facilities District) or to the best knowledge of the City or the Community Facilities District threatened, in which any such Action: (i) in any way questions the powers of the City Council or the existence of the Community Facilities District or the titles of the officers of the City and/or the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes 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 City Documents or the consummation of the transactions on the part of the City or the Community Facilities District contemplated thereby; (iii) contests the exclusion of interest on the Bonds from federal or State income taxation 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 City or the Community Facilities District; (iv) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the City or the Community Facilities District or would result in any material adverse change in the ability of the City to pledge or apply the Special Taxes (as defined in the Fiscal Agent Agreement) or to pay debt service on the Bonds; or (v) 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 of the nature described in clauses (i) through (v) of this sentence.

I. The City 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 of America 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 City 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.

J. The City Documents conform as to form and tenor to the descriptions thereof contained in the Preliminary Official Statement. The City represents that the Bonds, when issued, executed and delivered in accordance with the Fiscal Agent Agreement and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City, entitled to the benefits of the Fiscal Agent Agreement. The City and the Community Facilities District will each comply with the covenant in the Fiscal Agent Agreement to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes. The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Tax Revenues, and in the moneys in the Special Tax Fund established pursuant to the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement. The Fiscal Agent Agreement creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Fiscal Agent Agreement, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

K. Except as disclosed in the Preliminary Official Statement, there are, to the best of the City’s knowledge, no entities with outstanding assessment liens against any of the properties within Improvement Area No. 3 which are senior to or on a parity with the Special Taxes.

L. The issuance and sale of the Bonds is not subject to any transfer or other documentary stamp taxes of the State or any political subdivision thereof.

M. The City shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from State of California personal income tax, of the interest on the Bonds. The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is a bond issuer whose arbitrage certifications may not be relied upon.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the City authorized to do so 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 Community Facilities District to the Underwriter as to the statements made therein.

O. The City will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and as described in the Official Statement.

P. At or prior to the Closing, the City will have duly authorized, executed and delivered the City Continuing Disclosure Certificate in substantially the form under Appendix F to the Official Statement. Based on a review of previous undertakings, the Preliminary Official Statement and the Official Statement describe the instances in which the City has failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events in the last five years.

Q. Between the date of this Purchase Agreement and the date of Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter and the City shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Special Taxes or other assets, properties, funds or interests that will be pledged as security for the Bonds pursuant to the City Documents.

R. 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 City will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Fiscal Agent Agreement.

S. The Preliminary Official Statement was deemed final by a duly authorized officer of the City 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 City 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 City shall cause a final electronic and/or printed form of the Official Statement as set forth in Section 1 above 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.

T. The City 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 and the Underwriter from time to time prior to the Closing Date.

U. The City 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 City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the City shall constitute a representation by the City to the Underwriter that the representations and warranties contained in this Section 2 with respect to the City and the Community Facilities District are true as of the date hereof.

3. 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 and warranties on the part of the City, on its own behalf and on behalf of the Community Facilities District, contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the city and the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City and the Community Facilities District of their obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions, the Formation Documents, and the City Documents 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 transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as was described in the Preliminary Official Statement, neither the City nor the Community Facilities District shall be, in any respect material to the Bonds, the City Documents or 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, 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 City or the Community Facilities District, respectively, is a party or is otherwise subject or bound, and the performance by the City or the Community Facilities District, respectively, of its obligations under the Bonds, the City Documents, the Community Facilities District Resolutions, this Purchase Agreement 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, 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 City or the Community Facilities District, respectively, is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the City or the Community Facilities District, respectively, of its obligations under the City Documents, the Bonds or the Community Facilities District Resolutions.

C. 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 light of the circumstances under which they were made, not misleading.

D. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Purchase Agreement by written notice to the City if, between the date of this Purchase Agreement and the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

1. 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, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

a. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or the legislature of the State or recommended to the Congress by the President of the United States of America or a member of the President's Cabinet, 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, the Internal Revenue Service or other federal or State authority with appropriate jurisdiction, with the purpose or effect, directly or indirectly, of imposing federal or State 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;

b. Legislation introduced in or enacted (or resolution passed) by the Congress, or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States of America or a member of the President's Cabinet, or an order, decree, injunction or decision issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release, statement 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, the Resolution or the City Documents, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, 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;

c. A general suspension of trading in securities on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

d. there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis;

e. Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or the Community Facilities District shall have occurred;

2. The introduction, proposal or enactment of any amendment to the federal or California Constitution or any action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City or the Community Facilities District, their property, income, securities (or interest thereon), the validity or enforceability of Special Taxes;

3. Any event occurring or information becoming known which, in the judgment of the Underwriter, makes untrue or incorrect 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;

4. A general banking moratorium shall have been declared by federal, State of New York or State of California officials authorized to do so or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

5. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation in interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the Comptroller of the Currency, the Securities and Exchange Commission or any other federal or State agency or the Congress of the United States of America, or by Executive Order;

6. A decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, the Securities Exchange Act of 1934 and the Trust Indenture Act of 1939;

7. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Community Facilities District.

8. The commencement of an Action described in Section 2(H).

Upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the City, the Community Facilities District, and the Underwriter under this Agreement shall terminate, without further liability, except that the City and the Underwriter shall pay their respective expenses as set forth in Section 6 below.

E. 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. Official Statement. The Official Statement and each supplement or amendment, if any thereto, executed by an authorized officer of the City;

2. Fiscal Agent Agreement. The Fiscal Agent Agreement, duly executed and delivered by the City and the Fiscal Agent;

3. Resolutions. Certifications by the City Clerk with respect to each resolution and ordinance of the City Council, for the City or as the legislative body of the Community Facilities District, relating to the City Documents, the transactions contemplated thereby, formation of the Community Facilities District and issuance of the Bonds;

4. City Continuing Disclosure Certificate. The City Continuing Disclosure Certificate executed and delivered by the City;

5. Bond Counsel Opinion. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the City, of Bond Counsel, to the effect that the

Bonds are the valid, legal and binding obligations of the City and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State, in substantially the form included as Appendix E to the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion addressed to the City may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it;

6. Supplemental Opinion. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(i) this Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding agreement of the City and is enforceable in accordance with its terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State;

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(iii) the information contained in the Official Statement on the cover and under the captions "THE BONDS" (other than by reference Appendix G – DTC and the Book-Entry Only System), "SECURITY FOR THE BONDS," "LEGAL MATTERS" and in Appendices C and E to the Official Statement (excluding any financial, statistical and economic data, forecasts, numbers, charts, graphs, estimates, projections, and assumptions and any information regarding The Depository Trust Company and the book-entry system as to which Bond Counsel need express no opinion or view, and further, excluding any material that may be treated as included under such captions by cross-reference), are accurate insofar as such statements purport to summarize certain provisions of the Bonds, the Fiscal Agent Agreement, Bond Counsel's final approving opinion and the Community Facilities District Act; and

(iv) the Community Facilities District has been duly formed, and the Special Taxes have been duly and validly levied in accordance with the provisions of the Community Facilities District Act and, except to the extent prohibited by moratorium, bankruptcy, reorganization, fraudulent conveyance or transfer, insolvency or other similar laws affecting creditors' rights generally, a lien to secure payment of the Special Taxes has been imposed on taxable property in Improvement Area No. 3 of the Community Facilities District;

7. Special Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Jones Hall LLP, acting as special counsel to the City and the Community Facilities District, substantially in the form of Appendix B hereto;

8. Closing Certificate of the City. A certificate, dated the Closing Date, and signed by an authorized officer of the City substantially in the form of Appendix C hereto, together with such additional certifications as Bond Counsel may require;

9. Bank Incumbency Certificate. Certified copies of the general resolution of the Fiscal Agent authorizing the execution and delivery of certain documents by certain

officers of the Fiscal Agent, which resolution authorizes the execution of the Fiscal Agent Agreement and the authentication of the Bonds;

10. Fiscal Agent's Certificate. A certificate of the Fiscal Agent, dated the Closing Date, in form and substance acceptable to the Underwriter and its counsel, substantially in the form of Appendix D hereto;

11. Fiscal Agent's Counsel Opinion. An opinion of counsel to the Fiscal Agent, dated the Closing Date, addressed to the Underwriter and the City, substantially in the form of Appendix E hereto;

12. Disclosure Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter and to the City, of Jones Hall LLP, as disclosure counsel ("Disclosure Counsel"), in form and substance acceptable to the Underwriter;

13. Opinion of Underwriter's Counsel. An opinion of Kutak Rock LLP, counsel to the Underwriter, dated the date of the Closing, addressed to the Underwriter, in form and substance acceptable to the Underwriter;

14. Special Tax Consultant Certificate. A certificate, dated the Closing Date from Goodwin Consulting Group substantially in the form attached as Appendix F hereto;

15. Certificate Regarding Continuing Disclosure Compliance. A Continuing Disclosure Compliance Certificate, dated the Closing Date, duly executed and delivered by Goodwin Consulting Group, Inc. in form and substance acceptable to the Underwriter and Disclosure Counsel;

16. Transcript. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds, including certified copies of the Fiscal Agent Agreement and all resolutions of the City and the Community Facilities District relating thereto;

17. Nonarbitrage Certificate. A certificate of the City, 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. Specimen Bonds. Copies of the Specimen Bonds;

19. Issue Price Certificate. An issue price certificate of the Underwriter in the form attached as Appendix J hereto;

20. Certificate of Underwriter. A certificate from the Underwriter to the City, in form satisfactory to the City and signed by an authorized officer of the Underwriter, accepting delivery of the Bonds to the Underwriter and receipt of all documents required by the Underwriter, and the satisfaction or waiver of all conditions and terms of this Purchase Agreement by the City, and confirming to the City that as of the Closing Date, all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects;

21. Form 8038-G. An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed

by a duly authorized officer of the City, together with evidence that such Form 8038-G has been mailed;

22. CDIAC Statements. Copies of filings with the California Debt and Investment Advisory Commission relating to the issuance of the Bonds;

23. Letter of Representations. A copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by the City;

24. Certificate Regarding Preliminary Official Statement. Prior to and in connection with printing and distribution of the Preliminary Official Statement, (i) an executed certificate of the City and (ii) an executed certificate of K. Hovnanian at Jaeger Ranch, LLC (the "Property Owner") in the form under Appendix G hereto.

25. Property Owner Continuing Disclosure Certificate. Executed copies of the Property Owner Continuing Disclosure Certificate from the Property Owner in the form set forth under Appendix F of the Official Statement.

26. Property Owner Closing Certificate. An executed bring-down certificate from the Property Owner, dated as of the Closing Date, in form and substance as set forth in Appendix H hereto.

27. Property Owner Counsel Opinion. The opinion of counsel to the Property Owner, dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to the Underwriter and Bond Counsel.

28. Appraiser Closing Certificate. A certificate in form and substance as set forth in Appendix I hereto of Integra Realty Resources, the appraiser of the property within Improvement Area No. 3, dated as of the Closing Date.

29. Additional Documents. 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 and warranties of the City, on its own behalf and on behalf of the Community Facilities District, contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City and the Community Facilities District in connection with the transactions contemplated hereby and by the Fiscal Agent Agreement and the Official Statement.

If the City 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 City nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the City set forth in Section 6 hereof shall continue in full force and effect.

4. Representations and Agreements of the Underwriter. The Underwriter represents to and agrees with the City that, as of the date hereof and as of the date of the Closing:

A. The Underwriter is duly authorized to execute and deliver this Purchase Agreement and to take any action under the Purchase Agreement required to be taken by it.

B. The Underwriter is in compliance with MSRB Rule G-37 with respect to the City and the Community Facilities District, and is not prohibited thereby from acting as underwriter with respect to securities of the City and the Community Facilities District. The Underwriter is in compliance with MSRB Rule G-17 with respect to the City and the Community Facilities District.

C. The Underwriter has, and has had, no financial advisory relationship with the City or the Community Facilities District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship, within the meaning of California Government Code Section 53590, or otherwise.

D. The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm or person (including, but not limited to, the City's financial consultants, or any officer, agent or employee thereof), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement.

E. The Underwriter has reasonably determined that the City's undertaking in the City Continuing Disclosure Certificate to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with the Rule.

5. Establishment of Issue Price.

A. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix J, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City 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.

B. Except as otherwise set forth in Appendix A attached hereto, the City 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. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of 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 City 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 either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

C. 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 Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement,

the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City 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:

- a. the close of the fifth (5th) business day after the sale date; or
- b. 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 will advise the City promptly after the close of the fifth (5th) business day after the sale date whether 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.

D. The Underwriter confirms that:

(i) any selling group agreement and any third-party 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 third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group 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 that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has

been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

E. The City acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City 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 third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if 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:

a. “public” means any person other than an underwriter or a related party;

b. “underwriter” means (A) any person that agrees pursuant to a written contract with the City (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 third-party distribution agreement participating in the initial sale of the Bonds to the public);

c. 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) more than 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), (B) 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 (C) 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

d. “sale date” means the date of execution of this Purchase Agreement by all parties.

6. Expenses.

A. Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay out of the proceeds of the Bonds or any other legally available funds of the City, all expenses incidental to the performance of the City's obligations hereunder, including but not limited to the cost of printing and delivering the Bonds to the Underwriter; the costs of printing and shipping the Preliminary Official Statement and the Official Statement; the fees and disbursements of the City, the Community Facilities District, the Fiscal Agent, Bond Counsel, Disclosure Counsel, accountants and any other experts or consultants retained by the City or the Community Facilities District in connection with the issuance and sale of the Bonds; and any other expenses not specifically enumerated in paragraph (B) of this Section incurred in connection with the issuance and sale of the Bonds.

B. Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the Underwriter shall be responsible for and pay, CUSIP® and CDIAAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (A) of this Section, including the fees and disbursements of its counsel.

7. Undertakings of the City. The City agrees: (a) to inform the Underwriter, from time to time, upon the reasonable request of the Underwriter, of the amount then on deposit in the Reserve Fund and all accounts thereunder; and (b) to make available to the Underwriter, upon reasonable request of the Underwriter, at the expense of the City, sufficient copies of its audited financial statements, if any, and any resolutions of its legislative body with respect to the Community Facilities District Resolutions, the Bonds, the Fiscal Agent Agreement, the Official Statement, any amendments or supplements thereto, and other documents relating to the Bonds and pertaining to the City or the Community Facilities District adopted or executed, as the case may be, after the Closing Date, to the extent that such documents are publicly available.

8. Notices. Any notice of other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California 95670, 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., 2321 Rosecrans Ave., Suite 3200, El Segundo, California 90245 Attention: Public Finance. All such notices, requests or other communications may be made by telephone, personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender. The City and the Underwriter may, by notice given as aforesaid, specify a different address for any such notices, requests or other communications.

9. Parties In Interest. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. The City and the Underwriter may not assign this Agreement. The term "successor" shall not include any holder of any Bonds merely by virtue of such holding.

10. Survival of Representations and Warranties. The representations and warranties of the City 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 City or the Community Facilities District and regardless of delivery of and payment for the Bonds.

11. Severability. If any provision of this Purchase Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

12. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Purchase Agreement may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent, that if such party signs this Purchase Agreement using an electronic signature, it is signing, adopting and accepting this Purchase Agreement and that signing this Purchase Agreement using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Purchase Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Purchase Agreement in a usable format.

13. 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.

14. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

15. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding between the parties hereto in relation to the sale of the Bonds by the City.

16. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

17. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,
PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

The foregoing is hereby agreed to and
accepted as of the date first above written:

CITY OF RANCHO CORDOVA

By: _____
Authorized Representative

Time of Execution: _____ p.m. California time

**[EXECUTION PAGE OF BOND PURCHASE AGREEMENT – IMPROVEMENT AREA NO.
3 OF CITY OF RANCHO CORDOVA THE RANCH COMMUNITY FACILITIES DISTRICT
NO. 2021-1 SERIES 2025 BONDS]**

APPENDIX A

\$ _____
**IMPROVEMENT AREA NO. 3 OF
 CITY OF RANCHO CORDOVA
 THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
 SPECIAL TAX BONDS
 SERIES 2025**

MATURITY SCHEDULE

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
20__ ^(T)							
20__ ^(T)							

^(T) Term Bond.

^(C) Priced to optional call at [par] on September 1, 20__.

* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

APPENDIX B

OPINION OF SPECIAL COUNSEL

[Closing Date]

VIA OVERNIGHT MAIL

Piper Sandler & Co.
2321 Rosecrans Ave., Suite 3200
El Segundo, California 90245

City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Re: Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025

Ladies and Gentlemen:

We have acted as counsel for the City of Rancho Cordova (the “City”) and the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the “Community Facilities District”), in connection with the purchase and sale of the Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025 (the “Bonds”). As such Counsel, we have reviewed the Bond Purchase Agreement, dated [BPA Date] (the “Purchase Agreement”), by and between Piper Sandler & Co. (the “Underwriter”) and the City, the Fiscal Agent Agreement, dated as of October 1, 2025 (the “Fiscal Agent Agreement”) by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”), the City Continuing Disclosure Certificate, dated [Closing Date], executed by the City (the “City Continuing Disclosure Certificate”), the Preliminary Official Statement, dated [POS Date], relating to the Bonds (the “Preliminary Official Statement”), the Official Statement, dated [BPA Date], relating to the Bonds (the “Official Statement”), Resolution No. _____ adopted by the City Council of the City on _____, 2025 (“Bond Resolution”), and such other documents, certificates, records and papers as we have deemed necessary to render the below opinions.

The Bonds, Fiscal Agent Agreement, Purchase Agreement, and the City Continuing Disclosure Certificate, are collectively referred to herein as the “Bond Documents.” Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Purchase Agreement.

With your permission we have assumed, without undertaking to verify the same by independent investigation, the following: (a) the authenticity of original documents and the genuineness of all signatures (other than those of the City and the Community Facilities District); (b) the conformity to the originals of all documents submitted to us as copies; (c) the truth, accuracy, and completeness of the information, representations, and warranties contained in these documents, certificates, records and papers we have reviewed; and (d) compliance with all covenants and agreements contained in such documents.

Based on the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The City is a municipal corporation duly organized and validly existing pursuant to the Constitution and laws of the State of California;

2. The Community Facilities District is duly organized and validly existing as a community facilities district under the Constitution and laws of the State;

3. The Bond Resolution was duly adopted at a meeting of the City Council, which meeting was duly called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

4. The preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly approved by the City Council, acting for itself or as the Legislative Body of the Community Facilities District;

5. The execution and delivery by the City of the Bond Documents, and the Bonds and the performance of its obligations thereunder have been duly authorized by all requisite action of the City Council, acting for itself or as the Legislative Body of the Community Facilities District, and the Bonds and the Bond Documents have been duly executed and delivered by the Community Facilities District, and constitute legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District, in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought;

6. To the best of our knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending or to the best of such counsel's knowledge, threatened in any way affecting the existence of the City or the Community Facilities District or the titles of the officers of each to their respective offices, or seeking to restrain or to enjoin the execution and delivery of the Bond Documents, or the issuance, sale or delivery of the Bonds or the application of the proceeds thereof or the collection or application of the Special Taxes, or the exclusion from gross income for State personal income taxes of interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Documents or any action of the City or the Community Facilities District contemplated by any of said documents or in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the City or its authority with respect to the Purchase Agreement or any other applicable agreement, or any action on the part of the City or the Community Facilities District contemplated by any of said documents;

7. To the best of our knowledge, the City and the Community Facilities District are not in breach of or in default under any court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City or the Community Facilities District is a party or is otherwise subject or bound, including the Bond Documents, a consequence of which could be to materially and adversely affect the ability of the City or the Community Facilities District to perform their obligations under the Bonds, the Bond Documents or which, with the passage of time or the giving of notice or both, would constitute an event of default thereunder; and;

8. To the best of our knowledge, the adoption of the Bond Resolution and the execution and delivery of the Bonds and the Bond Documents, did not and will not conflict with or constitute a breach of or default under any applicable court or administrative decree or order, or under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the City or the Community Facilities District, as the case may be, is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of City or the Community Facilities District to perform their obligations under the Bonds or any Bond Documents.

The opinions set forth above are subject to the following additional qualifications:

General principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law; and limitations imposed by bankruptcy, insolvency, fraudulent conveyance, receivership, conservatorship, reorganization, arrangement, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights in general heretofore or hereafter enacted, as such laws may be applied in the event of bankruptcy, insolvency, reorganization, arrangement, receivership, conservatorship, liquidation, readjustment of debt or other similar proceedings of, or moratorium or similar occurrence affecting municipal corporations in the State.

We express no opinion as to matters governing by laws other than the laws of the State and the federal laws of the United States of America, or the enforceability of any choice of law provision in the documents described herein.

This opinion is solely for your benefit in connection with the transactions covered by the first paragraph of this letter and may not be relied upon or used by, circulated, quoted or referred to, nor may copies hereof be delivered to, any other person or for any other purpose without our prior written approval; provided, however, copies of this opinion may be included in the closing transcripts for the transactions connected with the issuance of the Bonds. We disclaim any obligation to update this opinion letter for events occurring or coming to our attention after the date hereof.

Respectfully submitted,

JONES HALL LLP

APPENDIX C

**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025**

CLOSING CERTIFICATE OF THE CITY

I, the undersigned, hereby certify that I am the _____ of the City of Rancho Cordova (the “City”), the City Council (the “City Council”) of which is the Legislative Body for The Ranch Community Facilities District No. 2021-1 (the “Community Facilities District”), a community facilities district duly organized and existing under the laws of the State of California (the “State”) and I am authorized to execute this Certificate on behalf of the City in connection with the issuance of the above-captioned bonds (the “Bonds”). All capitalized terms herein not otherwise defined shall have the meanings given such terms in the Bond Purchase Agreement (the “Bond Purchase Agreement”), dated [BPA Date], by and between the City and Piper Sandler & Co.

I further certify on behalf of the City that:

(i) The representations, warranties and covenants of the City contained in the Bond Purchase Agreement, made on behalf of the City and the Community Facilities District, are true and correct in all material respects on and as of the date hereof as if made on the date hereof;

(ii) The Community Facilities District Resolutions, Formation Documents and the City Documents are in full force and effect and have not been amended, modified or supplemented;

(iii) Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or by any court or regulatory agency, public board or body pending, with respect to which the City or the Community Facilities District has been served with process, or to the best knowledge of the City or the Community Facilities District, 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 officers to their respective offices, (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the levy or collection of the Special Taxes or any other moneys or property pledged or to be pledged under the Fiscal Agent Agreement, or the pledge thereof, (c) in any way question or affect any of the rights, powers, duties or obligations of the City or the Community Facilities District with respect to the Special Taxes or 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 the proceedings relating to the issuance of the Bonds, or (e) in any way question or affect the Bond Purchase Agreement or the transactions contemplated thereby, the Official Statement or the City Documents;

(iv) The information in the Preliminary Official Statement (other than statements pertaining to the book-entry system and under the headings “IMPROVEMENT AREA NO. 3 – Development in the District,” as to which no view is expressed) as of its date was and as of the date hereof is, and in the Official Statement (other than statements pertaining to the book-entry system and under the headings “IMPROVEMENT AREA NO. 3 – Development in the District,” as to which no view is expressed) as of its date was and as of the date hereof is, true and correct in all material

respects and 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;

(v) The City has complied with all agreements and covenants, and satisfied all conditions, on its part to be complied with or satisfied under the Bond Purchase Agreement and under the Community Facilities District Resolutions, the Formation Documents, the City Documents and the Official Statement at or prior to the date hereof;

(vi) No event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date hereof any statement or information contained in the Preliminary Official Statement or the Official Statement (other than statements pertaining to the book-entry system and under the headings "IMPROVEMENT AREA NO. 3 – Development in the District," as to which no view is expressed) or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect;

(vii) The use of and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds is hereby ratified; and

(viii) The City and the Community Facilities District are each in compliance with all covenants set forth in the Fiscal Agent Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date set forth below.

Dated: [Closing Date]

CITY OF RANCHO CORDOVA

By: _____

Its: _____

APPENDIX D

**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025**

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION CERTIFICATE

The undersigned is an authorized officer of U.S. Bank Trust Company, National Association (the “Bank”), and as such, is familiar with the facts herein certified and is authorized and qualified to state and certify the following:

(i) The Bank is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to accept and perform its duties under the Fiscal Agent Agreement, dated as of October 1, 2025 (the “Fiscal Agent Agreement”) by and between the City and the Bank, as fiscal agent. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Bond Purchase Agreement, dated [BPA Date], by and between the City and Piper Sandler & Co.;

(ii) Pursuant to the Fiscal Agent Agreement, the Bank will apply the proceeds from the Bonds to the purposes specified in the Fiscal Agent Agreement;

(iii) The Bank is duly authorized to accept the obligations created by the Fiscal Agent Agreement and to authenticate the Bonds pursuant to the terms of the Fiscal Agent Agreement;

(iv) The Fiscal Agent Agreement has been duly authorized, executed and delivered by the Bank and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitutes a valid and binding agreement of the Bank enforceable against the Bank in accordance with its terms;

(v) The Bonds have been validly authenticated and delivered by the Bank pursuant to the Fiscal Agent Agreement;

(vi) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Bank that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Bank of the other transactions contemplated to be performed by the Bank in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Fiscal Agent Agreement;

(vii) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body that has been served on the Bank or, to the best of its knowledge, threatened in any way affecting the existence of the Bank, or seeking to restrain or to enjoin the execution and delivery of the Fiscal Agent Agreement or the authentication of the Bonds, by the Bank, or in any way contesting or affecting the validity or

enforceability, as against the Bank, of the Fiscal Agent Agreement or any action of the Bank contemplated by any of said documents, or in which an adverse outcome would materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement;

(viii) The Bank is not in breach of or in default under any applicable law or administrative rule or regulation of the State of California (the “State”) or 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 Bank is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement (*provided, however*, that the Bank does not certify as to compliance with State or federal securities laws); and

(ix) The authentication of the Bonds, and the execution and delivery of the Fiscal Agent Agreement by the Bank, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or 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, ordinance, resolution, Fiscal Agent Agreement, contract, agreement or other instrument to which the Bank is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Bank to perform its obligations under the Fiscal Agent Agreement.

Dated: [Closing Date]

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Officer

APPENDIX E

FISCAL AGENT'S COUNSEL OPINION

[Closing Date]

City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Rancho Cordova, California

Piper Sandler & Co.
El Segundo, California

**Re: Improvement Area No. 3 of City of Rancho Cordova The Ranch
Community Facilities District No. 2021-1 Special Tax Bonds Series 2025**

Ladies and Gentlemen:

We have acted as counsel for U.S. Bank Trust Company, National Association, a national banking association (the "Bank") in connection with the execution by the Bank of the Fiscal Agent Agreement, dated as of October 1, 2025 (the "Fiscal Agent Agreement") by and between the City and the Bank, as fiscal agent. We are generally familiar with the Articles of Association and the Bylaws of the Bank and are also familiar with the corporate proceedings of the Bank with regard to its authorization, execution and delivery of the Fiscal Agent Agreement. Capitalized terms used herein shall have the respective meanings ascribed to them in the Fiscal Agent Agreement, except as otherwise defined herein.

We have examined such documents and have reviewed such questions of law as we have considered necessary and appropriate for the purposes of this opinion. In such review, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with originals of all documents submitted to us as copies. Where questions of fact material to our opinions expressed below were not established independently, we have relied upon statements of officers of the Bank as contained in their certificates.

Based upon the foregoing, we are of the opinion that:

1. The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America.
2. The Bank has all requisite corporate power, authority and legal right to execute and deliver the Fiscal Agent Agreement and to perform its duties and obligations under the Fiscal Agent Agreement, and has taken all necessary corporate action to authorize the execution and delivery thereof and the performance of its obligations thereunder, including the authentication and delivery of the Bonds in its capacity as Fiscal Agent under the Fiscal Agent Agreement.

3. The Bank has duly authorized, executed and delivered the Fiscal Agent Agreement. Assuming the due authorization, execution and delivery thereof by the other parties thereto, the Fiscal Agent Agreement is a legal, valid and binding agreement of the Bank, enforceable in accordance with its terms against the Bank.

4. To our knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over the Bank that has not been obtained by the Bank is required for the authorization, execution and delivery by the Bank of the Fiscal Agent Agreement or the authentication and delivery of the Bonds by the Bank under the Fiscal Agent Agreement.

The opinions set forth above are subject to the following qualifications and exceptions:

(a) the opinions are subject to the effect of any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws of general application affecting creditors' rights; and

(b) the opinions are subject to the effect of general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing, and other similar doctrines affecting the enforceability of agreements generally (regardless of whether considered in a proceeding in equity or at law).

Our opinions expressed above are limited to the laws of the State of California and the federal laws of the United States of America.

The foregoing opinions are being furnished to you solely for your benefit and may not be relied upon by, nor may copies be delivered to, any other person without our prior written consent.

Very truly yours,

APPENDIX F

**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025**

CERTIFICATE OF SPECIAL TAX CONSULTANT

The undersigned hereby states and certifies:

1. That he is an authorized officer of Goodwin Consulting Group, Inc. (the “Special Tax Consultant”) and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Special Tax Consultant has prepared the Rate and Method of Apportionment of Special Tax for Improvement Area No. 3 of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the “Community Facilities District”) (the “Rate and Method”) as set forth in Appendix A to the Official Statement dated [BPA Date], for the Improvement Area No. 3 of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 Special Tax Bonds Series 2025 (the “Bonds”). Capitalized terms not otherwise defined herein shall be defined as provided in the Rate and Method or the Fiscal Agent Agreement, dated as of October 1, 2025 (the “Fiscal Agent Agreement”) by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent.

3. That the Special Taxes, if levied in accordance with the Rate and Method and collected will annually yield sufficient revenue to make timely payments of the annual debt service on the Bonds, and annual Administrative Expenses related to the levy and collection of the Special Taxes and the expenses of the Fiscal Agent for the Bonds (no representation is made as to the actual amounts that will be collected in future years).

4. That the Annual Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method on the Closing Date (net of estimated Administrative Expenses equal to a maximum of \$30,000 for Fiscal Year 2025-26 (subject to inflation at 2.00% per Fiscal Year effective for Fiscal Year 2026-27), would generate at least 110% of the Annual Debt Service payable with respect to the Bonds payable from such Special Taxes, assuming the debt service schedule shown in the Official Statement is true and correct.

5. That all information supplied by the Special Tax Consultant for use in the Official Statement is true and correct, as of the date of the Official Statement and as of the date hereof.

6. That, as of the dates of the Preliminary Official Statement and the Official Statement and as of the date hereof, the information contained in those portions of the Official Statement entitled “SECURITY FOR THE BONDS – Special Taxes and – Rate and Method,” “IMPROVEMENT AREA NO. 3,” “CONTINUING DISCLOSURE,” “APPENDIX A,” including the tables sourced to the Special Tax Consultant, and the other data provided by the Special Tax Consultant and included in the Official Statement, do not, to our knowledge, contain any untrue

statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

7. The Community Facilities District, the City, the Underwriter, and all the professionals involved in the financing are entitled to rely on this Certificate.

Dated: [Closing Date]

GOODWIN CONSULTING GROUP

By: _____

Title: _____

APPENDIX G

**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025**

CERTIFICATE OF PROPERTY OWNER

[POS Date]

The undersigned party certifies and represents that it is duly authorized on behalf of K. HOVNANIAN AT JAEGER RANCH, LLC, a California limited liability company (the “**Property Owner**”), to execute and deliver this Certificate of Property Owner (this “**Certificate**”) in connection with the issuance, sale and delivery by City of Rancho Cordova of the Bonds captioned above (the “**Bonds**”).

Capitalized terms used but not defined in this Certificate have the same meaning as is set forth in the Bond Purchase Agreement with respect to the Bonds between Piper Sandler & Co., as underwriter (the “**Underwriter**”), and the City.

As used in this Certificate, the phrase “**Actual Knowledge of the Undersigned**” means the actual knowledge (as opposed to constructive) that the undersigned currently has as of the date of this Certificate or has obtained through (i) interviews with such current officers and responsible employees of the Property Owner as the undersigned has reasonably determined are likely, in the ordinary course of his or her respective duties, to have knowledge of the matters set forth in this Certificate, and (ii) review of documents reasonably available to the undersigned and which the undersigned reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Certificate. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Property Owner’s current business and operations. The undersigned has not contacted individuals who are no longer employed by the Property Owner.

As used in this Certificate, the term “**Relevant Entity**” of the Property Owner means any Person presently directly or indirectly through one or more intermediaries controlling, controlled by, or under common control with the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to Property Owner’s proposed development of the Property (defined herein), or to the Property Owner’s ability to pay the Special Taxes prior to delinquency). As used in this Certificate, the term “**Person**” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization, or a government or political subdivision thereof. For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**,” or “**under common control with**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

As used in this Certificate, the term “**Property**” means the real property currently owned by the Property Owner within Improvement Area No. 3 of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the “**Community Facilities District**”), as further described in the Preliminary Official Statement.

The undersigned certifies that he or she is familiar with the facts set forth in this Certificate, and further hereby certifies as follows, as an authorized officer or representative of Property Owner:

(1) The Property Owner has been duly organized and validly exists in good standing under the laws of the State of California and has or will have prior to the Closing, as required, all requisite right, power and authority:

(i) to execute and deliver this Certificate,

(ii) to execute and deliver the Continuing Disclosure Certificate (Developer) at Closing,

(iii) to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(iv) to carry on its business as described in the Preliminary Official Statement, and

(v) to perform its obligations under the Continuing Disclosure Certificate (Developer).

(2) The Property Owner agrees to execute at Closing the Continuing Disclosure Certificate (Developer) substantially in the form attached to the Preliminary Official Statement under Appendix F, with such additional changes as may be agreed upon by the Underwriter, Bond Counsel and the Property Owner.

(3) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, Property Owner is not aware of any material failures by it or any entity under managerial control of Property Owner to comply in all material respects with previous continuing disclosure undertakings in a written certificate or agreement executed by it to provide periodic continuing disclosure reports or notices of material events respecting securities offerings in California within the past five (5) years.

(4) To the Actual Knowledge of the Undersigned, execution and delivery of the Continuing Disclosure Certificate (Developer), and the performance by the Property Owner of its obligations under the Continuing Disclosure Certificate (Developer), will not conflict with or constitute a breach of or default under any loans, lines of credit, agreements, or other contractual or financial obligations of the Property Owner, or any applicable law, regulation, judgment or decree.

(5) To the Actual Knowledge of the Undersigned, neither the Property Owner nor any of its Relevant Entities is currently in material default on any loans, lines of credit, credit agreements, or other material contractual or financial obligations, or in breach of any applicable law, regulation, judgment or decree, and no event has occurred and is continuing

that would constitute such a default or breach, the result of which could reasonably be expected to materially and adversely affect the ability of the Property Owner:

(i) to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) to carry on its business as described in the Preliminary Official Statement, or

(iv) to perform its obligations under the Continuing Disclosure Certificate (Developer).

(6) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Property Owner has not assumed any obligations under any loans, lines of credit, credit agreements, or other material contractual or financial obligations, or any applicable judgment or decree, which could reasonably be expected to materially and adversely affect the ability of the Property Owner:

(i) to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) to carry on its business as described in the Preliminary Official Statement, or

(iv) to perform its obligations under the Continuing Disclosure Certificate (Developer).

(7) Except as described in the Preliminary Official Statement, the Property Owner does not have any loans outstanding and unpaid and no lines of credit that are secured by the Property.

(8) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, neither the Property Owner nor any of its Relevant Entities is currently in default in, or, in the last five (5) years, has ever defaulted to any material extent in, the payment of special taxes or assessments in connection with the Community Facilities District or any other community facilities districts or assessment districts in California that was not cured prior to the institution of any enforcement action with a court of law.

(9) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, there is no litigation, inquiry, investigation or administrative proceeding of any nature pending against the Property Owner (with service of process to the Property Owner having been accomplished), or to the Actual Knowledge of the Undersigned, overtly threatened in writing against the Property Owner, or to the Actual Knowledge of the Undersigned, pending (with service of process to such Relevant Entity having been

accomplished) or overtly threatened in writing against any Relevant Entity of the Property Owner, in each case which, if successful, could reasonably be expected to:

(i) materially and adversely affect the ability of the Property Owner to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) materially and adversely affect the ability of the Property Owner to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) materially and adversely affect the ability of the Property Owner to carry on its business as described in the Preliminary Official Statement,

(iv) materially adversely affect the ability of the Property Owner to perform its obligations under the Continuing Disclosure Certificate (Developer),

(v) challenge, question the validity or enforceability of, or restrain or enjoin the performance of, the Special Taxes, the Bonds, the Resolution, the Fiscal Agent Agreement, the Continuing Disclosure Certificate (Developer), or the Bond Purchase Agreement, or

(vi) restrain or enjoin collection of Special Taxes or other sums to be pledged to pay the principal of and interest on the Bonds.

(10) Except as disclosed in the Preliminary Official Statement or in this Certificate:

(i) the Property Owner and, to the Actual Knowledge of the Undersigned, its Relevant Entities, are solvent;

(ii) neither the Property Owner nor, to the Actual Knowledge of the Undersigned, any of its Relevant Entities, has filed for bankruptcy or been declared bankrupt in the last 10 years; and

(iii) to the Actual Knowledge of the Undersigned, there are no proceedings pending (with service of process to the Property Owner having been accomplished) or overtly threatened in writing in which the Property Owner or any of its Relevant Entities may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from any or all of its respective debts or obligations, be granted an extension of time to pay its respective debts or obligations, or be granted a reorganization or readjustment of its respective debts or obligations.

(11) As of the date hereof, to the Actual Knowledge of the Undersigned, the information in the sections of the Preliminary Official Statement entitled “IMPROVEMENT AREA NO. 3 – Development in the District,” “OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3,” and “CONTINUING DISCLOSURE - K. Hovnanian,” concerning the Property Owner and its Relevant Entities, the Property, the Property Owner’s development and financing plans, and the Property Owner’s contractual arrangements (but excluding any information cited as coming from a source other than the Property Owner), is

true and correct in all material respects, and contains no untrue statement of a material fact and does not omit any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(12) Except as disclosed in the Preliminary Official Statement, the Property Owner has not submitted an application for, nor received actual notice of,

(i) the formation or authorization of any other assessment district or community facilities district that would include any portion of the Property, or

(ii) the authorization or issuance of any debt secured by an assessment or another special tax to be levied on any portion of the Property, other than the Special Tax.

(13) Except as set forth in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, there are no claims, disputes, lawsuits, actions or contingent liabilities of or against the Property Owner or its Relevant Entities, or among, by or between the Property Owner and any contractors working on the development of the Property, which could reasonably be expected to materially and adversely affect:

(i) the ability of the Property Owner to acquire, own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) the ability of the Property Owner to pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) the ability of the Property Owner to carry on its business as described in the Preliminary Official Statement, or

(iv) the ability of the Property Owner to perform its obligations under the Continuing Disclosure Certificate (Developer).

(14) To the Actual Knowledge of the Undersigned, the written information submitted by, or on behalf of and authorized by the employees of the Property Owner involved in the issuance of the Bonds to Integra Realty Resources (the "**Appraiser**") and contained in the sections of the Appraisal Report dated _____, 2025 and highlighted in Exhibit A attached hereto, was, at the time of submission true and correct in all material respects.

(15) The Property Owner covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Property Owner will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way:

(i) seeks to challenge or overturn the formation of the Community Facilities District,

(ii) seeks to challenge the adoption of the ordinance levying Special Taxes within Improvement Area No. 3 of the Community Facilities District,

(iii) seeks to invalidate the Community Facilities District or any of the Bonds or any refunding obligations, or

(iv) seeks to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto.

The foregoing covenant shall not prevent the Property Owner in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity before any court, regulatory agency, public board or body, relating to the following:

(a) a claim that the Special Tax has not been levied in accordance with the Rate and Method,

(b) the application or use of the Special Taxes levied and collected, or

(c) the enforcement of the obligations of the City or the Community Facilities District under the Fiscal Agent Agreement or any agreements between the Property Owner and the City or the Community Facilities District or under which the Property Owner is a party or beneficiary.

(16) The Property Owner has received a copy of the Rate and Method containing the prepayment formula. The Property Owner acknowledges that any prepayment of the Special Taxes may only be made in accordance with the Rate and Method.

(17) The Property Owner shall comply with the provision of the Mello-Roos Community Facilities Act of 1982, as amended, relating to the Notice of Special Tax described in California Government Code Section 53341.5 in connection with the sale of the Property.

(18) Based upon its current development plans, including, without limitation, its current budget and subject to economic conditions and risks generally inherent in the development of real property, the Property Owner anticipates that it will have sufficient funds to (i) carry on its business as described in the Preliminary Official Statement, (ii) acquire, own, develop and sell the Property as described in the Preliminary Official Statement, and (iii) pay Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency.

However, no assurance can be given that sources of financing available to the Property Owner will be sufficient to complete the property development and home construction as currently anticipated and as described in the Preliminary Official Statement. While the Property Owner has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither the Property Owner nor any of its Relevant Entities has any legal obligation of any kind to make any such funds available or to obtain loans. Other than pointing out the willingness of the Property Owner to provide internal financing in the past, the Property Owner has not represented in any way that it will do so in the future. If and to the extent that internal financing and home sales revenues are inadequate to pay the costs to complete the Property Owner's planned development in Improvement Area No. 3 of the Community Facilities

District and other financing by the Property Owner is not put into place, there could be a shortfall in the funds required to complete the proposed development by the Property Owner and portions of the Property may not be developed.

(19) The Property Owner consents to the issuance of the Bonds. The Property Owner acknowledges and agrees that the proceeds of such Bonds will be used for the acquisition and construction of the improvements described in the Preliminary Official Statement. The Property Owner acknowledges that the costs to acquire and construct such improvements are estimates, and that any increase in costs in excess of the estimated costs relating to improvements will reduce the improvements which may be financed by the City, and neither the City, nor the Community Facilities District has any obligation to provide moneys to pay for any such costs other than from the proceeds of Bonds or Special Taxes.

(20) During the period between the date of this Certificate and the Closing Date, if the Property Owner has actual knowledge of any event relating to or affecting such Property Owner, its Relevant Entities, or the acquisition, ownership, development or sale of the Property which could cause the information under the captions of the Preliminary Official Statement indicated in Section 11 of this Certificate (and subject to the limitations and exclusions contained in Section 11 of this 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 the light of the circumstances under which they were made, not misleading, such Property Owner shall notify the City and the Underwriter and if, in the opinion of counsel to the City or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, such Property Owner shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City and to the Underwriter.

(21) As a condition to the issuance of the Bonds, the Property Owner agrees to deliver a bring-down certificate, dated the Closing Date, in substantially the form attached as Appendix H to the Bond Purchase Agreement, to affirm and restate the Property Owner's certifications, representations and covenants made in this Certificate. If any event related to or affecting the Property Owner, its Relevant Entities or the acquisition, ownership, development or sale of the Property occurs, as a result of which it is necessary to modify the bring-down certificate, the Property Owner agrees to deliver a new bring-down certificate revised to reflect such event.

(22) The Property Owner acknowledges and agrees that:

(i) in connection with the purchase and sale of the Bonds under the Bond Purchase Agreement, and with the discussions, undertakings and procedures leading up to the consummation of the purchase and sale of the Bonds under the Bond Purchase Agreement, the Underwriter is and has been acting solely as principal and is not acting as the agent or fiduciary of the Property Owner,

(iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Property Owner with respect to (a) the offering of the Bonds contemplated hereby or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Property Owner on other

matters), or (b) any other obligation to the Property Owner with respect to the offering contemplated by the Bond Purchase Agreement, and

(iii) the Property Owner has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering contemplated by the Bond Purchase Agreement.

On behalf of the Property Owner, the undersigned has reviewed the contents of this Certificate and the Property Owner has consulted with counsel regarding the meaning of its contents. The Property Owner acknowledges and understands that a variety of state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Property Owner, and that under some circumstances certification as to the matters set forth in this Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Property Owner under such laws.

The undersigned has executed this Certificate solely in his or her capacity as an authorized officer or representative of the Property Owner and he or she will have no personal liability arising from or relating to this Certificate. Any liability arising from or relating to this Certificate may only be asserted against the Property Owner.

K. HOVNANIAN AT JAEGER RANCH, LLC,
a California limited liability company

By:_____

Name:_____

Title:_____

EXHIBIT A

EXCERPTS FROM THE APPRAISAL REPORT

(to be attached)

APPENDIX H

§ _____
**IMPROVEMENT AREA NO. 3 OF
 CITY OF RANCHO CORDOVA
 THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
 SPECIAL TAX BONDS
 SERIES 2025**

BRING-DOWN CERTIFICATE OF PROPERTY OWNER

The undersigned party certifies and represents he or she is duly authorized on behalf of K. HOVNANIAN AT JAEGER RANCH, LLC, a California limited liability company (the “**Property Owner**”), to execute and deliver this Bring-Down Certificate of Property Owner (this “**Bring-Down Certificate**”) in connection with the issuance, sale and delivery by City of Rancho Cordova of the Bonds captioned above (the “**Bonds**”).

This Bring-Down Certificate is delivered pursuant to the Bond Purchase Agreement with respect to the Bonds dated [BPA Date], between Piper Sandler & Co., as underwriter, and the City (the “**Purchase Agreement**”).

In connection with the distribution of the Preliminary Official Statement relating to the Bonds, the Property Owner executed a Certificate of Property Owner dated [POS Date] (the “**Certificate**”).

Capitalized terms used but not defined in this Bring-Down Certificate have the same meanings as set forth in the Purchase Agreement and the Certificate.

The undersigned, on behalf of the Property Owner, further certifies as follows:

(1) The undersigned is familiar with the facts certified in the Certificate and this Bring-Down Certificate, and is authorized and qualified to certify the same as an authorized officer or representative of the Property Owner.

(2) The undersigned has received the final Official Statement dated [BPA Date] relating to the Bonds (the “**Final Official Statement**”).

(3) Each statement made in the Certificate is affirmed and restated as if made on the date hereof; provided that each statement made in the Certificate referring to the Preliminary Official Statement is affirmed as it relates to the Final Official Statement.

(4) To the Actual Knowledge of the Undersigned (as defined in the Certificate), no event has occurred since the date of the Preliminary Official Statement that has, in any material way, adversely affected the statements and information described in Paragraph 11 of the Certificate (and subject to the limitations and exclusions contained in Paragraph 11 of the Certificate) relating to the Property Owner and its Relevant Entities, the Property, the Property Owner’s development and financing plans, and the Property Owner’s contractual arrangements (but excluding any information cited as coming from a source other than the Property Owner), which should be disclosed in the Final Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Final Official Statement not misleading in any material respect.

(5) For a period of 90 days after the Closing Date, if the undersigned has actual knowledge of any event relating to or affecting the Property Owner, its Relevant Entities, or the acquisition, ownership development or sale of the Property which could cause the information under the captions of the Final Official Statement indicated in Section 11 of the Certificate (and subject to the limitations and exclusions contained in Section 11 of the 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 the light of the circumstances under which they were made, not misleading, the Property Owner shall notify the City and the Underwriter and if, in the opinion of counsel to the City or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Final Official Statement, the Property Owner shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Final Official Statement in form and substance satisfactory to counsel to the City and to the Underwriter.

(6) The Property Owner has duly executed and delivered the Continuing Disclosure Certificate (Developer), and the Continuing Disclosure Certificate (Developer) constitutes the legal, valid and binding obligation of the Property Owner, enforceable against the Property Owner in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, and other similar laws relating to or affecting the rights of creditors and certain equitable, legal, or statutory principles affecting the enforcement of contractual rights generally, regardless of whether such enforcement is considered in a proceeding in equity or at law.

The undersigned has executed this Bring-Down Certificate solely in his or her capacity as an authorized officer or representative of the Property Owner and he or she will have no personal liability arising from or relating to this Bring-Down Certificate. Any liability arising from or relating to this Bring-Down Certificate may only be asserted against the Property Owner.

Dated: [Closing Date]

K. HOVNANIAN AT JAEGER RANCH, LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

APPENDIX I**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025****CERTIFICATE OF APPRAISER**

Integra Realty Resources (the “Appraiser”), Rocklin, California prepared an appraisal of the properties within Improvement Area No. 3 of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the “Community Facilities District”) dated _____, 2025 (the “Appraisal”). The Appraisal is described and summarized in the Preliminary Official Statement dated [POS Date] (the “Preliminary Official Statement”) and the Official Statement dated [BPA Date] (the “Official Statement”), including as Appendix B thereto, relating to the bonds captioned above.

The Appraiser hereby certifies that, to the best of his knowledge and belief, all information with respect to the Appraisal in the Preliminary Official Statement and in the Official Statement was true and correct as of the date of the Appraisal and that the Appraiser is aware that acts and events may have occurred since the date of the Appraisal which could result in both positive and negative effects on market value; however, an updated Appraisal has not been completed as of this date.

The Appraiser hereby consents to the use of the Appraisal in connection with the distribution and use of the Preliminary Official Statement and Official Statement.

Dated: [Closing Date]

INTEGRA REALTY RESOURCES

By: _____

APPENDIX J

§ _____
**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (“Piper”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (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) Piper 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 [BPA Date], by and between Piper and the Issuer, Piper 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) *Issuer* means the City of Rancho Cordova.

(b) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(c) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(d) *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 Sale Date, or (ii) the date on which Piper 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.

(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 [BPA Date].

(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 Piper’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 Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall 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.

Dated: [Closing Date]

PIPER SANDLER & CO.

By: _____
Managing Director

SCHEDULE A
SALE PRICES

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2025

NEW ISSUE-FULL – BOOK ENTRY

NOT RATED

In the opinion of Jones Hall LLP, as Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$ _____ *

**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025**

Dated: Date of Delivery

Due: September 1, as shown on inside cover

Authority for Issuance. The above-captioned bonds (the "Bonds"), are being issued by the City of Rancho Cordova (the "City") by and through Improvement Area No. 3 ("Improvement Area No. 3") of City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the "District"). The Bonds are special tax obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Mello-Roos Act"), and are issued pursuant to a Fiscal Agent Agreement, dated as of October 1, 2025 (the "Fiscal Agent Agreement") by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent"). See "THE BONDS – Authority for Issuance."

Security and Sources of Payment. The Bonds are secured by and payable from a pledge of Special Taxes (as defined herein) levied on property within Improvement Area No. 3 according to a rate and method of apportionment of special tax, including from the proceeds of any foreclosure actions brought following a delinquency in the payment of the Special Taxes (as defined herein), and from amounts held in certain funds under the Fiscal Agent Agreement, all as more fully described herein. **Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within Improvement Area No. 3. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay such Special Tax even though financially able to do so.** To provide funds for payment of the Bonds and the interest thereon as a result of any delinquent installments, the City will establish a Reserve Fund from Bond proceeds, as described herein. See "SECURITY FOR THE BONDS."

Property in Improvement Area No. 3 subject to the Special Tax is comprised of land in the City of Rancho Cordova, Sacramento County, California, under development for 245 age-restricted (55+) single-family homes. It is a continuation of a larger development being undertaken by homebuilder K. Hovnanian at Jaeger Ranch, LLC, a California limited liability company, that is planned for a total of 1,437 single-family homes, as well as public and quasi-public uses, parks and open space not subject to the Special Tax, as well as multifamily and commercial uses, at build-out. Home construction, sales and closings are underway, as described herein, and bonds for other improvement areas of the District have previously been issued. See "IMPROVEMENT AREA NO. 3" and "OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3."

Use of Proceeds. The Bonds are being issued to (i) construct and acquire certain public facilities, including payment of fees related to public facilities, authorized for the District and Improvement Area No. 3; (ii) make a deposit into the debt service reserve fund for the Bonds; (iii) pay capitalized interest on a portion of the Bonds through and including September 1, 2026; and (iv) pay the costs of issuance of the Bonds. See "FINANCING PLAN."

Bond Terms. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2026. The Bonds will be issued in the denomination of \$5,000 or integral multiples of \$5,000 in excess thereof. The Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. See "THE BONDS – Description of the Bonds" and "APPENDIX G – DTC and the Book-Entry Only System."

Redemption. The Bonds are subject to optional redemption, mandatory sinking fund redemption, and special mandatory redemption from prepaid Special Taxes. See "THE BONDS – Redemption."

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE SPECIAL TAX REVENUES AND CERTAIN OTHER FUNDS AND AMOUNTS HELD BY THE FISCAL AGENT UNDER THE FISCAL AGENT AGREEMENT. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "BOND OWNERS' RISKS," SHOULD BE READ IN ITS ENTIRETY.

MATURITY SCHEDULE
(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of essential information about the Bonds. Potential investors should read this entire Official Statement to obtain information essential for making an informed investment decision. Investment in the Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to approval as to their legality by Jones Hall LLP, San Mateo, California, as Bond Counsel, and subject to certain other conditions. Jones Hall LLP also serves as disclosure counsel to the City. Certain matters will be passed upon for the City by Meyers Nave, A Professional Law Corporation, Sacramento, California, as City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2025.

[PIPER LOGO]

The date of this Official Statement is: _____, 2025.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

\$ _____ Serial Bonds
(Base CUSIP†: _____)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† ()
---------------------------	---------------------	------------------	-------	-------	------------------

\$ _____ % Term Bond due September 1, _____, Yield: _____%, Price: _____%;
CUSIP† _____

† 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 (c) 2025 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. None of the City, the Underwriter, the Municipal Advisor, or their agents or counsel take any responsibility for the accuracy of such numbers.

CITY OF RANCHO CORDOVA

City Council

Siri Pulipati, Mayor
Garrett Gatewood, Vice Mayor
Linda Budge, Councilmember
David M. Sander, Ph.D., Councilmember
Joe Little, Councilmember

Staff

Micah Runner, City Manager
Kim Juran-Karageorgiou, Administrative Services Director
Stacy Leitner, City Clerk
Adam Lindgren of Meyers Nave, A Professional Law Corporation, City Attorney

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Jones Hall LLP
San Mateo, California

Municipal Advisor

NHA Advisors, LLC
San Rafael, California

Special Tax Consultant

Goodwin Consulting Group, Inc.
Sacramento, California

Appraiser

Integra Realty Resources
Sacramento, California

Fiscal Agent

U.S. Bank Trust Company, National Association
Seattle, Washington

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements.” Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. 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 a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a 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. The information and expressions of opinions herein are subject to change without notice and neither 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 City since the date hereof. All summaries of the documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

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 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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OFFICIAL STATEMENT

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**IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025**

This Official Statement, including the cover page and all appendices hereto, is provided to furnish certain information in connection with the issuance by the City of Rancho Cordova (the “**City**”) of the above-captioned bonds (the “**Bonds**”), for and on behalf of its Improvement Area No. 3 (“**Improvement Area No. 3**”) of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the “**District**”).

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. Definitions of certain terms used herein and not defined herein shall have the meaning set forth in the Fiscal Agent Agreement. See APPENDIX C.

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Formation of District, Future Annexation Area and Improvement Areas. The District was established, Improvement Area No. 1 was designated as the initial improvement area within the District (“**Improvement Area No. 1**”) with an initial bond authorization of \$20,350,000, and a future annexation area was created for the District (the “**Future Annexation Area**”), pursuant to proceedings conducted by the City under the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311, *et seq.*, of the Government Code of the State of California) (the “**Mello-Roos Act**”).

In April 2024, land designated as Improvement Area No. 2 of the District (“**Improvement Area No. 2**”) was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 2 in the amount of \$14,000,000. Land designated as Improvement Area No. 3 of the District (“**Improvement Area No. 3**”) was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 3 in the amount of \$16,000,000. Similarly, in July 2025,

* Preliminary; subject to change.

land designated as Improvement Area No. 4 of the District ("**Improvement Area No. 4**") was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 4 in the amount of \$22,250,000, and land designated as Improvement Area No. 5 of the District ("**Improvement Area No. 5**") was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 5 in the amount of \$20,350,000.

The Bonds represent the first series of special tax bonds authorized and issued by the City for Improvement Area No. 3 and are secured solely by the Special Taxes (defined herein) levied in Improvement Area No. 3 and no other improvement areas of the District.

The Bonds. The Bonds are issued pursuant to the provisions of the Mello-Roos Act, a Fiscal Agent Agreement, dated as of October 1, 2025 (the "**Fiscal Agent Agreement**") between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "**Fiscal Agent**"), and a resolution adopted on [September 2], 2025 by the City Council of the City, which authorized the issuance of the Bonds (the "**Resolution**").

Registration of Ownership of the Bonds. The Bonds are issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be dated as of and bear interest from the date of delivery thereof at the rate or rates set forth on the cover page hereof. Interest on the Bonds is payable on March 1 and September 1 of each year (each an "**Interest Payment Date**"), commencing March 1, 2026. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G – DTC and the Book-Entry Only System."

Use of Proceeds. Proceeds of the Bonds will primarily be used to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development in the District, including payment of fees related thereto (the "**Facilities**," as described herein). The Facilities consist generally of road and related improvements, including drainage, water, sanitary sewer, joint trench utilities, concrete curbs, gutters and sidewalks, maintenance holes, street lighting, landscaping, masonry walls, traffic signals, park improvements (and/or fees to finance such improvements) and other miscellaneous infrastructure improvements necessary for development of property within the District. Proceeds of the Bonds will also be used to make a deposit in the Reserve Fund (defined herein), pay capitalized interest on a portion of the Bonds through and including September 1, 2026, and pay the cost of issuance of the Bonds.

Security and Sources of Payment of the Bonds. The Bonds are secured by, and payable from, "**Special Tax Revenues**," which means the proceeds of the Special Taxes annually received by the City, including all scheduled payments, prepayments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, net of the Administrative Expense Priority and excluding any penalties and extraordinary Administrative Expenses collected in connection

with any such foreclosure. “**Special Taxes**” means the special tax levied on taxable real property within the boundaries of Improvement Area No. 3 under the Rate and Method of Apportionment of Special Tax for Improvement Area No. 3 (the “**Rate and Method**”), and “**Administrative Expense Priority**” means (i) for Fiscal Year 2025-26, \$30,000, and (ii) for each subsequent year, an amount equal to the preceding fiscal year’s Administrative Expense Priority plus an additional 2% of such amount.

The Bonds are also payable from amounts held in certain funds and accounts pursuant to the City, including the Reserve Fund, all as more fully described herein. The Special Tax applicable to each taxable parcel in Improvement Area No. 3 will be levied and collected according to the tax liability determined by the application of the Rate and Method, which is set forth in APPENDIX A hereto. The Special Taxes represent fixed liens on the parcels of land subject to a Special Tax in Improvement Area No. 3 and failure to pay the Special Taxes could result in proceedings to foreclose title to the delinquent property. The Special Taxes do not constitute the personal indebtedness of the owners of taxable parcels and no proceedings to collect directly from an owner is permitted. See “SECURITY FOR THE BONDS – Rate and Method” and “APPENDIX A – Rate and Method of Apportionment of Special Tax.”

Pursuant to the Mello-Roos Act, the Resolution of Formation (as defined herein), and the Fiscal Agent Agreement, so long as any Bonds are outstanding, the City will annually levy the Special Tax against all taxable land within Improvement Area No. 3 in accordance with the proceedings for the authorization and issuance of the Bonds and to make provision for the collection of the Special Tax in amounts which will be sufficient to pay interest on, principal of and redemption premium (if any) on the Bonds as such becomes due and payable and to replenish the Reserve Fund (as defined herein) as necessary. See “SECURITY FOR THE BONDS – Special Taxes” herein.

In connection with the issuance of the Bonds, the City will direct the Fiscal Agent to establish a “**Reserve Fund**,” which will be funded in an amount equal to the Reserve Requirement (described herein) with respect to the Bonds. Amounts in the Reserve Fund are available for payment of the Bonds in the event of delinquencies in the payment of the Special Taxes to the extent of such delinquencies. See “SECURITY FOR THE BONDS – Reserve Fund.” If there are additional delinquencies after depletion of funds in the Reserve Fund, the City is not obligated to pay the Bonds, or supplement the Reserve Fund.

No Additional Bonds Except for Refunding. The Bonds represent the first series of special tax bonds issued for Improvement Area No. 3. In the Fiscal Agent Agreement, the City covenants not to issue additional bonds payable from Special Taxes and secured by the Special Tax Revenues equally and ratably with the Bonds, except that the City may issue bonds to refund all or part of the Bonds. See “SECURITY FOR THE BONDS – No Additional Bonds Except for Refunding.”

The Ranch Project, the Developer, the Joint Venture and Improvement Area No. 3. Land in the District (and the improvement areas therein) is located within The Ranch Special Planning Area (“**TRSPA**”), which is within the Sunridge Specific Plan area of the City. The TRSPA encompasses approximately 530 gross acres within the southeastern portion of the City of Rancho Cordova, primarily south of Douglas Road, east of Rancho Cordova Parkway, and west and north of Grant Line Road. The specific plan designates approximately 1,690 dwelling units (single and multi-family) at build-out.

Development in the District is being undertaken as part of a larger project being developed by K. Hovnanian at Jaeger Ranch, LLC, a California limited liability company (“**K. Hovnanian**”), known as “The Ranch” that includes market rate units, age-qualified units, a multifamily project, a commercial project and public and quasi-public uses such as parks, trails and open space. At build-out, project is anticipated to include approximately 1,437 single-family residential units. Bonds have been issued in Improvement Area Nos. 1 & 2 of the District, which areas are within the project. See “IMPROVEMENT AREA NO. 3 – Development in the District” for more details on the overall project and components thereof.

Land in Improvement Area No. 3 is developing into 245 age-restricted (55+) single-family homes in a community being marketed by the JV Entity (as defined below) as “Four Seasons at the Ranch.” Within the community, homes are being built with four product lines spread across six villages with typical lot sizes ranging from 4,430 to 7,480 square feet. The following table shows the status of development of the 245 lots within Improvement Area No. 3 as of July 15, 2025. See “IMPROVEMENT AREA NO. 3” and “OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3” for additional details.

**Improvement Area No. 3 of
The Ranch Community Facilities District No. 2021-1
Status of Development – As of July 15, 2025**

Neighborhood	Total No. Planned Units ⁽¹⁾	No. Building Permits Issued	Closed Homes	Units Completed and Unsold or in Escrow ⁽¹⁾	Units Under Construction ⁽²⁾
Autumn	79	19	5	12	2
Summer	51	21	5	4	3
Spring	60	21	3	16	2
Winter	55	26	6	18	2
Total	245	87	19	50	9

(1) Includes 11 model homes.

(2) A unit is considered under construction when trenching begins on the lot, and a building permit has been received.

Source: The JV Entity.

Joint Venture Ownership. On January 30, 2025, K. Hovnanian sold all but 21 of the lots to be developed with Age Qualified units in the overall project to GTIS-HOV Holdings XVI LLC, a California limited liability company (“JV Entity”), including 224 of the lots in Improvement Area No. 3. The 21 lots not purchased by the JV Entity were the 11 model home lots and 10 additional lots that were already under construction and have subsequently been sold to individual homeowners. As of July 15, 2025, other than individual homeowners and HCA (as defined herein), all of the property in Improvement Area No. 3 is owned by the JV Entity. The JV Entity is a joint venture between K. Hovnanian and GTISCal at Four Seasons at the Ranch LLC, a Delaware limited liability company (“**GTISCal**”). GTISCal has a 50.1% interest in the JV Entity and K. Hovnanian has a 49.9% interest in the JV Entity. See “IMPROVEMENT AREA NO. 3” and “OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3” for additional details on the ownership arrangement.

Value of Property. Property in Improvement Area No. 3 is security for the Special Tax. The City ordered preparation of an appraisal report (the “**Appraisal**”), of the estimated value of the taxable land within Improvement Area No. 3 as of the July 15, 2025 date of value, prepared by Integra Realty Resources, Sacramento, California (the “**Appraiser**”). The Appraiser indicated a value estimate of \$80,250,000, which included 70 completed homes 17 of which were owned

by individuals and 10 are model homes, using the methodologies described in the Appraisal and subject to the limiting and hypothetical conditions and general and special assumptions set forth in the Appraisal, and subject to the conditions and qualifications and the hypothetical condition set forth therein. This value estimate represents a “not-less-than” value based on the market value for the smallest floor plan for each product line improved with a completed home without a complete assessed improvement value reflected on the County Assessor’s tax roll.

The Appraisal is set forth in its entirety as APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. In considering the estimates of value evidenced by the Appraisal, it should be noted that the Appraisal is based upon a number of standard and special assumptions that affected the estimates as to value, in addition to the hypothetical condition that proceeds of the Bonds are available to reimburse the JV Entity for certain eligible public improvements already complete. See “VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3 – Appraised Value.”

The principal amount of the direct and overlapping debt in Improvement Area No. 3 is \$13,473,193*, which consists of the estimated amount of Bonds (\$12,900,000*) and \$573,193 of overlapping general obligation and CFD bond debt. Consequently, the estimated value of property in Improvement Area No. 3 subject to the Special Tax lien (\$80,250,000), is approximately 6.0* times the principal amount of the direct and overlapping debt in Improvement Area No. 3. This is an average, and individual parcels may have value-to-lien ratios that are substantially different. See “VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3 – Value to Special Tax Burden Ratios.”

Risks of Investment. Investment in the Bonds involves risks that may not be appropriate for some investors. See “BOND OWNERS’ RISKS” for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the Bonds.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of 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 City or any of its income or receipts, except the Special Tax Revenues and amounts in certain funds established under the Fiscal Agent Agreement as described herein. The Bonds are special limited obligations of the City, and neither the City Council, the City 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 other than from the Special Tax Revenues and amounts in certain funds established under the Fiscal Agent Agreement as described herein.

Summary of Information. Brief descriptions of certain provisions of the Fiscal Agent Agreement and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms used in this Official Statement and not

* Preliminary; subject to change.

otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. See "APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement." The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or Improvement Area No. 3 since the date hereof.

FINANCING PLAN

The Bonds are being issued to (i) construct and acquire certain public facilities, including payment of fees related to public facilities, authorized for the District and Improvement Area No. 3 (referred to herein as the “**Facilities**”); (ii) make a deposit into the Reserve Fund equal to the Reserve Requirement with the Bonds; (iii) fund capitalized interest on a portion of the Bonds through and including September 1, 2026; and (iv) pay the costs of issuance of the Bonds.

A summary of the estimated sources and uses of funds associated with the sale of the Bonds follows:

Estimated Sources of Funds:

Principal Amount of the Bonds	\$
Plus/less: [Net] Original Issue Premium/Discount	
Total	\$

Estimated Uses of Funds:

Deposit to Improvement Fund	\$
Deposit to Reserve Fund ⁽¹⁾	
Deposit to Capitalized Interest Account of Bond Fund ⁽²⁾	
Costs of Issuance ⁽³⁾	
Total	\$

(1) Equal to the Reserve Requirement with respect to the Bonds.

(2) Used to pay capitalized interest on a portion of the Bonds through and including September 1, 2026.

(3) Used to pay costs of issuance of the Bonds, including initial fees, expenses and charges of the Fiscal Agent, costs of printing the preliminary and final Official Statements, administrative fees of the City, Underwriter's discount, Municipal Advisor, fees of Bond Counsel and Disclosure Counsel, and other costs of issuance.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the Fiscal Agent Agreement, the Resolution adopted by the City Council on [September 2], 2025, and the Mello-Roos Act.

Description of the Bonds

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., by U.S. Bank Trust Company, National Association, as the fiscal agent, registrar and transfer agent (the “**Fiscal Agent**”) for the Bonds, so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX G – DTC and the Book-Entry Only System.”

The Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the cover page hereof. The principal of the Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in Seattle, Washington, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the Bonds.

Interest on the Bonds, computed on the basis of a 360-day year consisting of twelve 30-day months, will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each an “**Interest Payment Date**”), commencing March 1, 2026. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal Agent mailed on each Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the 15th day of the calendar month preceding the Interest Payment Date (the “**Record Date**”), or by wire transfer made on such Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds; provided that so long as any Bonds are in book-entry form, payments with respect to such Bonds shall be made by wire transfer, or such other method acceptable by the Fiscal Agent, to DTC. See “APPENDIX G – DTC and the Book-Entry Only System.”

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is

authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the dated date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "APPENDIX G - DTC and the Book-Entry Only System."

Redemption

Optional Redemption. The Bonds are subject to optional redemption from any source of available funds (other than prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, 20__ at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

Mandatory Redemption from Prepayments. The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as shall be specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

See "BOND OWNERS' RISKS – Potential Early Redemption of Bonds from Prepayments" for a discussion of the potential for the Bonds to be priced with original issue premium and then be redeemed from Special Tax prepayments prior to maturity.

Mandatory Sinking Fund Redemption. The Bonds maturing September 1, 20__ and September 1, 20__ (the "**Term Bonds**") are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

September 1, 20__ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

September 1, 20__ Term Bonds

Mandatory Redemption Date (September 1)	Sinking Fund Payment
--	---------------------------------

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

In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

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

The City has the right to rescind any notice of the optional redemption of Bonds. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an event of default.

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

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds of any maturity, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof of such maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate. Upon surrender of Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

Transfer or Exchange of Bonds

So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of Bonds shall be made in accordance with DTC procedures. See APPENDIX G. Any Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange shall be paid by the City. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange.

No transfers or exchanges of Bonds shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

SECURITY FOR THE BONDS

The Bonds are secured by and payable from a first pledge of the proceeds of the **“Special Tax Revenues,”** which means the proceeds of the Special Taxes annually received by the City, including all scheduled payments, prepayments and delinquent payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, net of the Administrative Expense Priority and excluding any penalties and extraordinary Administrative Expenses collected in connection with any such foreclosure. **“Administrative Expense Priority”** means (i) for Fiscal Year 2025-26, \$30,000, and (ii) for each subsequent year, an amount equal to the preceding fiscal year’s Administrative Expense Priority plus an additional 2% of such amount.

All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided in the Fiscal Agent Agreement, the Improvement Fund and the Special Tax Fund are pledged to secure the repayment of the Bonds. In addition, the Bonds are secured by a pledge of all amounts in the Reserve Fund, and any series of additional bonds may be secured by a reserve account within the Reserve Fund or a separate reserve fund, as provided in the applicable Supplemental Agreement for such Series. Such pledge shall constitute a first lien on the Special Tax Revenues and said amounts.

The Special Tax Revenues and all moneys deposited into said funds are pledged to the payment of the principal of, and interest and any premium on, the Bonds as provided in the Fiscal Agent Agreement and in the Mello-Roos Act until all of the Bonds have been paid and retired or until moneys or Federal Securities (as defined in the Fiscal Agent Agreement) have been set aside irrevocably for that purpose. The City may issue additional bonds secured on a parity with the Bonds only for refunding purposes; see “– Additional Bonds” below.

Amounts in the Costs of Issuance Fund established under the Fiscal Agent Agreement are not pledged to the repayment of the Bonds. The Facilities are not in any way pledged to the repayment of the Bonds. Any proceeds of condemnation, destruction or other disposition of any Facilities are not pledged to the repayment of the Bonds and are free and clear of any lien or obligation imposed under the Fiscal Agent Agreement.

Special Taxes

A Special Tax applicable to each taxable parcel in Improvement Area No. 3 will be levied and collected according to the tax liability determined by the City through the application of the Rate and Method prepared by Goodwin Consulting Group, Inc., Sacramento, California (the **“Special Tax Consultant”**) and set forth in APPENDIX A hereto, for all taxable properties in Improvement Area No. 3. Interest and principal on the Bonds is payable from the annual Special Taxes to be levied and collected on such property within Improvement Area No. 3, from amounts held in certain funds and accounts established under the Fiscal Agent Agreement and from the proceeds, if any, from the sale of such property for delinquency of such Special Taxes.

The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof as a “special tax” authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City pursuant to the Mello-Roos Act in a maximum amount determined according to the Rate and Method approved by the City. See “– Rate and Method” below and “APPENDIX A – Rate and Method of Apportionment of Special Tax.”

The amount of Special Taxes that the City may levy in any year on taxable property in Improvement Area No. 3, from which principal and interest on the Bonds is to be paid, is limited by the maximum rates approved by the qualified electors within Improvement Area No. 3 which are set forth as the “**Maximum Special Tax**” in the Rate and Method. Under the Rate and Method, Special Taxes will be levied annually in an amount not in excess of the Maximum Special Tax for the purpose of making payments on the Bonds. The Special Taxes and any interest earned on the Special Taxes shall constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the amount levied for principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon shall not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and shall be held in trust for the benefit of the owners thereof and shall be applied pursuant to the Fiscal Agent Agreement. The Rate and Method apportions the Special Tax Requirement (as defined in the Rate and Method and described below) among the taxable parcels of real property within Improvement Area No. 3 according to the rate and methodology set forth in the Rate and Method. See “– Rate and Method” below. See also “APPENDIX A – Rate and Method of Apportionment of Special Tax.”

The City may levy the Special Tax at the Maximum Special Tax rate authorized by the qualified electors within Improvement Area No. 3 as set forth in the Rate and Method if conditions so require and the City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Special Tax Requirement (as defined below). Because each Special Tax levy for payment of the Bonds is limited to the Maximum Special Tax rates authorized as set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Special Tax Requirement will in fact be collected in any given year. See “BOND OWNERS’ RISKS – Levy and Collection of the Special Tax” herein. The Special Taxes are collected for the City by the County in the same manner and at the same time as *ad valorem* property taxes.

In addition to the Maximum Special Tax rate limitation in the Rate and Method, Section 53321(d) of the Mello-Roos Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such fiscal year had there never been any such delinquencies or defaults.

Rate and Method

The Special Tax authorized under the Mello-Roos Act applicable to land within Improvement Area No. 3 will be levied and collected according to the tax liability determined by the City through the application of the appropriate amount or rate as described in the Rate and Method (defined terms set forth below in this section have the meanings set forth in the Rate and Method) set forth in “APPENDIX A – Rate and Method of Apportionment of Special Tax.” The Special Tax will be levied each year from parcels within Improvement Area No. 3 in an amount at least sufficient to pay debt service on outstanding Bonds and administrative expenses. The Special Tax is expected to be collected at the same time and in the same manner as *ad valorem* property taxes. The City reserves the right to collect the taxes in another manner if required to meet annual obligations of Improvement Area No. 3.

Each year, the City will determine the Special Tax Requirement for the upcoming fiscal year. The “**Special Tax Requirement**” is defined in the Rate and Method as the amount necessary in any fiscal year (i) to pay principal and interest on Bonds which are due in the

calendar year which begins in such fiscal year, (ii) to pay periodic costs for the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) to replenish reserve funds to the extent such replenishment was not included in the computation of the Special Tax Requirement in a previous fiscal year, (iv) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior fiscal year or, based on prior delinquencies, are expected to occur in the current fiscal year, (v) to pay Administrative Expenses, and (vi) to pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax on Final Map Property or Undeveloped Property (as defined in the Rate and Method). The Special Tax Requirement components in clauses (i) and (ii) may be reduced in any fiscal year by (a) interest earnings on, or surplus balances in, funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture, Bond resolution, or other legal document that set forth these terms, (b) in the sole and absolute discretion of the City, proceeds received by the City from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs as determined by the City.

Parcels Subject to the Special Tax. The City will prepare a list of the parcels subject to the Special Tax using the records of the City and the County Assessor. The City has the authorization to tax all parcels within Improvement Area No. 3 except tax-exempt parcels as described in the Rate and Method.

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class, (ii) for Developed Property, categorize each Parcel as Single Family Property or Other Property, (iii) for Single Family Property, determine within which Village each Parcel of Developed Property is located and the number of Residential Units on the Parcel; (iv) for Other Property, determine the Acreage of each Parcel; and (v) determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Final Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues.

If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D of the Rate and Method. In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 3 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class and/or Land Use Category than other Parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class and/or Land Use Category, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

Assignment of Maximum Special Tax. The Rate and Method describes in detail the precise method for assigning the Maximum Special Tax to parcels within Improvement Area No. 3, which generally provides that each year the City will use the definitions contained in the Rate and Method to classify each parcel as tax-exempt or taxable. Changes to maximum special tax rates due to Land Use Changes are handled per Section D of the Rate and Method. See APPENDIX A.

Maximum Special Tax Rates. The Maximum Special Tax for a Parcel of Developed Property or Final Map Property is the greater of (i) the Base Special Tax set forth below, or (ii) the Maximum Special Tax determined pursuant to Section D of the Rate and Method. For additional details, see APPENDIX A.

Land Use Category	Fiscal Year 2026-27 Base Special Tax ⁽¹⁾⁽²⁾	
<u>Single Family Property</u>		
Villages 12-1 & 13	\$4,092.02	per Residential Unit or SFD Lot
Village 15-1	\$3,206.98	per Residential Unit or SFD Lot
Villages 19 & 21-1	\$3,109.34	per Residential Unit or SFD Lot
Village 20	\$2,399.40	per Residential Unit or SFD Lot
Other Property	\$31,012.74	per Acre

(1) On July 1 each fiscal year, all figures shown shall be increased by 2% of the amount in effect in the previous fiscal year.

(2) Represents the Maximum Special Tax rates based on currently expected land uses in the District. Subject to change pursuant to Section D of the Rate and Method.

Source: Goodwin Consulting Group, Inc.

In addition to the Maximum Special Tax rate limitation in the Rate and Method, Section 53321(d) of the Mello-Roos Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such fiscal year had there never been any such delinquencies or defaults.

Levy of Special Tax. Once the Special Tax Requirement has been determined for a particular Fiscal Year, the Special Tax will be levied according to steps set forth in the Rate and Method. See Section E of the Rate and Method set forth as APPENDIX A.

Termination of the Special Tax. The Special Tax will be levied until all Bonds have been repaid and all authorized facilities have been funded; however, Special Taxes cannot be levied under any circumstance after fiscal year 2064-65.

Prepayment of the Special Tax. The Special Tax obligation assigned to a particular parcel within Improvement Area No. 3 can be prepaid, which will release the parcel making the prepayment from the Mello-Roos special tax lien. Section H of the Rate and Method sets forth a detailed formula by which the prepayment for a parcel can be calculated. Proceeds of such prepayment will be used to redeem a portion of the Bonds and to fund facilities, as determined pursuant to Section H of the Rate and Method. See "THE BONDS – Redemption."

Projected Fiscal Year 2026-27 Special Tax Levy. The following table shows the projected Fiscal Year 2026-27 special tax levy by village for Improvement Area No. 3

**Projected Fiscal Year 2026-27
Special Tax Levy By Village ⁽¹⁾**

Village	Projected FY 2026-27 Maximum Special Tax	Projected FY 2026-27 Actual Special Tax ^{(2)*}
Villages 12-1 & 13	\$323,270	\$288,153
Village 15-1	163,556	150,045
Villages 19 & 21-1	186,560	169,095
Village 20	131,967	122,608
Total	\$805,353	\$729,901

* Preliminary, subject to change.

(1) Based on building permits issued prior to July 15, 2025, and final maps recorded by June 30, 2025.

(2) Includes debt service due in 2027 on the Series 2025 Special Tax Bonds and estimated administrative expenses in the amount of \$30,600.

Sources: Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Special Tax Fund

When received, the Special Tax Revenues are required under the Fiscal Agent Agreement to be deposited into a Special Tax Fund to be held by the City in trust for the benefit of the City and the Owners of the Bonds. Within the Special Tax Fund, the City will establish and maintain two accounts, (i) the Debt Service Account, to the credit of which the City will deposit, immediately upon receipt, all Special Tax Revenues, and (ii) the Surplus Account, to the credit of which the City will deposit surplus Special Tax Revenue as described below. Moneys in the Special Tax Fund will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds. **Notwithstanding the foregoing, the City may semi-annually transfer from the Special Tax Fund so held an amount equal to one-half of the Administrative Expense Priority as necessary for the payment of Administrative Expenses up to the Administrative Expense Priority.**

All Special Tax Revenue will be deposited in the Debt Service Account upon receipt. No later than 10 Business Days prior to each Interest Payment Date, the City will withdraw from the Debt Service Account of the Special Tax Fund and transfer (i) to the Fiscal Agent for deposit in the Reserve Fund, an amount which when added to the amount then on deposit therein, is equal to the Reserve Requirement, and (ii) to the Fiscal Agent for deposit in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, including any mandatory sinking fund payments, premium, if any, and interest due on the Bonds on the next Interest Payment Date. At such time as deposits to the Debt Service Account equal the principal, including any mandatory sinking fund payments, premium if any, and interest becoming due on the Bonds for the current Bond Year and the amount needed to restore the balance of the Reserve Fund to the Reserve Requirement, the amount in the Debt Service Account in excess of such amount may, at the discretion of the City, be transferred to the Surplus Account, which will occur on or after September 15th of each year.

Moneys in the Surplus Account may, at the City's discretion, be transferred to the Improvement Fund to pay for costs of the Facilities, to pay the principal of, premium, if any, and interest on the Bonds or to replenish the Reserve Fund to the amount of the Reserve Requirement, but are not pledged to payment of the Bonds. See "– Assignment of Maximum Special Tax" above."

Deposit and Use of Proceeds of Bonds

The Bonds are additionally secured by certain amounts generated from proceeds of the Bonds, together with interest earnings thereon pledged under the Fiscal Agent Agreement. The proceeds of the initial purchase of the Bonds shall be paid to the Fiscal Agent, who shall deposit such proceeds in the 2025 Costs of Issuance Fund, the Improvement Fund, the Bond Fund (for capitalized interest) and the Reserve Fund established under the Fiscal Agent Agreement. See APPENDIX C for information on use of the moneys, including investment earnings thereon, in the various funds established under the Fiscal Agent Agreement. See also "– Reserve Fund" and "– Improvement Fund" below.

Delinquent Payments of Special Tax; Covenant for Foreclosure

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes, except at the City's option, the Special Taxes may be billed directly to property owners. In the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Mello-Roos Act to order institution of an action in superior court to foreclose the lien therefore.

The City has covenanted in the Fiscal Agent Agreement with and for the benefit of the Owners of the Bonds that it will 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, and if the City determines on the basis of such review that the amount so collected is deficient it will enforce the lien of the Special Taxes by commencing, or cause to be commenced, foreclosure proceedings to judgment and sale in such manner and upon such timing as advised by legal counsel, taking into account the amounts delinquent, the estimate cost of legal proceedings, the status of Special Tax collections and available debt service reserves, under the following circumstances:

- (a) if the amount so collected is deficient by more than 5% of the total amount of the Special Tax levied in such Fiscal Year, it will enforce the lien on all delinquent parcels; or
- (b) if property owned by any single property owner in Improvement Area No. 3 is delinquent on four or more consecutive semi-annual Special Tax installments (irrespective of the total delinquencies in Improvement Area No. 3) it will enforce the lien against such property.

Additionally, notwithstanding any of the foregoing, in certain instances the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings may be such that the costs do not warrant the foreclosure proceedings costs. In such cases, the City will pursue collection efforts but foreclosure proceedings may be delayed by the City until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the cost of such foreclosure proceedings.

The owners of the Bonds benefit from the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes are significant enough to completely deplete the Reserve Fund, there could be a default or a delay in payments of principal and interest to the Owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the City of the proceeds of foreclosure sales. Additionally, it is possible that no bids are received at a foreclosure sale. Provided that it is not levying the Special Tax at the Maximum Special Tax rates set forth in the Rate and Method, the City may adjust the Special Taxes levied on all property within Improvement Area No. 3 subject to the Special Tax to provide an amount required to pay debt service on the Bonds, and to replenish the Reserve Fund, provided however such adjustment may not exceed the Maximum Special Tax or include an increase as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such fiscal year had there never been any such delinquencies or defaults.

Under current law, a judgment debtor (property owner) has at least 140 days from the date of service of the notice of levy in which to redeem the property to be sold. If a judgment debtor fails to redeem and the property is sold, his or her only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action a foreclosure sale is set aside, the judgment is revived, and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (California Code of Civil Procedure Section 701.680).

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor's filing for relief under the Federal bankruptcy laws. The Mello-Roos Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem* taxes and special assessments. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3 – Priority of Lien."

Teeter Plan. In 1949, the California Legislature enacted an alternative method for the distribution of property taxes to local agencies. This method, known as the "**Teeter Plan**," is found in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county collects property taxes and certain other public agencies and taxing areas located in the county receive annually the full amount of their shares of property taxes and other impositions collected on the secured roll, including delinquent property taxes which have yet to be collected. While the county bears the risk of loss on unpaid delinquent taxes, it retains the penalties associated with delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

The Board of Supervisors of Sacramento County has adopted the Teeter Plan, and the County elects to apply its Teeter Plan to the collection of the Special Taxes annually. As such, the Teeter Plan is expected to be applicable to the Special Tax levies, but no assurance can be given that it will continue in any or all of the years that the Bonds are outstanding. Per a recent policy change, the County indicates it intends to remove parcels from the Teeter Plan after one year of non-payment, effectively meaning that if the first and second installments are both

delinquent, the County would not cover the full amount, and in the following year delinquencies on the subject parcel would also not be covered.

To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, and to the extent the County does not discontinue the Teeter Plan with respect to the City or Improvement Area No. 3, the County's Teeter Plan may help protect owners of the Bonds from the risk of delinquencies in the payment of Special Taxes. However, there can be *no assurance that the County will not modify or eliminate its Teeter Plan, or choose to remove Improvement Area No. 3 from its Teeter Plan permanently in any year while the Bonds are outstanding.*

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless, prior to the commencement of a fiscal year, a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, decide to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

Reserve Fund

Under the Fiscal Agent Agreement, the Fiscal Agent established the Reserve Fund, which is available for payment of the Bonds in the event of delinquencies in the payment of the Special Taxes to the extent of such delinquencies.

The City is required to maintain on deposit in the Reserve Fund an amount that is equal to the Reserve Requirement with respect to the Bonds. The "**Reserve Requirement**" is the least of (i) 125% of the average Annual Debt Service on the Bonds; (ii) Maximum Annual Debt Service on the Bonds; and (iii) 10% of the original principal amount of the Bonds (or, if the Bonds have more than a de minimis amount of original issue discount or premium, 10% of the issue price of such Series of Bonds); provided, that –

(a) in no event shall the City be obligated to deposit an amount in the Reserve Fund in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, if the amount of any such deposit is so limited, the Reserve Requirement shall be only the amount of such deposit as permitted by the Code;

(b) the City may meet all or a portion of the Reserve Requirement with respect to the Bonds by depositing a Qualified Reserve Fund Credit Instrument in accordance with the Fiscal Agent Agreement; and

(c) the Reserve Requirement shall be set at the time of issuance of the Bonds and shall not increase thereafter but may decrease.

Amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest

on, the Bonds secured by the Reserve Fund. Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Fiscal Agent will provide written notice thereof to the City. If there are additional delinquencies after depletion of funds in the Reserve Fund, the City is not obligated to pay the Bonds or supplement the Reserve Fund.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in the Reserve Fund exceeds the then applicable Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund or the Improvement Fund as provided below, except that investment earnings on amounts in the Reserve Fund may be withdrawn from the Reserve Fund for purposes of making payment to the Federal government to comply with rebate requirements.

Moneys in the Reserve Fund will be invested and deposited in accordance with the Fiscal Agent Agreement. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund and other moneys in the Reserve Fund will remain therein until the balance exceeds the Reserve Requirement; any amounts in excess of the Reserve Requirement will be transferred to the Improvement Fund, if the Facilities have not been completed, or if the Facilities have been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement.

The City has the right at any time to cause the Fiscal Agent to release funds from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company (a **“Qualified Reserve Fund Credit Instrument”**), provided certain conditions are met, including that the long-term credit rating of such bank or insurance company is rated at least “AA” (without regard to qualifier) by S&P or Moody’s.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and making any other transfer required under the Fiscal Agent Agreement, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption of all of the Outstanding Bonds. If the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent, to be used for any lawful purpose of the City.

Improvement Fund

Under the Fiscal Agent Agreement, the Fiscal Agent established an **“Improvement Fund,”** which is held and used by the Fiscal Agent to pay the costs of the Facilities. Disbursements from the Improvement Fund will be made by the Fiscal Agent in accordance with written requests of the City.

Before any payment from the Improvement Fund shall be made, the City shall file or cause to be filed with the Fiscal Agent a written request of the City for disbursement of moneys from such fund. Such withdrawals shall be implemented by the City pursuant to the terms and requirements of the Acquisition Agreement (described below). The Fiscal Agent need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, that has not been released or will not be released simultaneously with such payment. The Fiscal Agent shall not

incur any liability for any disbursement from the Improvement Fund made in reliance upon any requisition. When the City determines that all of the costs of the Facilities to be financed with proceeds of the Bonds have been paid, the City shall provide written notification of such determination to the Fiscal Agent and direct the Fiscal Agent to transfer any remaining balance in any Improvement Fund into the Bond Fund. See "THE FACILITIES – Acquisition by the City."

No Additional Bonds Except for Refunding

The Resolution of Formation authorizes the issuance of up to \$16,000,000 of bonded indebtedness for Improvement Area No. 3; the Bonds represent the first series of special tax bonds issued pursuant to this authorization. In the Fiscal Agent Agreement, the City covenants not to issue additional bonds ("**Additional Bonds**") payable from Special Taxes and secured by the Special Tax Revenues equally and ratably with the Bonds, except that the City may issue bonds to refund all or part of the Bonds. The City may also issue bonds secured by Special Taxes on a subordinate basis. **[Review/Confirm]**

DEBT SERVICE SCHEDULES

Debt Service Schedule. The annual debt service on the Bonds based on the interest rates and maturity schedule set forth on the cover of this Official Statement is set forth below (assuming no early redemptions).

City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Improvement Area No. 3
Special Tax Bonds Series 2025
Debt Service Schedule

Period Ending Sept. 1	Bonds Principal	Bonds Interest ⁽¹⁾	Bonds Total Debt Service
2025			
2055			
Total			

(1) Interest on a portion of the Bonds due through September 1, 2026 will be paid from capitalized interest.
Source: Underwriter.

Projected Debt Service Coverage. The projected debt service coverage on the Bonds for Fiscal Year 2026-27 is set forth below, and is based on the current status of development and only the Bonds outstanding. The Bonds have been structured so there is at least 110% debt service coverage in every year the Bonds are outstanding.

**City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Improvement Area No. 3
Special Tax Bonds Series 2025
Projected Fiscal Year 2026-27 Debt Service Coverage⁽¹⁾⁽²⁾**

Bond Year	Maximum Special Tax Developed and Final Map Property ⁽³⁾	Priority Administration ⁽⁴⁾	Estimated Series 2025 Debt Service*	Debt Service Coverage from Developed and Final Map Property *
2027	\$805,353	(\$30,600)	\$699,300	110.79%

* Preliminary; subject to change.

(1) Pursuant to Section 53321(d) of the Government Code, the special tax levied against any assessor's parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other assessor's parcel within the District by more than 10% above the amount that would have been levied in the fiscal year had there never been any such delinquencies or defaults.

(2) Represents the Maximum Special Tax rates based on currently-expected land uses in the CFD. Subject to change pursuant to Section D of the RMA.

(3) Includes projected Maximum Special Tax revenues based on the status of development as of July 15, 2025. Assumes no future development..

(4) As defined in the Fiscal Agent Agreement, the Administrative Expense Priority for fiscal year 2025-26 is \$30,000 and escalates by 2% per year.

Sources: Piper Sandler & Co.; Goodwin Consulting Group, Inc.

IMPROVEMENT AREA NO. 3

Formation and Background

On December 6, 2021, the City Council, as legislative body of the District and Improvement Area No. 1, established the bonded indebtedness limit for the District in the principal amount of not to exceed \$86,470,000 (excluding bonds described in Section 53364.2(e) of the Act), initially allocated as follows: (i) for Improvement Area No. 1, \$20,350,000 and (ii) for land within the Future Annexation Area, \$66,120,000. Under the provisions of the Mello-Roos Act, since there were fewer than 12 registered voters residing within Improvement Area No. 1 at any point during the 90-day period preceding the adoption of the City's resolution forming the District on December 6, 2021 (the "**Resolution of Formation**"), the sole qualified elector was the developer/landowner who was entitled to cast one vote for each acre or portion of an acre of land owned within Improvement Area No. 1. The landowner voted to incur the indebtedness and to approve the annual levy of Special Taxes to be collected within Improvement Area No. 1, for the purpose of paying for the Facilities, including repaying any indebtedness of Improvement Area No. 1, replenishing reserve funds and paying administrative expenses.

In April 2024, land designated as Improvement Area No. 2 of the District was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 2 in the amount of \$14,000,000, and land designated as Improvement Area No. 3 of the District was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 3 in the amount of \$16,000,000.

In July 2025, land designated as Improvement Area No. 4 of the District was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 4 in the amount of \$22,250,000, and land designated as Improvement Area No. 5 of the District was annexed to the District from the Future Annexation Area, and an initial bond authorization was established for Improvement Area No. 5 in the amount of \$20,350,000.

In October 2022, bonds were issued for Improvement Area No. 1 in the principal amount of \$12,975,000. In March 2025, bonds were issued for Improvement Area No. 2 in the principal amount of \$10,880,000. The Bonds are the first series and expected to be the only series of special tax bonds issued for Improvement Area No. 3. Bonds are anticipated to be issued for Improvement Area No. 4 and for Improvement Area No. 5 in the future, as development of the larger project being undertaken by the JV Entity progresses. *The Bonds are secured only by Special Taxes levied in Improvement Area No. 3; there is no cross-collateralization of security among improvement areas.*

Description and Location

General. Land in the District is being developed by the JV Entity as part of K. Hovnanian's "The Ranch" project, which is located within The Ranch Special Planning Area ("**TRSPA**"), which lies within the Sunridge Specific Plan area. The TRSPA encompasses approximately 530 gross acres within the southeastern portion of the City of Rancho Cordova, primarily south of Douglas Road, east of Rancho Cordova Parkway, and west and north of Grant Line Road. The specific plan will include approximately 1,690 dwelling units (single and multi-family) at build out.

Under the TRSPA “The Ranch” project was designated for development into 1,690 residential units, which comprises 732 single-family homes, 705 age restricted single-family homes, 38 age-restricted rental units, and 215 high density residential affordable rental units. In addition to the residential units, the community will also have 5.73 acres of commercial land and a clubhouse to support the age restricted units. The clubhouse will feature a ballroom building, indoor and outdoor pool, gym, bocce court, horseshoe pits, tennis courts, pickleball courts and community garden. There are also public trails throughout the community and has approximately 198 acres of wetland preserve.

The greater Rancho Cordova area is a mature suburban area, which encompasses all types of land uses, including single-family and multifamily residential, retail, office and industrial, and has experienced continued growth since the mid 1980's. This area currently is a substantial suburban office market within the Sacramento region, as well as a major employment center, most of which is located along U.S. Highway 50 which traverses the City. For certain demographic information relating to the City and the County, see “APPENDIX D – Sacramento County and City of Rancho Cordova Demographic Information.”

Maps. The following pages show the consolidated boundary map of the District (including Improvement Area Nos. 1 through 5 therein), and a site plan showing the proposed development by village for the entire project.

[Insert Map 1 – CFD Consolidated Boundary Map]

[Insert Map 2 - Site Plan for The Ranch Project]

Development in the District

The JV Entity has provided the following information with respect to development within the District. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. Since the ownership of the parcels is subject to change, the development plans outlined below may not be continued by the subsequent owner if the parcels are sold, although development by any subsequent owner will be subject to the Development Agreement and the policies and requirements of the City. No assurance can be given that the plans or projections detailed below will actually occur.

The Ranch Project. K. Hovnanian at Jaeger Ranch, LLC, a California limited liability company (previously defined as “K. Hovnanian”), is the master developer of 530 gross acres of property located in the City of Rancho Cordova being developed as The Ranch. Currently the project is expected to include approximately 1,437 single family residences at build out. The Overall Project is anticipated to consist of the following:

- Approximately 120 acres of property proposed to be developed as 732 single-family residential units (the “**Market Rate Project**”).
- Approximately 152.25 acres of property proposed to be developed as 705 active adult single family units (the “**Age Qualified Project**”).
- Approximately 7.14 acres of property proposed to be developed as 215 high density multifamily units (the “**Multifamily Project**”).
- Approximately 6.74 acres of property proposed to be developed with commercial improvements (the “**Commercial Project**”).
- Approximately 200 acres of parks, trails, open space, detention basins, landscaping, and public roadways.

The Market Rate Project. The Market Rate Project is being developed by K. Hovnanian in four phases, with Phase I consisting of 209 units, Phase II consisting of 258 units, Phase III consisting of 179 units, and Phase IV consisting of 86 units. The Market Rate project will feature an 11-acre community active park, a 2-acre neighborhood active park, a 1.2-acre passive park, miles of trails, and multiple acres of open space. The Market Rate Project is separated from the Age Qualified Project by open space preserves but is joined by a causeway.

The Age Qualified Project. The Age Qualified Project is being developed by the JV Entity under K. Hovnanian’s Four Seasons brand. K. Hovnanian’s Four Seasons at The Ranch is proposed as a new 55+ age-qualified lifestyle community offering four distinctive collections for a wide variety of buyers. The Age Qualified Project is being developed in four phases, with Phase V consisting of 245 units, Phase VI consisting of 284 units, Phase VII consisting of 132 units, and Phase VIII consisting of 44 units.

The Age Qualified Project will offer a range of amenities, including a linear park, a pocket park, miles of nature trails, and multiple acres of open space. The project will feature a resort-style clubhouse, an indoor and outdoor pool, fitness rooms, bocce ball courts, pickleball courts, a dog park, and various indoor activities.

The Multifamily Project. The Multifamily Project parcel will be dedicated to the City for the development of 215 multifamily units.

The Commercial Project. The Commercial Project site will be sold by K. Hovnanian to a commercial developer.

Improvement Area No. 1. Only the property in Improvement Area No. 3 serves as security for the Bonds; the information below regarding Improvement Area No. 1 is provided for informational purposes only as part of the discussion of the Overall Project. Land in Improvement Area No. 1 is under development by K. Hovnanian and consists of Phases I and II of the Market Rate Project and is made up of 6 Villages comprising 467 single family residential units:

- Village 3 – 65 single family units being marketed as “Canyon.”
- Village 4, Unit 1 – 53 single family units being marketed as “Reserve.”
- Village 4, Unit 2 – 63 single family units being marketed as “Reserve.”
- Village 5 – 45 single family units being marketed as “Montrose.”
- Village 6 – 40 single family units being marketed as “Montrose.”
- Village 8 – 130 single family units being marketed as “Paseo.”
- Village 9 – 71 single family units being marketed as “Springs.”

As of July 15, 2025, 415 homes have closed escrow in Improvement Area No. 1.

In October 2022, bonds were issued for Improvement Area No. 1 in the principal amount of \$12,975,000.

Improvement Area No. 2. Only the property in Improvement Area No. 3 serves as security for the Bonds; the information below regarding Improvement Area No. 2 is provided for informational purposes only as part of the discussion of the Overall Project. The property in Improvement Area No. 2 consists of approximately 49 acres comprised of 265 residential lots as Phases III and IV of the overall The Ranch project. Development by K. Hovnanian is underway as multiple product lines of the Market Rate Project within 5 villages, comprising 4 marketing neighborhoods, as described herein. Typical lot sizes range from 2,730 to 6,300 square feet.

- Village 1 – 86 single family units being marketed as “The Reserve.”
- Village 2 – 49 single family units being marketed as “Canyon.”
- Village 7 – 28 single family units being marketed as “Montrose.”
- Village 10 – 69 single family units being marketed as “Silverbrook.”
- Village 11 – 33 single family units being marketed as “Silverbrook.”

As of July 15, 2025, 55 homes have closed escrow in Improvement Area No. 2.

In March 2025, bonds were issued for Improvement Area No. 2 in the principal amount of \$10,880,000.

Improvement Area No. 3. The property in Improvement Area No. 3 consists of approximately __ acres comprised of 245 Age Qualified residential lots as Phase V of the overall The Ranch project. Development by the JV Entity is underway as multiple product lines of the Age Qualified Project within 6 villages, comprising 4 marketing neighborhoods, as described herein. Typical lot sizes range from 3,808 to 6,300 square feet.

- Village 12-1 – 40 single family Age Qualified units being marketed as “Autumn.”

- Village 13 – 39 single family Age Qualified units being marketed as “Autumn.”
- Village 15-1 – 51 single family Age Qualified units being marketed as “Summer.”
- Village 19 and 21-1 – 60 single family Age Qualified units being marketed as “Spring.”
- Village 20 – 55 single family Age Qualified units being marketed as “Winter.”

As shown below, as of July 15, 2025, 17 homes have closed escrow in Improvement Area No. 3.

Only the property in Improvement Area No. 3 serves as security for the Bonds.

Ownership of Property in Improvement Area No. 3. On January 30, 2025, K. Hovnanian sold all but 21 of the lots to be developed with Age Qualified units in the Overall Project to GTIS-HOV Holdings XVI LLC, a California limited liability company (“**JV Entity**”), including 224 of the lots in Improvement Area No. 3. The 21 lots not purchased by the JV Entity were 10 of the 11 model home lots and 11 additional lots that were already under construction and have subsequently been sold to individual homeowners.

All 11 completed model homes were conveyed to HCA Model Fund 2014-4 LLC, a Texas limited liability company (“**HCA**”) and leased to K. Hovnanian for model use, with a repurchase right. During the time that HCA is under contract with K. Hovnanian, the taxes on the model homes will be paid by K. Hovnanian. The 11th home is owned by the JV Entity.

As of July 15, 2025, other than 17 individual homeowners and HCA, all of the property in Improvement Area No. 3 is owned by the JV Entity. K. Hovnanian is the managing member of the JV Entity.

For more ownership information see “OWNERSHIP OF PROPERTY IN THE DISTRICT” below.

Development Plan. A tentative map was approved for the entirety of the project. A large lot map was recorded in June of 2023 subdividing the project into villages. Final Maps for all Villages in Improvement Area No. 3 were recorded between October 2023 and June 2024. See the table below for mapping dates applicable to the various villages in Improvement Area No. 3.

Improvement Area No. 3

Village	Lots	Map Number	Recording Date
12-1	40	Subdivision Map No. FM-2021-002-13	Small Lot Final Map Recorded June 18, 2024
13	39	Subdivision Map FM-2021-002-09	Small Lot Final Map Recorded October 6, 2023
15-1	51	Subdivision Map FM-2021-002-11	Small Lot Final Map Recorded October 13, 2023
19 & 21-1	60	Subdivision Map FM-2021-002-11	Small Lot Final Map Recorded October 13, 2023
20	55	Subdivision Map FM-2021-002-11	Small Lot Final Map Recorded October 13, 2023
Totals	245		

The JV Entity is developing the property in Improvement Area No. 3 in four product lines: Autumn, Summer, Spring, and Winter. Each home in each product line will be a single-family, detached home.

All Improvement Area No. 3 product lines are in active development. Each of these product lines is described and summarized below:

Autumn (Village 12-1 & 13 – 40 Lots & 39 Lots). The Autumn product line is located in Villages 12-1 & 13 and is being developed as 79 single-family residential units with 4 floor plans. Each Autumn lot is approximately 60' x 105'. Autumn in Village 13 opened for sales in November 2024 and Autumn in Village 12-1 is expected to open for sales in 2026. The JV Entity anticipates developing the lots to final build-out by February 2028. As of July 15, 2025, 5 of the Autumn units in Improvement Area No. 3 have been sold or closed to homebuyers.

The following table provides the status of the proposed development of the 79 units of the Autumn neighborhood as of July 15, 2025.

**Autumn, Village 12-1/13
(as of July 15th, 2025)**

Floor Plan	Approx. Square Footage	Total Number of Planned Units	Number of Building Permits Issued	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow⁽¹⁾	Finished Lots	Units Under Construction⁽²⁾	Est. Base Price⁽³⁾
Plan 1	2,264	20	7	0	6	13	1	\$678,157
Plan 2	2,446	20	6	2	3	14	1	700,990
Plan 3	2,729	17	3	1	2	14	0	734,490
Plan 4	2,916	22	3	2	1	19	0	749,573
Totals		79	19	5	12	60	2	

(1) Includes 2 completed model homes, 2 of which were conveyed by K. Hovnanian to HCA and 1 of which is owned by the JV Entity.

(2) A unit is considered under construction when trenching begins on the lot, and a building permit has been received. A total of 19 building permits have been issued: 2 for the models; and 17 for units for which vertical construction has started or has been completed.

(3) Base sale prices are estimated as of July 15, 2025. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives and any selling concessions or price reductions which may be offered.

Source: JV Entity.

Summer (Village 15-1 - 51 Lots). The Summer product line is located in Villages 15-1 and is being developed as 51 single-family residential units with 3 floor plans. Each Summer lot is approximately 50' x 105'. Summer in Village 15-1 opened for sales in November 2024. The JV Entity anticipates developing the lots to final build-out by October 2026. As of July 15, 2025, 5 of the Summer units in Improvement Area No. 3 have been sold or closed to homebuyers.

The following table provides the status of the proposed development of the 51 units of the Summer neighborhood as of July 15, 2025.

**Summer, Village 15-1
(as of July 15th, 2025)**

Floor Plan	Approx. Square Footage	Total Number of Planned Units	Number of Building Permits Issued	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow⁽¹⁾	Finished Lots	Units Under Construction⁽²⁾	Est. Base Price⁽³⁾
Plan 1	1,761	17	8	2	4	9	2	\$588,823
Plan 2	2,069	16	4	1	2	12	1	\$625,323
Plan 3	1,969	18	9	2	7	9	0	\$611,490
Totals		51	21	5	13	30	3	

(1) Includes 2 completed model homes that K. Hovnanian has conveyed to HCA.

(2) A unit is considered under construction when trenching begins on the lot, and a building permit has been received. A total of 21 building permits have been issued: 2 for the models; and 19 for units for which vertical construction has started or has been completed.

(3) Base sale prices are estimated as of July 15, 2025. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives and any selling concessions or price reductions which may be offered.

Source: JV Entity.

Spring (Villages 19 and 21-1 – 27 lots and 33 lots). The Spring product line is located in Villages 19 and 21-1 and is being developed as 60 single-family residential units with 3 floor plans. Each Spring lot is approximately 44' x 105'. Spring in Village 19 opened for sales in November 2024 and Village 21-1 is anticipated to open for sales in April 2026. The JV Entity anticipates developing the lots to final build-out by January 2027. As of July 15, 2025, 3 Spring units in Improvement Area No. 3 have been sold or closed to homebuyers.

The following table provides the status of the proposed development of the 60 units of the Spring neighborhoods in Improvement Area No. 3 as of July 15, 2025.

**Spring, Village 19/21-1
(as of July 15th, 2025)**

Floor Plan	Approx. Square Footage	Total Number of Planned Units	Number of Building Permits Issued	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow⁽¹⁾	Finished Lots	Units Under Construction⁽²⁾	Est. Base Price⁽³⁾
Plan 1	1,670	18	6	2	3	12	1	\$558,323
Plan 2	1,758	21	7	1	5	14	1	595,990
Plan 3	1,978	21	8	0	8	13	0	573,490
Totals		60	21	3	16	39	2	

(1) Includes 3 completed model homes that K. Hovnanian has conveyed to HCA.

(2) A unit is considered under construction when trenching begins on the lot, and a building permit has been received. A total of 21 building permits have been issued: 3 for the models; and 18 for units for which vertical construction has started or has been completed.

(3) Base sale prices are estimated as of July 15, 2025. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives and any selling concessions or price reductions which may be offered.

Source: JV Entity.

Winter (Village 20 - 55 Lots). The Winter product line is located in Village 20 and is being developed as a master planned community of 55 single-family residential units with 4 floor plans. Each Winter lot is approximately 56' x 68'. Winter opened for sales in November 2024. The JV Entity anticipates developing the lots to final build-out by January 2027. As of July 15, 2025, 6 Winter units in Improvement Area No. 3 have been sold or closed to homebuyers.

The following table provides the status of the proposed development of the 55 units of the Winter neighborhood as of July 15, 2025.

**Winter, Village 20
(as of July 15th, 2025)**

Floor Plan	Approx. Square Footage	Total Number of Planned Units	Number of Building Permits Issued	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow⁽¹⁾	Finished Lots	Units Under Construction⁽²⁾	Est. Base Price⁽³⁾
Plan 1	1,308	9	4	0	3	5	1	\$494,990
Plan 2	1,442	19	9	3	5	10	1	\$505,823
Plan 3	1,441	13	7	1	6	6	0	\$506,823
Plan 4	1,701	14	6	2	4	8	0	\$537,157
Totals		55	26	6	18	29	2	

(1) Includes 4 completed model homes that K. Hovnanian has conveyed to HCA.

(2) A unit is considered under construction when trenching begins on the lot, and a building permit has been received. A total of 26 building permits have been issued: 4 for the models; and 22 for units for which vertical construction has started.

(3) Base sale prices are estimated as of July 15, 2025. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives and any selling concessions or price reductions which may be offered.

Source: JV Entity.

Infrastructure. As of the valuation date of the Appraisal, site development work is complete on Villages 13, 15-1, 19, 20, and 21-1 and home construction is underway. The lots within Village 12-1 are graded, underground utilities are complete, and topside infrastructure is still remaining to be completed.

The conditions of development for the Overall Project require the construction of various improvements at various times. The following conditions impact the property in Improvement Area No. 3:

A. **Chrysanthy Blvd.:** K. Hovnanian was required to construct Chrysanthy Blvd. from the existing Chrysanthy Blvd. at Rancho Cordova Pkwy. at the west boundary of the Overall Project to the intersection with Wheatridge Drive. Status: complete.

B. **Detention Basin 4:** Prior to the issuance of the first building permit in Village 13, Detention Basin 4 must be substantially complete, and prior to the first occupancy permit in Village 13, Detention Basin 4 must be complete. Status: complete.

C. **Detention Basin 5:** Prior to the issuance of the first building permit in Villages 15-1, 19, 20, and 21-1, Detention Basin 5 must be substantially complete, and prior to the first occupancy permit in Villages 15-1, 19, 20, and 21-1, Detention Basin 5 must be complete. Status: complete.

D. **Neighborhood Park in Village 8:** Pursuant to the Park Development Agreement dated June 17, 2020 by and between the Cordova Recreation and Park District (the “**Park District**”) and K. Hovnanian, as amended by the First Amendment to Park Development Agreement The Ranch Development dated August 21, 2024, by and between the Park District and K. Hovnanian (as amended, the “**Park Agreement**”), the neighborhood park located in Village 8 must (i) start design prior to the first production building permit in Village 8, and (ii) start construction prior to the 65th production building permit in Village 8 or prior to the 234th market-rate production building permit in the Overall Project. Status: design was started prior to the first building permit in Village 8; construction of the park is complete and the park was accepted by the Cordova Recreation and Park District on August 21, 2024. Status: complete.

E. **Community Park:** Pursuant to the Park Agreement, the 11-acre community park located between Phase II and Phase IV must (i) start outreach and design prior to the 242nd market rate production building permit is issued and (ii) start construction prior to the 468th market rate production building permit is issued; provided, however, that in lieu of starting construction, K. Hovnanian may provide either a bond to cover the anticipated costs of the park or receive a letter from the park district's general manager adjusting the timing of the start of the park. Status: K. Hovnanian started outreach and design prior to the 242nd building permit and intends to post a bond in lieu of starting construction when the Park District requests the posting of the bond. K. Hovnanian is working diligently with the park district to get formal plan approval to begin construction of the park as soon as possible.

F. **Onsite Infrastructure:** All of Improvement Area No. 3 is graded, with home pads. Street, landscaping, medians, and streetlights constructed with the applicable street improvements are being constructed on a Village-by-Village basis. For all Villages in Improvement Area No. 3 other than Village 12-1, all onsite infrastructure is completed. The 40 Village 12-1 lots are graded, underground utilities are complete, and

topside infrastructure is still remaining to be completed and anticipated to occur by July 2026.

Developer Financing Plan. To date, K. Hovnanian and the JV Entity has financed its land acquisition and various site development and homebuilding costs related to its property in Improvement Area No. 3 through internally generated funds and through a construction loan (the "Construction Loan") with Western Alliance Bank ("Western").

As of July 15, 2025, K. Hovnanian, previous to the sale to the JV Entity and also on behalf of the JV Entity has completed work estimated to cost approximately \$_____ for onsite land development and approximately \$_____ for allocated offsite land development, and approximately \$_____ on land acquisition, homebuilding, marketing and sales costs in Improvement Area No. 3. K. Hovnanian on behalf of the JV Entity expects to complete work costing approximately \$_____ on remaining onsite land development, approximately \$_____ for allocated offsite land development, and approximately \$_____ on homebuilding, marketing, and sales costs in Improvement Area No. 3. The JV Entity expects to use internal funding to complete its development within Improvement Area No. 3, and believes that it will have sufficient funds available to complete its planned development as described in this Official Statement.

On March 28, 2025, the JV Entity entered into the Construction Loan with Western, which includes an A&D loan in the principal amount of up to \$79,800,000 and a revolving line of credit of up to \$30,000,000 (for a total of \$109,800,000). The Construction Loan is secured by a Deed of Trust recorded against the property in IA No. 3 (and elsewhere in the Overall Project) owned by the JV Entity. The Deed of Trust secures a debt in the maximum principal amount of \$109,800,000. The lien of the Construction Loan Deed of Trust on property in Improvement Area No. 3 has been, and will be, reconveyed with each home sale. If there is a default under the Construction Loan, Western could seek foreclosure of the Deed of Trust on the property in Improvement Area No. 3 (as well as other property owned by the JV Entity) to cure the delinquency. As of July 15, 2025, the Construction Loan is in good standing.

Although the JV Entity expects to have sufficient funds available to complete its development in Improvement Area No. 3 as described in this Official Statement, there can be no assurance that amounts necessary to finance the development costs will be available from the JV Entity, the Construction Loan, or any other source when needed. Neither K. Hovnanian, the JV Entity, nor any of its related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on its property in Improvement Area No. 3. Any contributions by K. Hovnanian, the JV Entity, or any related parties to fund the costs of such development are entirely voluntary.

If and to the extent that internal funding and the Construction Loan are inadequate to pay the costs to complete the planned development by the JV Entity within Improvement Area No. 3 and other financing is not put into place, there could be a shortfall in the funds required to complete the planned development in Improvement Area No. 3.

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, the JV Entity has no actual knowledge of any impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned *development of its property within Improvement Area No. 3 as described in the Official Statement. The JV Entity reserves the right*

to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation.

Environmental Factors

Flood Hazard Map Information. Land in the District is located in Flood Zone X, described as areas outside of the 100 and 500-year flood plains (less than 0.2% annual chance flooding in any given year - flood insurance not required). This information is according to the Federal Emergency Management Agency Flood Map, Community Panel No. 06067C-0240J, revised July 19, 2018. Land in the District meets the requirements of the Central Valley Flood Protection Plan (SB 5).

Wetlands. The project has obtained an LOP (letter of permission) from U.S. Army Corp., a 401 Water Quality Certification from the Regional Water Control Board for the planned development of land and a 1602 Streambed Alteration Agreement from CDFW for the overall project. Section 404 of the Clean Water Act requires authorization from the Secretary of the Army, acting through the Corps of Engineers, for the discharge of dredged or fill material into all waters of the United States, including wetlands; K Hovnanian has obtained the required 404 permit for development to occur in Improvement Area No. 3. In addition, the project has permits and approvals from the State and approximately 198 acres of wetland preserve.

Seismic Conditions. According to the California Seismic Safety Commission, the District is located within Zone 3, areas of moderate seismic activity. Zone 3 is considered to be the lowest risk zone in California. In addition, the District is not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 of the California Department of Conservation, Division of Mines and Geology.

Wildfire Hazards. The Fire and Resource Assessment Program of CAL FIRE has classified areas in California by Fire Hazard Severity Zone. Land in Improvement Area No. 3 is classified in a "moderate" Fire Hazard Severity Zone (FHSZ), as defined by CAL FIRE.

THE FACILITIES

Eligible Facilities

The Facilities eligible to be financed by the District (including Improvement Area No. 3 therein) are set forth in the Resolution of Formation and consist of roadway and transportation improvements, including roadway design, project management, grading, and construction of roadways, including curbs, gutters, sidewalks, pavement, street lighting, dry utilities, soundwalls and landscaping, as well as drainage facilities, park improvements and other miscellaneous improvements. Authorized Facilities also include sanitary sewer facilities, water facilities and other capital improvements for which developer impact fees are payable to the City for development within the District (including Improvement Area No. 3 therein), as well as incidental expenses as authorized by the Mello-Roos Act.

The proceeds of the Bonds will be used for a portion of the cost of the public improvements (and/or development impact fees) eligible to be financed with the proceeds of the Bonds (the “**Facilities**,” as described below). See “FINANCING PLAN” for additional details. The following table estimates the cost of the Facilities approved to be financed with proceeds of the Bonds.

Table 2
City of Rancho Cordova
Improvement Area No. 3 of
The Ranch Community Facilities District No. 2021-1
Approved Cost of Facilities to be Financed

<u>Facility Category</u>	<u>Estimated Cost</u>
Construction Costs	
(Streets, Drainage, Sewer, Water and Soft Costs)	
Development impact fees	
Total	

Source: JV Entity.

Acquisition by the City and other Local Agencies

In connection with the formation of the District, the City and K. Hovnanian entered into a Funding, Construction and Acquisition Agreement dated as of October 1, 2022 (the “**Acquisition Agreement**”) which provides that K. Hovnanian (or successors) will construct (or cause to be constructed or funded) the Facilities. As components of the Facilities are completed, proceeds of a portion of the Bonds will be used to pay all or a part of the purchase price of various Facilities pursuant to the terms of the Acquisition Agreement. The portion of the cost of construction of the Facilities, which will not be provided from District bond proceeds, will be the responsibility of K. Hovnanian.

Joint community facilities agreements have been or will be entered into with the Cordova Recreation and Park District, Sacramento County Water Agency and/or the Sacramento Regional County Sanitation District so that a portion of the proceeds of the District bonds may finance the development impact fees and/or Facilities to be acquired by those local agencies.

The Rate and Method provides that the funding of Improvement costs can also be made from collections of the Special Tax available as the “pay-as-you-go” component of Special Taxes. The pay-as-you-go funding component is expected to provide for funding of the cost of a portion of the Facilities (both improvements and fees) in excess of the amount provided from bond proceeds (if such proceeds are not sufficient) through annual Special Tax collections in excess of the amount needed to pay the debt service.

OWNERSHIP OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within Improvement Area No. 3. There is no assurance that an owner or any subsequent owners have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bondowner will have the ability at any time to seek payment directly from the owners of property within Improvement Area No. 3 of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within Improvement Area No. 3.

The JV Entity has provided the information set forth below. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. The Special Taxes are not personal obligations of K. Hovnanian, the JV Entity, or of any subsequent landowners; the Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See “SECURITY FOR THE BONDS” and “BOND OWNERS’ RISKS” herein.

Current Ownership - Production Homes. As noted above, On January 30, 2025, K. Hovnanian sold all but 21 of the lots to be developed with Age Qualified units in the Overall Project to GTIS-HOV Holdings XVI LLC, a California limited liability company (“JV Entity”), including 224 of the lots in Improvement Area No. 3. The 21 lots not purchased by the JV Entity were 10 of the 11 model home lots and 11 additional lots that were already under construction and have subsequently been sold to individual homeowners. As of July 15, 2025, other than individual homeowners and HCA, all of the property in Improvement Area No. 3 is owned by the JV Entity.

The JV Entity is a joint venture between K. Hovnanian and GTISCal at Four Seasons at the Ranch LLC, a Delaware limited liability company (“GTISCal”). GTISCal has a 50.1% interest in the JV Entity and K. Hovnanian has a 49.9% interest in the JV Entity.

GTISCal is an affiliate of GTIS Partners (“GTIS”). GTIS is an investor in real estate in the United States and Brazil. As of the first quarter of 2025, GTIS has committed over \$6.4 billion of equity capital in its projects, and has investments in 10,400+ apartments and 60,400+ single family homes and lots in the U.S.

K. Hovnanian is the managing member of the JV Entity.

K. Hovnanian and the JV Entity entered in a Master Services Agreement, wherein K. Hovnanian, as an independent contractor and not an employee of JV Entity, contracted to

develop and construct the Age Qualified portion of the Overall Project on behalf of the JV Entity.

Current Ownership - Model Homes. Ten of the 11 completed model homes were conveyed to HCA Model Fund 2014-4 LLC, a Texas limited liability company ("HCA") pursuant to separate Model Home Purchase and Leaseback Agreements (the "HCA Agreements"). Pursuant to the HCA Agreements, while HCA owns the model homes, HCA leases the model homes to K. Hovnanian to use as model homes for the Improvement Area No. 3 products. As Improvement Area No. 3 is built-out, K. Hovnanian will market and sell the model homes on behalf of HCA. K. Hovnanian also has a repurchase right. During the time that HCA is under contract with K. Hovnanian, the taxes on the model homes will be paid by K. Hovnanian.

HCA secured a loan from Plainscapital Bank to acquire the model lots and the loan is secured by a Deed of Trust on the 10 model lots it owns dated January 23, 2025 for an amount up to \$20,000,000.

K. Hovnanian. K. Hovnanian is an indirect, wholly-owned subsidiary of Hovnanian Enterprises, Inc., a Delaware corporation ("**Hovnanian**"), which is based in Matawan, New Jersey, and has been in the business of developing residential real estate communities in California since 1994. Hovnanian is subject to the informational requirements of the Securities Exchange Act of 1934 (the "**Exchange Act**") and in accordance therewith files reports, proxy statements, and other information, including financial statements, with the SEC. The SEC maintains an Internet website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Hovnanian. The address of such internet website is www.sec.gov. All documents subsequently filed by Hovnanian 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 Hovnanian's Annual Report and each of its other quarterly and current reports, including any amendments, are available from Hovnanian's website at www.khov.com. *The website address is given for reference and convenience only. The information on the website may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter. Nothing on the website is a part of this Official Statement or incorporated into this Official Statement by reference.*

VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3

Assessed Valuation

The value of taxable property within Improvement Area No. 3 is a critical factor in determining the investment quality of the Bonds. The remedy for non-payment of the Special Tax is potential foreclosure of the delinquent real property.

Assessed Valuation Generally. As provided by Article XIII A of the California Constitution, county assessors' assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the District thus reflect the estimate of the County Assessor (the "**Assessor**") of market value when acquired (or 1975, whichever is later), possibly increased by up to 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor's estimate of market value as of the time of construction, possibly increased by up to 2% per year.

The following table provides assessed valuations of taxable property in Improvement Area No. 3 for Fiscal Year 2025-26.

Fiscal Year	Assessed Land Value	Assessed Structure Value	Total Assessed Value	Building Permits Issued ^{(1) (2)}
2025-26	\$29,385,381	\$8,310,000	\$37,695,381	102

(1) Represents the number of parcels for which a building permit for new construction was issued prior to June 1 of the prior fiscal year. As of June 1, 2025, 100 building permits have been pulled.

(2) As of July 15, 2025, date of value, 102 building permits have been pulled. Assumes no further development.

Source: Sacramento County Assessor's Office, Goodwin Consulting Group, inc.

Appraised Value

General. In order to obtain a more accurate estimate of the value of land in Improvement Area No. 3, the City ordered preparation of an appraisal report (the "**Appraisal**"), as of the July 15, 2025 date of value. The Appraisal was prepared by Integra Realty Resources, Sacramento, California (the "**Appraiser**"). The Appraisal is set forth in APPENDIX B hereto. The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, conditions and qualifications which are set forth in the Appraisal.

The Appraisal estimated the market value of all of the land in Improvement Area No. 3, which, as of the date of value, encompasses land within The Ranch at Sunridge Specific Plan area at the southeastern portion of the City, primarily south of Douglas Road, east of Rancho Cordova Parkway, and west and north of Grant Line Road. Land in Improvement Area No. 3 is developing into 245 age-restricted (55+) single-family homes as part of K. Hovnanian's "Four Seasons at the Ranch" community. For additional details, see APPENDIX B hereto.

Value Estimate. The appraised valuation excludes the value of all portions of the property in Improvement Area No. 3 designated for public and quasi-public purposes and assumes completion of infrastructure funded by the Bonds and accounts for the impact of the lien of the Special Tax. The following estimate represents the market value of the property to be

subject to the Special Tax, based on the hypothetical condition certain impact fees to be financed by the Bonds have been paid.

The value estimate for the property as of the July 15, 2025 date of value, using the methodologies described in the Appraisal and subject to the limiting and hypothetical conditions and general and special assumptions set forth in the Appraisal is \$80,250,000. based on the following summary.

Appraised Property Summary by Ownership as of July 15, 2025

Owner	Partially Improved Lots	Finished SFR Lots	Homes Under Construction	Completed Homes ⁽¹⁾	<u>Total</u>
Individual Homeowners	--	--	--	17	17
GTIS-HOV Holdings XVI, LLC ⁽²⁾	<u>40</u>	<u>98</u>	<u>20</u>	<u>70</u>	<u>228</u>
Total	40	98	20	87	245

(1) Completed homes without a complete assessment for structural improvements by County Assessor.

(2) Inclusive of 10 model homes held by HCA Model Fund 2014-4, LLC.

Source: Appraisal.

The Appraiser's valuation process utilized both a land residual analysis, a discounted cash flow analysis that considers home prices and costs, leading to an estimate of residual land value, and a sales comparison approach. In the sales comparison approach, adjustments were applied to the prices of comparable bulk lot transactions, and a market value was concluded. The two approaches are then reconciled into an opinion of market value per improved lot. It should be noted that benchmarks are utilized for subject lot categories and adjustments to the benchmark lot values are considered, as applicable. This value estimate represents a "not-less-than" value based on the market value for the smallest floor plan for each product line improved with a completed home without a complete assessed improvement value reflected on the County Assessor's tax roll.

The final estimate of market value was estimated by employing the sales comparison approach and land residual analysis, as detailed in the Appraisal, as detailed in APPENDIX B. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the Bonds.

Hypothetical Condition. The market value estimated by the Appraiser is based on a hypothetical condition. A hypothetical condition is defined by USPAP as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of the analysis." It is a hypothetical condition of the Appraisal that the proceeds from the Bonds will be used to reimburse K. Hovnanian for certain improvements already completed.

Assumptions and Limiting Conditions. In considering the estimate of value evidenced by the Appraisal, the Appraisal is based upon a number of limiting conditions and standard and extraordinary assumptions which affect the estimates as to value, including, among others, the following.

- The valuation analysis did not include review of a current title report of all properties to determine any possible conditions of title affecting the properties appraised. The Appraiser accepts no responsibility for matters pertaining to title.

- The Appraiser has also assumed that there is no hazardous material on or in the property that would cause a loss in value. Should future conditions and events involving hazardous material reduce the level of permitted development or delay the completion of any projected development, the value of the undeveloped land would likely be reduced from that estimated by the Appraiser. See “BOND OWNERS’ RISKS – Land Values” and “– Hazardous Substances” below. See “APPENDIX B – The Appraisal” hereto for a description of certain assumptions made by the Appraiser.

Accordingly, because the Appraiser arrived at an estimate of current market value based upon certain conditions and assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

Limitations of Appraisal Valuation. Property values may not be evenly distributed throughout Improvement Area No. 3; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel.

No assurance can be given that the foregoing valuation can or will be maintained during the period of time that the Bonds are outstanding in that the City has no control over the market value of the property within Improvement Area No. 3 or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes. See “–Priority of Lien” below.

For a description of certain risks that might affect the assumptions made in the Appraisal, see “BOND OWNERS’ RISKS” herein.

Value to Special Tax Burden Ratios

The principal amount of the direct and overlapping debt in Improvement Area No. 3 is \$13,473,193*, which consists of the estimated amount of Bonds (\$12,900,000*) and \$573,193 of overlapping general obligation and CFD bond debt. Consequently, the estimated value of property in Improvement Area No. 3 subject to the Special Tax lien (\$80,250,000), is approximately 6.0* times the principal amount of the direct and overlapping debt in Improvement Area No. 3. This is an average and individual parcels may vary considerably from this average.

In comparing the value of the real property within Improvement Area No. 3 to the principal amount of the Bonds and other direct and overlapping debt for Improvement Area No. 3, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within Improvement Area No. 3 cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within Improvement Area No. 3 unless all of the property is subject to a delinquent Special Tax.

* Preliminary; subject to change.

In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Other public agencies whose boundaries overlap those of Improvement Area No. 3 could, without the consent of the City and in certain cases without the consent of the owners of the land within Improvement Area No. 3, impose additional taxes or assessment liens on the land within Improvement Area No. 3. The purpose would be to finance additional regional or local public improvements or services. The lien created on the land within Improvement Area No. 3 through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Tax. In addition, construction loans may be obtained by the developers of property in Improvement Area No. 3 or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within Improvement Area No. 3, however, will be in a junior position to the lien of the Special Tax.

The land within Improvement Area No. 3 is located within the boundary of an Elk Grove Unified School District community facility district, pursuant to which an annual special tax of \$200 per parcel will be levied following issuance of a building permit. As additional development occurs in Improvement Area No. 3 the Elk Grove USD CFD lien amount may be larger than what is shown.

Value-to-lien Ratios by Development Status. The following table shows the projected status of development and value-to-lien ratios by village in Improvement Area No. 3 for fiscal year 2026-27, based on the status of development as of July 15, 2025 and assuming no further development. Value-to-lien ratios on individual parcels may vary considerably from any average.

Table 3
Improvement Area No. 3 of City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Special Tax Bonds Series 2025
Value-to-Lien Ratios by Development Status – Projected for Fiscal Year 2026-27

Development Status ⁽¹⁾	No. of Expected Units	Appraised Value ^{(2)*}	Projected FY 2026-27 Maximum Special Tax*	Projected FY 2026-27 Special Tax Levy ^{(3)*}	Percent of Projected Special Tax Levy*	CFD Bonds ^{(4)*}	Overlapping Debt ^{(5)*}	Total Debt*	Average Appraised Value-to- Lien*
GIS-HOV Holdings XVI, LLC									
<u>Completed Homes</u>									
Village 20	18	\$7,524,000	\$43,189	\$43,189	5.9%	\$763,310	\$41,525	\$804,835	9.3
Village 19	15	7,335,000	46,640	46,640	6.4	824,300	37,300	861,600	8.5
Village 21-1	3	1,467,000	9,328	9,328	1.3	164,860	8,164	173,024	8.5
Village 15-1	17	9,214,000	54,519	54,519	7.5	963,543	42,074	1,005,617	9.2
Village 13	17	10,897,000	69,564	69,564	9.5	1,229,455	47,316	1,276,771	8.5
<u>Lots with Building Permits Paid</u>									
Village 20	6	1,452,000	14,396	14,396	2.0	254,437	14,926	269,363	5.4
Village 19	3	744,000	9,328	9,328	1.3	164,860	7,460	172,320	4.3
Village 15-1	3	765,000	9,621	9,621	1.3	170,037	7,425	177,462	4.3
Village 13	3	870,000	12,276	12,276	1.7	216,963	8,350	225,313	3.9
<u>Residential Lots</u>									
Village 20	25	4,975,000	59,985	50,626	6.9	894,737	62,193	956,930	5.2
Village 19	6	1,230,000	18,656	15,745	2.2	278,273	14,920	293,193	4.2
Village 21-1	30	6,240,000	93,280	78,725	10.8	1,391,365	81,643	1,473,007	4.2
Village 15-1	27	5,697,000	86,588	73,078	10.0	1,291,548	66,823	1,358,371	4.2
Village 13	15	3,675,000	61,380	51,803	7.1	915,549	41,750	957,299	3.8
Village 12-1	40	9,000,000	163,681	138,142	18.9	2,441,465	47,905	2,489,370	3.6
Subtotal	228	\$71,085,000	\$752,433	\$676,980	92.7%	\$11,964,703	\$529,773	\$12,494,477	5.7
Individual Homeowners									
<u>Completed Homes</u>									
Village 20	6	\$2,640,000	\$14,396	\$14,396	2.0%	254,437	\$14,926	\$269,363	9.8
Village 19	3	1,545,000	9,328	9,328	1.3	164,860	7,460	172,320	9.0
Village 15-1	4	2,280,000	12,828	12,828	1.8	226,716	9,900	236,616	9.6
Village 13	4	2,700,000	16,368	16,368	2.2	289,283	11,133	300,417	9.0
Subtotal	17	\$9,165,000	\$52,920	\$52,920	7.3%	\$935,296	\$43,419	\$978,716	9.4
Total	245	\$80,250,000	\$805,353	\$729,901	100.0%	\$12,900,000	\$573,193	\$13,473,193	6.0

(Footnotes on Following Page)

* *Preliminary; subject to change.*

- (1) Development status is based on the Appraisal Report and as of the July 15, 2025 date of value.
- (2) Appraised values were allocated to the individual parcels based on the expected development and lot status for each parcel, as reported in the Appraisal. The allocated appraised values are not indicative of the market values of the communities or the individual lots.
- (3) Includes debt service due in 2027 on the Series 2025 Special Tax Bonds and estimated administrative expenses in the amount of \$30,600. As of July 15, 2025, date of value, 102 building permits have been pulled. Assumes no further development.
- (4) Includes the \$12,900,000 par amount of the Series 2025 Special Tax Bonds. Allocated based on the fiscal year 2026-27 special tax levy.
- (5) Includes the overlapping debt liens listed under Direct and Overlapping Tax and Assessment Debt in the overlapping debt report prepared by California Municipal Statistics, Inc. The overlapping debt report is based on the parcels and assessed values as of fiscal year 2024-25. Does not include any PACE liens secured by assessments or special taxes on the property.

Sources: *Piper Sandler & Co.; Integra Realty Resources, Inc.; California Municipal Statistics, Inc.; Goodwin Consulting Group, Inc.*

Value-to-lien Ratios By Category. The following table sets forth the projected value-to-lien ratios by category for parcels in Improvement Area No. 3 for Fiscal Year 2026-27.

Table 4
Improvement Area No. 3 of City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Special Tax Bonds Series 2025
Value-to-Lien Ratio Ranges – Projected for Fiscal Year 2026-27

Appraised Value-to-Lien Category	No. of Parcels*	Appraised Value ^{(1)*}	Projected FY 2026-27 Special Tax Levy ^{(2)*}	Percent of Projected Special Tax Levy*	CFD Bonds ^{(3)*}	Overlapping Debt ^{(4)*}	Total Debt*	Average Appraised Value-to-Lien*
Greater than 5:1	118	\$52,029,000	\$341,183	46.7%	\$6,029,940	\$296,918	\$6,326,858	8.2
3:1 to 5:1	127	28,221,000	388,718	53.3	6,870,060	276,275	7,146,335	3.9
Total	245	\$80,250,000	\$729,901	100.0%	\$12,900,000	\$573,193	\$13,473,193	6.0

* Preliminary; subject to change.

- (1) Appraised values were allocated to the individual parcels based on the expected development and lot status for each parcel, as reported in the Appraisal. The allocated appraised values are not indicative of the market values of the communities or the individual lots.
- (2) As of July 15, 2025, date of value, 102 building permits have been pulled. Assumes no further development. Includes debt service due in 2027 on the Series 2025 Special Tax Bonds and estimated administrative expenses in the amount of \$30,600.
- (3) Includes the \$12,900,000 par amount of the Series 2025 Special Tax Bonds. Allocated based on the fiscal year 2026-27 special tax levy.
- (4) Includes the overlapping debt liens listed under Direct and Overlapping Tax and Assessment Debt in the overlapping debt report prepared by California Municipal Statistics, Inc. The overlapping debt report is based on the parcels and assessed values as of fiscal year 2024-25. Does not include any PACE liens secured by assessments or special taxes on the property.

Sources: Piper Sandler & Co.; Integra Realty Resources, Inc.; California Municipal Statistics, Inc.; Goodwin Consulting Group, Inc.

Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within Improvement Area No. 3, and payment of the Special Tax is secured by a lien on certain real property within Improvement Area No. 3. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Mello-Roos Act, regardless of when they are imposed on the property in Improvement Area No. 3. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Mello-Roos Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within Improvement Area No. 3. In addition, property owners can voluntarily agree to incur Property Assessed Clean Energy (PACE) liens on their properties.

There can be no assurance that the developers will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities, however no other special districts are currently contemplated by the City or the developers.

Private liens, such as deeds of trust securing loans obtained by developers of land in Improvement Area No. 3, may be placed upon property in Improvement Area No. 3 at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

Set forth below is a statement of direct and overlapping public bonded debt (the “**Overlapping Debt Report**”) prepared by California Municipal Statistics, Inc. as of August 1,

2025. The Overlapping Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Overlapping Debt Report is included for general informational purposes only. Neither the City nor the Underwriter makes any representation as to its completeness or accuracy.

The first column in the table names each public agency which has outstanding bonded debt as of the date of the report and whose territory overlaps Improvement Area No. 3 in whole or in part. The second column shows the assessed value of the area common to Improvement Area No. 3 and the other public agency (overlapping territory), as a percentage of the total assessed value of the other public agency. This percentage, multiplied by the total outstanding bonded debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in Improvement Area No. 3. In addition to the bonded debt shown in the Overlapping Debt Report, various local agencies, including the City, levy additional parcels charges, assessments and special taxes on parcels in Improvement Area No. 3. See Table 6 for estimated amounts of these parcel charges, assessments and special taxes for Fiscal Year 2024-25.

The Overlapping Debt Report does not include PACE debt secured by assessments or special taxes on any property. Based on the Special Tax Consultant's review for Fiscal Year 2024-25, and given that no individual homeowners yet own property in Improvement Area No. 3 some homeownership, none of the parcels within Improvement Area No. 3 had a PACE lien. **[Review/Confirm]**

November 2024 Bond Measures. Land in the District is within the Elk Grove Unified School District and subject to tax for payment of a portion of its general obligation bonds and Community Facilities District No. 1 bonds. The original authorization for the general obligation bonds is \$476.0 million and no unused authorization remains. The authorization for the Community Facilities District No. 1 bonds is \$205 million and the current unused authorization is approximately \$17.2 million. In addition, the school district successfully passed Measure N on the November 2024 ballot, which authorized the school district to issue an additional \$542 million of general obligation bonds. Likewise, the Sacramento Metropolitan Fire District successfully passed its Measure O on the November 2024 ballot, which authorized the issuance of \$415 million of general obligation bonds. The Measure O has \$255 million in authorization remaining.

Table 5
Improvement Area No. 3 of City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Special Tax Bonds Series 2025
Direct and Overlapping Indebtedness
As of August 1, 2025

2024-25 Local Secured Assessed Valuation: \$10,299,600

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/25</u>	
Los Rios Community College District General Obligation Bonds	0.004%	\$ 11,137	
Elk Grove Unified School District General Obligation Bonds	0.020	81,239	
Elk Grove Unified School District Community Facilities District No. 1	0.256	463,290	
Sacramento Metro Fire District General Obligation Bonds	0.011	17,527	
City of Rancho Cordova Community Facilities District No. 2021-1, I.A. 3	100.000	0	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$573,193	
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Sacramento County General Fund Obligations	0.004%	\$ 4,059	
Sacramento County Pension Obligation Bonds	0.004	8,682	
Sacramento County Board of Education Certificates of Participation	0.004	49	
Elk Grove Unified School District Certificates of Participation	0.020	1,934	
City of Rancho Cordova Certificates of Participation	0.077	8,073	
Sacramento Metropolitan Fire General Fund Obligations	0.011	735	
Sacramento Metropolitan Fire Pension Obligation Bonds	0.011	2,213	
Cordova Recreation and Park District General Fund Obligations	0.049	2,610	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$28,355	
Less: Sacramento County supported obligations		422	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$27,933	
GROSS COMBINED TOTAL DEBT		\$601,548	(2)
NET COMBINED TOTAL DEBT		\$601,126	

Ratios to 2024-25 Local Secured Assessed Valuation:

Direct Debt (\$0)	0.00%
Total Direct and Overlapping Tax and Assessment Debt	5.57%
Gross Combined Total Debt	5.84%
Net Combined Total Debt	5.84%

* In November 2024 additional bond authorizations for Elk Grove Unified School District and Sacramento Metropolitan Fire District were passed by voters. See "Priority of Lien" above.

(1) Excludes Mello-Roos Act bonds to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Estimated Tax Burden on a Single-Family Home

The following table sets forth the estimated total tax burden on a single-family home, based on projected tax rates for Fiscal Year 2025-26.

Table 6
Improvement Area No. 3 of City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Special Tax Bonds Series 2025
Sample Tax Bill – Fiscal Year 2025-26

		Village 20 Amount	Villages 19&21-1 Amount	Village 15-1 Amount	Villages 12-1&13 Amount
Net Taxable Value					
Estimated Market Values ⁽¹⁾		\$440,000.00	\$515,000.00	\$570,000.00	\$675,000.00
Less: Homeowner's Exemption		(7,000.00)	(7,000.00)	(7,000.00)	(7,000.00)
Net Taxable Value		\$433,000.00	\$508,000.00	\$563,000.00	\$668,000.00
Ad Valorem Property Taxes					
	Rate	Amount	Amount	Amount	Amount
Base Property Tax	1.0000%	\$4,330.00	\$5,080.00	\$5,630.00	\$6,680.00
Los Rios College General Obligation Bond	0.0200%	86.60	101.60	112.60	133.60
Elk Grove Unified General Obligation Bond	0.0382%	165.41	194.06	215.07	255.18
Sacramento Metro Fire District General Obligation Bond ⁽³⁾	0.0190%	82.27	96.52	106.97	126.92
Total Ad Valorem Property Taxes	1.0772%	\$4,664.28	\$5,472.18	\$6,064.64	\$7,195.70
Parcel Charges, Assessments, and Special Taxes ⁽²⁾⁽⁴⁾					
		Amount	Amount	Amount	Amount
Water and Drainage Studies - SCWA 13		\$7.00	\$7.00	\$7.00	\$7.00
Elk Grove USD CFD No. 1		200.00	200.00	200.00	200.00
Transit Related Services Zone 2 ⁽⁵⁾		111.74	111.74	111.74	111.74
Rancho Cordova CFD No. 2013-2 ⁽⁵⁾		455.80	455.80	455.80	455.80
CRPD CFD No. 2018-1 Zone 3 ⁽⁵⁾		177.09	177.09	177.09	177.09
Rancho Cordova CFD 2014-2		308.00	308.00	308.00	308.00
Rancho Cordova CFD No. 2018-2		86.00	86.00	86.00	86.00
Rancho Cordova Lighting District 2012-1		18.00	18.00	18.00	18.00
The Ranch IA 3 CFD No. 2021-1 ⁽⁶⁾		2,352.34	3,048.38	3,144.08	4,011.78
Total Parcel Charges, Assessments, and Special Taxes		\$3,715.97	\$4,412.01	\$4,507.71	\$5,375.41
Total Taxes		\$8,380.25	\$9,884.19	\$10,572.35	\$12,571.11
Total Effective Tax Rate		1.90%	1.92%	1.85%	1.86%

(1) Represents the base retail values provided in the Appraisal. Actual home sale prices will vary, which may increase or decrease the total effective tax rate from that shown.

(2) Based on fiscal year 2024-25 charges identified on the Sacramento County-issued property tax bills. Charges subject to change in future years..

(3) Based on the estimated average annual tax rate included in Measure O.

(4) Does not include any PACE liens secured by assessments or special taxes on the property.

(5) Based on fiscal year 2025-26 charges identified on the Sacramento County-issued property tax bills. Charges subject to change in future years.

(6) Equal to the applicable Maximum Special Tax rate in fiscal year 2025-26.

Sources: Sacramento County Tax Collector's Office; Goodwin Consulting Group, Inc.

Special Tax Collections and Delinquencies

Fiscal Year 2025-26 is the first fiscal year during which the Special Tax will be levied, with the first payment due in December 2025. Accordingly, there is no history of collections and delinquencies. The levy of Special Taxes in Improvement Area No. 3 is currently covered by the Teeter Plan in the County. See “SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure –Teeter Plan.”

BOND OWNERS’ RISKS

The purchase of the Bonds involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks that should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive or a complete statement of all factors that may be considered as risks in evaluating the credit quality of the Bonds.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the Bonds in the event Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent, nor is the City obligated to advance funds to pay such debt service on the Bonds. The Bonds are not general obligations of the City but are limited obligations of the City, payable solely from the proceeds of the Special Tax and certain funds held under the Fiscal Agent Agreement, including amounts deposited in the Reserve Fund and investment income thereon, and the proceeds, if any, from the sale of property in the event of a foreclosure. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” Any tax for the payment of the Bonds will be limited to the Special Tax to be collected within Improvement Area No. 3.

Concentration of Ownership of Undeveloped Property

Ownership of the land within the District is currently concentrated. In Fiscal Year 2025-26, the Special Taxes are to be levied based on building permits issued prior to July 15, 2025, and final maps recorded by June 30, 2025, although as of July 15, 2025, 17 homes in Improvement Area No. 3 were owned by individual homeowners, with the remainder of the homes/lots owned by the JV Entity, and, as to 10 of the 11 the model homes, HCA. Although it is anticipated that there will be transfers of ownership of this property as development progresses and home sales are closed, the timely payment of the Bonds depends upon the willingness and ability of all of the owners of taxable property within Improvement Area No. 3 to pay the Special Taxes when due. The only assets of the owners of property within Improvement Area No. 3 which constitute security for the Bonds are such owners’ real property holdings located within Improvement Area No. 3, and each parcel may only be foreclosed against for delinquent Special Taxes levied against such parcel. If the current landowners choose to pay some but not all of the Special Taxes, they may, as owners of parcels in Improvement Area No. 3, choose to default on payments of the Special Tax on parcels. Also see “– Bankruptcy Delays” below.

Development of undeveloped property within Improvement Area No. 3 may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of the homebuilder or other property owners to pay the Special Taxes when due. Certain infrastructure improvements remain to be completed in order for homes to be completed on the timeline currently expected by K. Hovnanian. No assurance can be given that the proposed residential development will be partially or fully completed, and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and only partially improved. See the information set forth under the caption "IMPROVEMENT AREA NO. 3 – Development in the District."

Appraised Values

The Appraisal summarized in APPENDIX B estimates the market value of certain taxable property within Improvement Area No. 3. This market value is merely the present opinion of the Appraiser, and is subject to the assumptions and limiting conditions stated in the Appraisal. The City has not sought the present opinion of any other appraiser of the value of the taxed parcels. A different present opinion of value might be rendered by a different appraiser.

The opinion of value relates to sale by a willing seller to a willing buyer as of the date of valuation, each having similar information and neither being forced by other circumstances to sell or to buy. Consequently, the opinion is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

In considering the estimates of value evidenced by the appraisal, it should be noted that the appraisal is based upon a number of standard and special assumptions which affect the estimates as to value, in addition to hypothetical conditions, as set forth in the Appraisal (see APPENDIX B hereto). Some of the improvements to be financed by the Bonds were not in place as of the date of inspection; thus, the value estimate is subject to a hypothetical condition (of such improvements being in place)

In addition, the opinion is a present opinion of the Appraiser as of the indicated date of value. It is based upon present facts and circumstances. Differing facts and circumstances may lead to differing opinions of value. The appraised market value is not evidence of future value because future facts and circumstances may differ significantly from the present.

No assurance can be given that any of the appraised property in Improvement Area No. 3 could be sold in a foreclosure for the estimated market value contained in the Appraisal. Such sale is the primary remedy available to Bondowners if that property should become delinquent in the payment of Special Taxes.

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within Improvement Area No. 3.

Limitation on Maximum Annual Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate 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 funds, will not be sufficient to pay debt service on the Bonds.

In addition to the maximum annual Special Tax rate limitation in the Rate and Method, Section 53321(d) of the Mello-Roos Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such fiscal year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels in Improvement Area No. 3 subject to a Special Tax and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels in Improvement Area No. 3 subject to a Special Tax and their proportionate share of debt service on the Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels in Improvement Area No. 3 subject to a Special Tax could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See “—Property Tax Delinquencies” below.

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally 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 in “SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure” and in the Mello-Roos Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under 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.

If 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 City of the proceeds of sale if the Reserve Fund is depleted. See “SECURITY

FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure.”

The ability of the City to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”) has or obtains an interest. The FDIC would obtain such an interest by taking over a financial institution that has made a loan that is secured by property within Improvement Area No. 3. See “ – FDIC/Federal Government Interests in Properties” below.

Other laws generally affecting creditors’ rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Overlapping Tax Districts. The land in Improvement Area No. 3 is also located within the boundaries of various local agencies that could issue debt in the future payable from special taxes or other amounts levied on the parcels in Improvement Area No. 3; this would decrease the value to lien ratios of parcels in Improvement Area No. 3.

Property Tax Delinquencies

General. Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the County in a timely manner, including situations in which the County initially sent property tax bills to the property developer or merchant builder at a time when the parcels in question had already been sold to individual homeowners. Delinquencies can also reflect economic difficulties and duress by the property owner.

Numerous future delinquencies by the owners of Taxable Property in Improvement Area No. 3 in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax Revenues necessary to pay debt service on the Bonds, which could in turn result in the depletion of the Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that event, there could be a delay or failure in payments of the principal of and interest on the Bonds. See “SECURITY FOR THE BONDS – Reserve Fund,” and “SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure.”

The City intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see “SECURITY FOR THE BONDS – Delinquent Payments of Special Tax; Covenant for Superior Court Foreclosure”); and increasing the levy of Special Taxes against non-delinquent property owners in Improvement Area No. 3, to the extent permitted under the Rate and Method and the Mello-Roos Act and to the extent the Special Taxes are not already being levied at the Maximum Annual Special Tax rate.

Any future decline in home values in Improvement Area No. 3 could result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the City to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

Property Values and Risks Related to Development

The value of the taxable property within Improvement Area No. 3 is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the City may bring an action to foreclose on the delinquent property in an attempt to obtain funds with which to pay debt service on the Bonds. Land development and land values could be adversely affected by economic and other factors beyond the City's control, such as: a general economic downturn; adverse judgments in future litigation that could affect the scope, timing or viability of development; relocation of employers out of the area; stricter land use regulations; shortages of water, electricity, natural gas or other utilities; destruction of property caused by earthquake, flood or other natural disasters; environmental pollution or contamination.

The Appraisal information included as APPENDIX B sets forth certain assumptions of the Appraiser in estimating the market value of the property within Improvement Area No. 3 as of the date indicated. No assurance can be given that the land values are accurate if these assumptions are incorrect or that the values will not decline in the future if one or more events, such as natural disasters or adverse economic conditions, occur. See "Appraised Values" above.

Neither the City nor the Underwriter has evaluated development risks. Since these are largely business risks of the type that property owners customarily evaluate individually, and inasmuch as changes in land ownership may well mean changes in the evaluation with respect to any particular parcel, the City is issuing the Bonds without regard to any such evaluation. Thus, the issuance of the Bonds in no way implies that the City or the Underwriter has evaluated these risks or the reasonableness of these risks. The following is a discussion of specific risk factors that could affect the timing or scope of property development in Improvement Area No. 3 or the value of property in Improvement Area No. 3.

Land Development. Land values are influenced by the level of development in the area in many respects.

First, undeveloped or partially developed land is generally less valuable than developed land and provides less security to the owners of the Bonds should it be necessary for the City to foreclose on undeveloped or partially developed property due to the nonpayment of Special Taxes.

Second, failure to complete development on a timely basis could adversely affect the land values of those parcels that have been completed. Lower land values would result in less security for the payment of principal of and interest on the Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of the Special Tax. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3 – Value to Special Tax Burden Ratios." No assurance can be given that the proposed development within Improvement Area No. 3 will be completed, and in assessing the investment quality of the Bonds, prospective purchasers should evaluate the risks of noncompletion.

The Master Developer does not provide any assurances to the City that the project will be developed or that sources of financing that will actually be available will be sufficient to complete the currently projected development. The Master Developer does not have any obligation to the City or to owners of the Bonds to complete the project overall or particular developments therein.

Risks of Real Estate Investment Generally. Continuing development of land within Improvement Area No. 3 may be adversely affected by changes in general or local economic conditions, fluctuations in the real estate market, increased construction costs, development, financing and marketing capabilities of individual property owners, water or electricity shortages, and other similar factors. Development in Improvement Area No. 3 may also be affected by development in surrounding areas, which may compete with development in Improvement Area No. 3. In addition, land development operations are subject to comprehensive federal, state and local regulations, including environmental, land use, zoning and building requirements. There can be no assurance that proposed land development operations within Improvement Area No. 3 will not be adversely affected by future government policies, including, but not limited to, governmental policies to restrict or control development, or future growth control initiatives. There can be no assurance that land development operations within Improvement Area No. 3 will not be adversely affected by these risks.

Natural Disasters. The value of the parcels in Improvement Area No. 3 in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in Improvement Area No. 3 and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding Improvement Area No. 3, like those in much of California, may be subject to earthquakes or other unpredictable seismic activity, however, Improvement Area No. 3 is not located in a seismic special studies zone.

Other natural disasters could include, without limitation, landslides, floods, droughts, wildfires or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. Although the land in Improvement Area No. 3 is not in a high-risk area (or a special fire hazard severity zone) for wildfires, landslides, floods, or tornadoes, natural disasters such as these are unpredictable and may occur anywhere throughout the State, with devastating consequences. 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 there could be significant delinquencies in the payment of Special Taxes, and the value of the parcels may well depreciate.

Drought. California has been subject to droughts from time-to-time in the past. Although the City does not believe any future drought would impact development in Improvement Area No. 3, no assurances can be given in this regard.

Legal Requirements. Other events that may affect the value of a parcel include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures. Development in Improvement Area No. 3 may also be adversely affected by the application of laws protecting endangered or threatened species.

Hazardous Substances. Any discovery of a hazardous substance detected on property within Improvement Area No. 3 would affect the marketability and the value of some or all of the property in Improvement Area No. 3. In that event, the owners and operators of a parcel within Improvement Area No. 3 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. California laws with regard to hazardous substances are also applicable to property within Improvement Area No. 3 and are as stringent as the federal laws. 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 be contaminated 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.

The values set forth in the Appraisal do not take into account the possible reduction in marketability and value of any of the parcels within Improvement Area No. 3 by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition on a parcel. Although the City is not aware that the owner (or operator) of any of the property within Improvement Area No. 3 has a current liability for a hazardous substance with respect to any of the parcels, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within Improvement Area No. 3 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 Improvement Area No. 3 that is realizable upon a foreclosure sale.

Endangered and Threatened Species. It is illegal to harm or disturb any plants or animals in their habitat that have been listed as endangered species by the United States Fish & Wildlife Service under the Federal Endangered Species Act or by the California Fish & Game Commission under the California Endangered Species Act without a permit. Although the Master Developer believes that no federally listed endangered or threatened species would be affected by the proposed development within Improvement Area No. 3, other than any that are

permitted by the entitlements already received (which allow for the impact of development and specify the mitigation required), the discovery of an endangered plant or animal could delay development of vacant property in Improvement Area No. 3 or reduce the value of undeveloped property.

Future Property Development

Continuing development of the parcels in Improvement Area No. 3 may be adversely affected by changes in general or local economic conditions, new legislation, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing and marketing capabilities of the developer, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, changes in law, and other similar factors. Development in Improvement Area No. 3 may also be affected by development in surrounding areas, which may compete with the property in Improvement Area No. 3.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 3 –Priority of Lien" shows the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels in Improvement Area No. 3 subject to a Special Tax. The table also states the additional amount of general obligation bonds the tax for which, if and when issued, may become an obligation of one or more of the parcels in Improvement Area No. 3 subject to a Special Tax. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels in Improvement Area No. 3 subject to a Special Tax.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels in Improvement Area No. 3 subject to a Special Tax and may be secured by a lien on a parity with the lien of the Special Tax securing the Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See "– Bankruptcy Delays" below.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Mello-Roos Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within Improvement Area No. 3 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. See "SECURITY FOR THE BONDS – Rate and Method."

In addition, although the Mello- Roos Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Mello- Roos Act have not been tested, meaning that such property could become exempt from the Special Tax. The Mello- Roos Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

FDIC/Federal Government Interests in Properties

General. The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the FDIC, the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding."

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes 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 City 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 a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, 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.

The City has not 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, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within Improvement Area No. 3 is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the City 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 "**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 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 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 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 Rate and Method which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from special taxes levied under the Act.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within Improvement Area No. 3 in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Depletion of the Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement as defined in the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS – Reserve

Fund.” The Reserve Fund will be used to pay principal of and interest on the Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within Improvement Area No. 3. If the Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the owners of the Bonds under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the annual Maximum Annual Special Tax rates, it is possible that no replenishment would be achieved if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Bankruptcy Delays

The payment of the Special Tax and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY FOR THE BONDS,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. 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 Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, 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 Special Taxes not being paid in full.

To the extent that property in Improvement Area No. 3 continues to be owned by a limited number of property owners, the chances are increased that the 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 Reserve Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the Bonds on a timely basis.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on that property. The court upheld the priority of unpaid *ad valorem* taxes imposed before the bankruptcy petition (the “pre-petition taxes”), but unpaid taxes imposed after the filing of the bankruptcy petition (“post-petition taxes”) were declared to

be unsecured “administrative expenses” of the bankruptcy estate, and were therefore held to be payable from the bankruptcy estate only after payment of all secured creditors. As a result, the secured creditor of the property was able to foreclose on the property and retain all of the proceeds of the sale except for the amount of the pre-petition taxes.

According to the court’s ruling, as administrative expenses, post-petition taxes would have to be paid, but only if the debtor had sufficient assets not subject to other perfected security interests to do so. In certain circumstances, payment of such administrative expenses may also be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would at that time again become subject to and would secure liens for then current and future *ad valorem* taxes.

Glasply was controlling precedent on bankruptcy courts in the State of California for several years subsequent to the date of the Ninth Circuit’s holding. Pursuant to state law, the lien date for general *ad valorem* property taxes levied in the State of California is the January 1 preceding the fiscal year for which the taxes are levied. Under the *Glasply* holding, a bankruptcy petition filing would have prevented the lien for general *ad valorem* property taxes levied in fiscal years subsequent to the filing of a bankruptcy petition from attaching and becoming a lien so long as the property was a part of the estate in bankruptcy. However, the *Glasply* holding was for the most part subsequently rendered inoperative with respect to the imposition of a lien for and the collection of *ad valorem* taxes by amendments to the federal Bankruptcy Code (Title 11 U.S.C.) which were part of the Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) passed by Congress during the later part of 1994. The Bankruptcy Reform Act added a provision to the automatic stay section of the Bankruptcy Code which, pursuant to Section 362(b)(18) thereof, excepts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state, if such tax comes due after the filing of the petition” by a debtor in bankruptcy court. The effect of this provision is to continue the secured interest of *ad valorem* taxes on real property (i.e., post-petition taxes) in effect during the period following the filing of a bankruptcy petition, including during the period bankruptcy proceedings are pending.

Without further clarification by the courts or Congress, the original rationale of the *Glasply* holding could, however, still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings. This treatment might result from the fact that, although the lien of special taxes is of record from the date of the filing of a Notice of Special Tax Lien, the actual special tax is levied annually. As noted above, special taxes have a different lien date than the lien date for general *ad valorem* taxes in the State of California noted above. The lien of a Mello-Roos special tax attaches upon recordation of the notice of the special tax lien, as provided for in Section 53328.3 of the Act, as opposed to the annual January 1 lien date for general *ad valorem* taxes. Thus, in deciding whether the original *Glasply* ruling is applicable to a bankruptcy proceeding involving special taxes rather than general *ad valorem* property taxes, a court might consider the differences in the statutory provisions for creation of the applicable tax lien (general *ad valorem* or special tax) in determining whether there is a basis for post petition special taxes to be entitled to a lien on the property during pending bankruptcy proceedings. If a court were to apply *Glasply* to eliminate the priority of the special tax lien as a secured claim against property with respect to post-petition levies of the Special Taxes made against property owners within Improvement Area No. 3 who file for bankruptcy, collections of the Special Taxes from such property owners could be reduced as the result of being treated as “administrative expenses” of the bankruptcy estate. Also, and most importantly, is the fact that the original holding in *Glasply* and the mitigation of that holding by the Bankruptcy Reform Act of 1994 both

appear to be applicable only to general *ad valorem* taxes, and, therefore, the exemption from the automatic stay in Section 362(b)(18) discussed above may not be applicable to special taxes since they were not expressly mentioned or provided for in this section, nor defined to be included within the term “*ad valorem* taxes.”

Disclosure to Future Purchasers

The City has recorded a notice of the Special Tax lien in the Office of the County Recorder. 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 or a home in Improvement Area No. 3 or the lending of money secured by property in Improvement Area No. 3. The Mello-Roos Act and the City's Mello-Roos Act Goals and Policies require the subdivider of a subdivision (or its agent or representative) 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. California 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 these 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 when due.

No Acceleration Provisions

The Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bondowner is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. So long as the Bonds are in book-entry form, DTC will be the sole Bondowner and will be entitled to exercise all rights and remedies of Bondholders, in accordance with its procedures and rules.

Loss of Tax Exemption

As discussed under the caption “TAX MATTERS,” interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to become includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional redemption, mandatory sinking fund redemption or special mandatory redemption upon prepayment of the Special Taxes. See “THE BONDS – Redemption.”

From time to time, legislative proposals are made to terminate tax-exempt municipal bond programs and no prediction can be made as to the eventual outcome of such proposals. 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, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bondowners from realizing the full current benefit of the tax status of such interest. In such event the City and the District would have no obligation to bondholders for adverse consequences.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of such Bonds might be affected as a result of such an audit (or by an audit of similar bonds or securities).

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the City. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

Proposition 218 – Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Special Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote.

The Special Taxes and the bond authorization for Improvement Area No. 3 were each authorized by not less than a two-thirds vote of the landowners within Improvement Area No. 3 who constituted the qualified electors at the time of such voted authorization. The City believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Case Law Related to the Mello-Roos Act Voting

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego. The CCFD is a financing district established under the City’s charter (the “Charter”) and was intended to function much like a community facilities district established under the Mello-Roos Act. The CCFD was comprised of all of the real property in the entire City. However, the CCFD special tax was to be levied only on properties in the CCFD that were improved with a hotel.

At the election to authorize the CCFD special tax, the CCFD proceedings limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel was located. Registered voters in the City of San Diego were not permitted to vote. This definition of 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 community facilities district whose property would be subject to the special tax.

The *San Diego* Court held that the CCFD special tax election did not comply with the City’s Charter and with applicable provisions of the California Constitution -- specifically Article XIII A, section 4 (“Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district...”) and Article XIIC, section 2(d) (“No local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote.”) -- because the electors in the CCFD election should have been the registered voters residing within the CCFD (the boundaries of which were coterminous with the boundaries of the City of San Diego).

As to Improvement Area No. 3, there were fewer than 12 registered voters within Improvement Area No. 3 at the time of the election to authorize the Special Taxes. Significantly, the *San Diego* Court expressly stated that it was not addressing the validity of a landowner election to impose special taxes on residential property pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters. Therefore, by its terms, the *San Diego* Court’s holding does not apply to the special tax election in Improvement Area No. 3.

Moreover, Sections 53341 and 53359 of the Act establish a limited period of time in which special taxes levied under the Mello-Roos Act may be challenged by a third party:

53341. Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to [the Mello-Roos Act] shall be commenced within 30 days after the special tax is approved by the voters....

53359. An action to determine the validity of bonds issued pursuant to [the Mello-Roos Act] or the validity of any special taxes levied pursuant to [the Mello-Roos Act] ... shall be commenced within 30 days after the voters approve the issuance of the bonds or the special tax ...

Section 53326(b) of the Mello-Roos Act defines the authorized voters for an election in which the special taxes will be levied on residential property: “Except as otherwise provided in subdivision (c), if at least 12 persons, who need not necessarily be the same 12 persons, have

been registered to vote within the territory of the proposed community facilities district for each of the 90 days preceding the close of the protest hearing, the vote shall be by the registered voters of the proposed district, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each person who is the owner of land at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed community facilities district not exempt from the special tax....”

Landowner voters approved the Special Taxes and the issuance of bonds for Improvement Area No. 3 in compliance with all applicable requirements of the Mello-Roos Act and, pursuant to Sections 53341 and 53359 of the Mello-Roos Act, the statute of limitations period to challenge the validity of the special tax has expired. Because the *San Diego* Court expressly stated that it did not consider the facts presented by Improvement Area No. 3 and the District, and because the period for challenging the Special Taxes has passed, the City believes the Special Taxes are valid and cannot be challenged.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the IRS, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any IRS audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

Pandemic Diseases

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

Taxpayer assistance measures may include deferral of due dates of property taxes, which was an assistance program during the COVID-19 pandemic, and with or without a deferral some taxpayers may be unable to make their property and Special Tax payments. No assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Special Taxes. In addition, home values may be affected by a reduction in demand stemming from personal finances, or general widespread economic circumstances resulting from pandemic diseases.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private

or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or Improvement Area No. 3, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the dissemination agent. No assurance can be given that the City, Improvement Area No. 3 and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Potential Early Redemption of Bonds from Prepayments

Property owners within Improvement Area No. 3, including the JV Entity and individual homeowners, are permitted to prepay their Special Tax obligation 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 prepayments will result in a redemption of the Bonds on the interest payment date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds.

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS

Article XIII A of the California Constitution, commonly known as “**Proposition 13**,” provides that each county will levy the maximum *ad valorem* property tax permitted by Proposition 13 and will distribute the proceeds to local agencies in accordance with an allocation formula based in part on pre-Proposition 13 *ad valorem* property tax rates levied by local agencies.

Article XIII A limits the maximum *ad valorem* tax on real property to 1% of “full cash value,” which is defined as the County Assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect increases of no more than 2% per year or decreases in the consumer price index or comparable local data, or declining property value caused by damage, destruction or other factors.

Article XIII A exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and requires a vote of two-thirds of the qualified electorate to impose Special Taxes or any additional *ad valorem*, sales, or transaction taxes on real property. In addition, Article XIII A requires the approval of two-thirds of all members of the State Legislature to change any State laws resulting in increased tax revenues. On June 3, 1986, California voters approved an amendment to Article XIII A of the California Constitution to allow local governments and school districts to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. If any such voter-approved debt is issued, it may be on a parity with the lien of the Special Tax on the parcels within Improvement Area No. 3.

State and local government agencies in the State, and the State itself are subject to annual appropriation limits, imposed by Article XIII B of the State Constitution. Article XIII B prohibits government agencies and the State from spending “appropriations subject to limitation” in excess of the appropriations limits imposed. “Appropriations subject to limitation” are authorizations to spend “proceeds of taxes,” which consist of tax revenues, certain state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed the cost reasonably borne by such entity in providing the regulation, product or service. No limit is imposed on appropriations of funds which are not “proceeds of taxes” such as debt service on indebtedness existing or authorized before January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, reasonable user charges or fees and certain other non-tax funds.

LEGAL MATTERS

Legal Opinion

The legal opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, approving the validity of the Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX E. Jones Hall LLP also serves as Disclosure Counsel to the City. Meyers Nave, A Professional Law Corporation, Sacramento, California, will pass upon certain legal matters for the City as its City Attorney. Kutak Rock LLP, Irvine, California, is serving as counsel to the Underwriter.

No Litigation

At the time of delivery of the Bonds, the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the City has been served with process or threatened, which (i) in any way questions the powers of the City Council or the City, (ii) in any way questions the validity of any proceeding taken by the City Council in connection with the issuance of the Bonds, (iii) wherein an unfavorable decision, ruling or finding could have a material adverse effect on the transactions contemplated by the purchase contract with respect to the Bonds, (iv) which, in any way, could adversely affect the validity or enforceability of the resolutions of the City Council adopted in connection with the formation of the District or Improvement Area No. 3, or the issuance of the Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Agreement or the purchase contract with respect to the Bonds, (v) to the knowledge of the City, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes, or (vi) in any other way questions the status of the Bonds under State tax laws or regulations.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such 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 purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be

subject, directly or indirectly, 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, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

CONTINUING DISCLOSURE

The City

The City has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to Improvement Area No. 3 by not later than nine months after the end of the City's fiscal year (presently June 30) in each year (the "**City Annual Report**") commencing with its report for Fiscal Year 2024-25 (due by April 1, 2026) and to provide notices of the occurrence of certain enumerated events; provided, the first City Annual Report may be satisfied solely with the City's audited financial statements for such period.

The City Annual Report and notices of listed events will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City is summarized in "APPENDIX F – Form of Continuing Disclosure Undertakings."

A review of the City's compliance with prior continuing disclosure undertakings in the last five years indicates that the City has been in material compliance during such period. The City retains Goodwin Consulting Group, Inc. to serve as dissemination agent with respect to the filings to be made with respect to the Bonds and its other undertakings under the Rule.

JV Entity

The JV Entity is not an obligated party under the Rule but has voluntarily agreed to provide semi-annual continuing disclosure for the benefit of Bondowners. The JV Entity will enter into a Continuing Disclosure Certificate (Developer) covenanting to provide certain information regarding the development of the lots in Improvement Area No. 3 and notice of certain material events as they occur until such time as the JV Entity together with K. Hovnanian and HCA, own [] or less taxable parcels in Improvement Area No. 3.

K. Hovnanian, as the managing member of the JV Entity, will assist in preparing the semi-annual reports. This is the first continuing disclosure undertaking by the JV Entity. K. Hovnanian represents that to the Actual Knowledge of K. Hovnanian, K. Hovnanian is not aware of any material failures by it within the past five years to comply with previous undertakings to provide continuing disclosure reports or notices of certain listed material events with respect to community facilities districts or assessment districts in California.

NO RATING

The City has not obtained a formal credit rating on the Bonds and does not anticipate obtaining one on the Bonds in the future. Prospective purchasers of the Bonds are required to make independent determinations as to the credit quality of the Bonds and their appropriateness as an investment.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co., as underwriter (the “Underwriter”), at a purchase price of \$_____ (which represents the aggregate principal amount of the Bonds (\$_____), [plus/minus][net] original issue [premium/discount] of \$_____, and less an Underwriter’s discount of \$_____).

The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

CONTINGENT FEES

In connection with the issuance of the Bonds, some or all of the fees or other compensation payable to the City and certain professionals involved with the offering of the Bonds is contingent upon the issuance and delivery of the Bonds. Those entities include:

- The City, as the issuer;
- Piper Sandler & Co., as the Underwriter;
- Jones Hall LLP, as Bond Counsel and Disclosure Counsel;
- Kutak Rock LLP, as Underwriter’s Counsel;
- Goodwin Consulting Group, Inc., as Special Tax Consultant;
- NHA Advisors, LLC, as Municipal Advisor; and

- U.S. Bank Trust Company, National Association, as Fiscal Agent.

EXECUTION

The execution and delivery of the Official Statement by the City has been duly authorized by the City Council, acting as the legislative body of the District and Improvement Area No. 3.

CITY OF RANCHO CORDOVA

By: _____
Administrative Services Director

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B
THE APPRAISAL

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

APPENDIX D

**SACRAMENTO COUNTY AND CITY OF RANCHO CORDOVA
DEMOGRAPHIC INFORMATION**

The following information concerning the City of Rancho Cordova (the “City”) and the County of Sacramento (the “County”) is included only for the purpose of supplying general information regarding the area of the City and County. The Bonds are not a debt of the City, the County, the State of California (the “State”) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The City. The City was incorporated on July 1, 2003, is located in the northeastern portion of the County, 10 miles east of downtown Sacramento and 90 miles northeast of San Francisco. Organized as a General Law City under State law, the City operates under the Council-Manager form of government with five members elected to the Council, one of which serves as mayor for a year.

The County. The County was incorporated in 1850 as one of the original 27 counties of the State. The County’s largest city, the City of Sacramento serves as the seat of government for both the County and the State. Sacramento became the State Capital in 1854. The County is the major component of the Sacramento Metropolitan Statistical Area (“**SMSA**”), which includes Sacramento, El Dorado, and Placer Counties.

The County encompasses approximately 994 square miles in the northern portion of the Central Valley, which is California’s prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of the County has direct access to San Francisco Bay.

Population

The following table lists population estimates for the City, the County and the State for the last five calendar years, as of January 1, 2025.

**CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO
AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2021 through 2025, as of January 1**

<u>Calendar Year</u>	<u>City of Rancho Cordova</u>	<u>County of Sacramento</u>	<u>State of California</u>
2021	79,712	1,581,162	39,369,530
2022	80,554	1,577,672	39,179,680
2023	81,851	1,583,676	39,228,444
2024	82,837	1,596,281	39,420,663
2025	85,451	1,604,745	39,529,101

Source: State Department of Finance.

Employment and Industry

The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 3.9 percent in May 2025, down from a revised 4.0 percent in April 2025, and above the year-ago estimate of 3.6 percent. This compares with an unadjusted unemployment rate of 4.9 percent for California and 4.0 percent for the nation during the same period. The unemployment rate was 6.4 percent in San Benito County, and 3.8 percent in Santa Clara County.

The table below provides information about employment rates and employment by industry type for the Sacramento MSA (which includes Sacramento, Placer, Yolo and El Dorado Counties) for the calendar years 2019 through 2023.

SACRAMENTO-ARDEN ARCADE-ROSEVILLE MSA (El Dorado, Placer, Sacramento, Yolo Counties) Employment by Industry (March 2023 Benchmark)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Civilian Labor Force ⁽¹⁾	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 ⁽²⁾					
Agriculture	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
Educational 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 ⁽³⁾	1,031,200	979,800	1,021,900	1,065,400	1,083,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Annual Comprehensive Financial Report for fiscal year ending June 30, 2024.

CITY OF RANCHO CORDOVA
Principal Employers
As of June 2024

Employer	Number of Employees	Percent of Total Employment
VSP Global	1,600	3.32%
Franklin Templeton	1,200	2.49
Cordova Folsom Unified School District	1,017	2.11
Accentcare Home Health	727	1.51
Health Net Federal Services	700	1.45
The Permanente Medical Group	559	1.16
Kaiser Foundation Hospitals	497	1.03
Plexus Optix, Inc	428	0.89
Nidec Motor Corporation	400	0.83
Automotive Importing Manufacturing	303	0.63

Source: City of Rancho Cordova, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Major Employers

The following table lists the major employers within the County as of July 2025, in alphabetical order.

COUNTY OF SACRAMENTO
Major Employers
As of July 2025

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
Agreeya Solutions Inc	Folsom	Information Technology Services
Ampac Fine Chemicals LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs
Apple Distribution Ctr	Elk Grove	Distribution Centers (whls)
California State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic
Colliers International Ltd	Sacramento	Real Estate
Department-Corrections-Rehab	Sacramento	State Govt-Correctional Institutions
Disabled American Veterans	Sacramento	Veterans' & Military Organizations
Division of Fiscal Svc	Sacramento	Services NEC
Employment Development Dept	Sacramento	Outplacement Consultants
Environmental Protection Agcy	Sacramento	State Government-Air/Water/Solid Waste Manage
Intel Corp	Folsom	Semiconductor Devices (mfrs)
Kaiser Permanente South	Sacramento	Hospitals
L A Care Health Plan	Sacramento	Health Plans
Mercy General Hospital	Sacramento	Hospitals
Mercy San Juan Medical Ctr	Carmichael	Hospitals
Sacramento Bee	Sacramento	Newspapers (publishers/Mfrs)
Sacramento Municipal Utility	Sacramento	Utility Contractors
Sacramento Municipal Utility	Sacramento	Electric Contractors
Securitas Security Svc USA	Sacramento	Security Guard & Patrol Service
State Compensation Ins Fund	Sacramento	Insurance
Summit Funding Inc	Sacramento	Real Estate Loans
Sutter Medical Ctr-Sacramento	Sacramento	Hospitals
Villara	McClellan	Building Contractors
Water Resource Dept	Sacramento	Government Offices-State

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2021 through 2025.

**CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, THE STATE OF CALIFORNIA
AND THE UNITED STATES
Effective Buying Income
As of January 1, 2021 through 2025**

Year	Area	Total Effective Buying Income (000s' Omitted)	Median Household Effective Buying Income
2021	City of Rancho Cordova	\$2,040,016	\$62,867
	County of Sacramento	45,067,224	62,945
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Rancho Cordova	\$2,246,178	\$68,685
	County of Sacramento	51,287,459	70,279
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Rancho Cordova	\$2,533,621	\$71,022
	County of Sacramento	51,865,551	70,001
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Rancho Cordova	\$2,710,561	\$78,751
	County of Sacramento	55,595,639	76,261
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Rancho Cordova	\$2,846,188	\$80,412
	County of Sacramento	56,462,729	77,174
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during the first quarter of calendar year 2025 in the City were reported to be \$452,967,090, a 4.24% decrease from the total taxable sales of \$473,030,269 reported during the first quarter of calendar year 2024.

CITY OF RANCHO CORDOVA
Taxable Transactions
(Dollars in Thousands)

	Retail and Food Services Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	1,512	\$1,089,203	2,788	\$1,655,571
2021	1,404	1,341,515	2,597	1,983,873
2022	1,429	1,390,475	2,682	2,171,811
2023	1,400	1,376,732	2,634	2,109,504
2024	1,420	1,395,249	2,692	2,058,816

Source: California Department of Tax and Fee Administration

Total taxable sales during the first quarter of calendar year 2025 in the County were reported to be \$8,440,473,077, a 2.92% increase over the total taxable sales of \$8,201,342,505 reported during the first quarter of calendar year 2024.

COUNTY OF SACRAMENTO
Taxable Transactions
(Dollars in Thousands)

	Retail and Food Services Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2020	28,055	\$18,488,106	45,361	\$27,173,406
2021	25,936	23,795,032	42,482	33,918,020
2022	26,589	24,679,703	44,158	36,511,260
2023	25,913	24,289,157	43,252	35,778,877
2024	26,277	24,776,206	44,359	36,004,024

Source: California Department of Tax and Fee Administration

Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in the City and the County.

CITY OF RANCHO CORDOVA
Total Building Permit Valuations
(Dollars in Thousands)

<u>Permit Valuation</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
New Single-family	\$158,521.8	\$164,435.7	\$171,194.6	\$186,410.7	\$181,164.0
New Multi-family	0.0	0.0	0.0	<u>18,935.0</u>	<u>33,000.0</u>
Res. Alterations/Additions	<u>3,492.2</u>	<u>7,657.0</u>	<u>6,503.1</u>	<u>6,202.0</u>	<u>21,679.0</u>
Total Residential	162,014.0	172,092.7	177,697.7	211,547.7	235,843.0
New Commercial	2,320.7	28,635.4	2,672.0	12,093.0	4,191.0
New Industrial	366.0	0.0	0.0	2,030.0	0.0
New Other	1,336.2	2,150.6	5,970.7	11,624.9	50,216.0
Com. Alterations/Additions	<u>24,046.0</u>	<u>34,812.6</u>	<u>67,569.2</u>	<u>35,436.7</u>	<u>36,892.0</u>
Total Nonresidential	28,068.9	65,598.6	76,211.9	61,184.6	91,299.0
<u>New Dwelling Units</u>					
Single Family	561	575	552	620	602
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>149</u>	<u>331</u>
TOTAL	561	575	552	769	932

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SACRAMENTO
Total Building Permit Valuations
(Dollars in Thousands)

<u>Permit Valuation</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
New Single-family	\$1,108,399.9	\$1,008,391.7	\$1,310,379.5	\$1,183,213.4	\$1,408,893.4
New Multi-family	265,188.8	265,418.7	323,462.6	413,368.8	421,365.8
Res. Alterations/Additions	<u>293,210.5</u>	<u>262,864.6</u>	<u>276,570.4</u>	<u>373,409.6</u>	<u>332,233.2</u>
Total Residential	1,666,799.2	1,738,675.0	1,910,412.5	1,969,991.8	2,162,492.4
New Commercial	666,664.3	449,494.3	197,946.8	268,582.0	256,310.9
New Industrial	31,851.4	31,155.0	83,171.4	38,163.3	0.0
New Other	105,555.1	75,356.7	104,932.9	155,071.3	294,989.6
Com. Alterations/Additions	<u>700,604.0</u>	<u>335,458.0</u>	<u>320,447.6</u>	<u>432,950.0</u>	<u>569,570.4</u>
Total Nonresidential	1,504,674.8	891,464.0	706,498.7	894,766.6	1,120,870.9
<u>New Dwelling Units</u>					
Single Family	3,981	3,588	4,205	3,832	4,181
Multiple Family	<u>2,008</u>	<u>2,868</u>	<u>2,266</u>	<u>3,419</u>	<u>6,074</u>
TOTAL	5,989	6,456	6,471	7,251	10,255

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX E
FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95670

OPINION: \$_____ Improvement Area No. 3 of City of Rancho Cordova
The Ranch Community Facilities District No. 2021-1
Special Tax Bonds Series 2025

Members of the City Council:

We have acted as bond counsel to the City of Rancho Cordova (the "City") in connection with the delivery by the City of the above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, *et seq.* (the "Act"), and pursuant to a Fiscal Agent Agreement, dated October 1, 2025, by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent Agreement"). We have examined the Act, an executed copy of the Fiscal Agent Agreement and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The City is duly organized and existing under the laws of the State of California, with power to enter into the Fiscal Agent Agreement, to perform the agreements on its part contained therein, and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the City and are legal, valid and binding obligations of the City.
3. The Fiscal Agent Agreement has been duly approved by the City and constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms.
4. Pursuant to the Act, the Fiscal Agent Agreement establishes a valid lien on and pledge of the Special Tax Revenues (as defined in the Fiscal Agent Agreement) and the other sources pledged for the security of the Bonds.
5. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum

tax. It should be noted however that for tax years beginning after December 31, 2022, interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each of such requirements. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of delivery of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKINGS

CONTINUING DISCLOSURE CERTIFICATE
(City)

\$ _____
**IMPROVEMENT AREA NO. 3 OF
 CITY OF RANCHO CORDOVA
 THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
 SPECIAL TAX BONDS
 SERIES 2025**

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the City of Rancho Cordova, a public body, corporate and politic, organized and existing under and by virtue of the laws of the State of California (the “City”), in connection with the issuance of the bonds captioned above (the “Bonds”). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of October 1, 2025 (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City 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 above and in the Fiscal Agent 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 City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the City’s fiscal year (currently April 1 based on the City’s fiscal year end of June 30).

“*Dissemination Agent*” means Goodwin Consulting Group, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“*District*” means the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1.

“EMMA System” means the Electronic Municipal Market Access system of the MSRB or such other electronic system designated by the MSRB or the Securities and Exchange Commission for compliance with the Rule.

“Improvement Area No. 3” means Improvement Area No. 3 of the District.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the final official statement executed by the City in connection with the issuance of the Bonds.

“Participating Underwriter” means Piper Sandler & Co., as the initial underwriter 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 it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2026, with the report for the 2024-25 fiscal year, provide to the MSRB through the EMMA System an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate, provided, the first City Annual Report may be satisfied solely with the City's audited financial statements for such period. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. 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 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide in a timely manner to the MSRB through the EMMA System, in an electronic format as prescribed by the MSRB, a notice to such effect.

(c) The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the City, file a report with the City and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following documents and information:

(a) Audited Financial Statements 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 Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. This submission should be made with the following caveat:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY (OTHER THAN THE PROCEEDS OF THE SPECIAL TAXES LEVIED FOR IMPROVEMENT AREA NO. 3 AND SECURING THE BONDS) ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) The following additional items, indicating information as of the previous September 30th, with respect to the Bonds:

(1) Principal amount of Bonds outstanding under the Fiscal Agent Agreement.

(2) Balance in Reserve Fund.

(3) Table indicating Special Tax levy, amount collected, delinquent amount and percent delinquent for the most recent year, and whether the Special Tax levy is covered by the Teeter Plan.

(4) Status of foreclosure proceedings and summary of results of foreclosure sales, if any.

(5) Identity of any delinquent taxpayer representing more than 5% of levy and value-to-lien ratios of applicable properties (using assessed values unless more accurate information is available without charge to the City).

(6) Aggregate assessed value for all parcels in Improvement Area No. 3.

(7) Until the fiscal year in which the Special Tax levied on the developed property in Improvement Area No. 3 is greater than or equal to the annual debt service on the Bonds, the number of building permits issued by the City for single family residential homes in such fiscal year in Improvement Area No. 3.

(c) For so long as there is any owner of property in Improvement Area No. 3 whose properties collectively represent 10% or more of the Special Taxes, the following information regarding the status of development in Improvement Area No. 3:

(1) Significant amendments to land use entitlements.

(2) Status of any legislative, administrative and judicial challenges to the construction of the development known to the City.

(3) Assessed valuation of property shown on County Assessor's tax rolls with no "improvements" value in Improvement Area No. 3 for the current (as of the date of the report) fiscal year.

(4) List of landowners (as shown County Assessor's tax roll) and assessor's parcel number(s) of parcels held by owners whose properties collectively represent 10% or more of the Special Taxes for the current (as of the date of the report) fiscal year.

(d) In addition to any of the information expressly required to be provided under paragraphs (a), (b) and (c) of this Section, the Issuer 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 City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Rating Changes.
- (7) 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 status of the Bonds.

- (8) Modifications to rights of security holders, if material.
- (9) Bond calls, if material, and tender offers.
- (10) Defeasances.
- (11) Release, substitution, or sale of property securing repayment of the securities, if material.
- (12) Bankruptcy, insolvency, receivership or similar event of the City.
- (13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (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, if material.
- (14) Appointment of a successor or additional Fiscal Agent or the change of name of the Fiscal Agent, if material.
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for a definition of "financial obligation," see clause (e)).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for a definition of "financial obligation," see clause (e)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB through the EMMA System, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above 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 under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 City, or if such jurisdiction has been assumed by leaving the existing governing 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 City.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means 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 to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’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 City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City 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 Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Goodwin Consulting Group, Inc.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City 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 Sections 3(a), 4 or 5(a), 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 either (1) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (2) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders 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 first annual financial information filed pursuant hereto 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 information, in order to provide information to investors to enable them to evaluate the ability of the City 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 filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City 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 City 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 City 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 11. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate will be accompanied by identifying information as prescribed by the MSRB.

Section 12. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City 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 Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Fiscal Agent, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2025

CITY OF RANCHO CORDOVA for and on
behalf of CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES
DISTRICT NO. 2021-1

By: _____
Authorized Officer

AGREED AND ACCEPTED:
GOODWIN CONSULTING GROUP,
as Dissemination Agent

By: _____
Name: _____
Title: _____

**CONTINUING DISCLOSURE CERTIFICATE
(Developer)**

Relating to:

\$ _____
**IMPROVEMENT AREA NO. 3 OF
 CITY OF RANCHO CORDOVA
 THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
 SPECIAL TAX BONDS
 SERIES 2025**

THIS CONTINUING DISCLOSURE CERTIFICATE (Developer) (the “Disclosure Certificate”) dated as of _____, 2025, is executed and delivered by GTIS-HOV Holdings XVI LLC, a California limited liability company (the “Developer”) in connection with the issuance by the City of Rancho Cordova (the “City”) of the bonds captioned above (the “Bonds”). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of October 1, 2025 (the “Fiscal Agent Agreement”), by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”). The Developer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Developer for the benefit of the holders and beneficial owners of the Bonds.

Section 2. Definitions. In addition to the definitions set forth herein and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“Affiliate” means with respect to the Developer, K. Hovnanian and any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of Improvement Area No. 3 and investment decision regarding the Bonds (i.e., information regarding such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency). For purposes hereof, the term “control” (including the terms “controlling,” “controlled by” or “under common control with”) means the present possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. HCA is not an Affiliate of the Developer.

“Assumption Agreement” means an undertaking of a Major Owner, or an Affiliate thereof, for the benefit of the holders and beneficial owners of the Bonds containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to Improvement Area No. 3), whereby such Major Owner or Affiliate agrees to provide Periodic Reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in Improvement Area No. 3 owned by such Major Owner and its Affiliates and, at the option of the

Developer or such Major Owner, agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 11 hereof. As set forth in Section 6(b), the sale of property to a Major Owner shall not require the execution of an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the Bonds, and under which the property conveyed to such Major Owner will become subject to future Semi-Annual Reports.

“Developer” means GTIS-HOV Holdings XVI LLC, a California limited liability company.

“Dissemination Agent” means the entity acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Developer and which has filed with the Developer, the City, and the Participating Underwriter a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate. The Initial Dissemination Agent is the Developer.

“District” means the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

“HCA” means HCA Model Fund 2014-4 LLC, a Texas limited liability company.

“Improvement Area No. 3” means Improvement Area No. 3 of the District.

“K. Hovnanian” means K. Hovnanian at Jaeger Ranch, LLC, a California limited liability company.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“Major Owner” means, as of any date of determination, a Person that, together with the Person’s Affiliates, owns, or has under option, [] or more taxable parcels in Improvement Area No. 3. Neither K. Hovnanian nor HCA shall be considered a Major Owner.

“Official Statement” means the final official statement executed by the City in connection with the issuance of the Bonds.

“Participating Underwriter” means Piper Sandler & Co., the original underwriter of the Bonds.

“Periodic Report” means any Periodic Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Property” means the real property in Improvement Area No. 3 that is owned by (i) the Developer, (ii) HCA, (iii) K. Hovnanian, (iv) any Affiliate of the Developer, and (iii) the property in Improvement Area No. 3 that the Developer sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 6(b) that is owned by such Major Owner. For avoidance of doubt, any parcel that is exempt from the Special Taxes shall not be considered Property for purposes of this Disclosure Certificate.

“Report Date” means April 1 and October 1 of any fiscal year. If, in any year, the Report Date falls on a Saturday, Sunday, or a holiday, such Report Date shall be extended to the next following day that is not a Saturday, Sunday, or holiday.

“Special Taxes” means the special taxes levied on taxable property in Improvement Area No. 3.

Section 3. Provision of Periodic Reports.

(a) Until the obligations are terminated pursuant to Section 6, the Developer shall, or, upon written direction of the Developer the Dissemination Agent shall, not later than the Report Date, commencing April 1, 2026, file or cause to be filed with EMMA a Periodic Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Developer shall provide the Periodic Report to the Dissemination Agent (if different from the Developer). The Developer shall provide a written certification with (or included as a part of) each Periodic Report furnished to the Dissemination Agent (if different from the Developer), the Participating Underwriter and the City to the effect that such Periodic Report constitutes the Periodic Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter and the City may conclusively rely upon such certification of the Developer and shall have no duty or obligation to review the Periodic Report. The Periodic Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Periodic Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Developer that the Periodic Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Developer to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 6 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Developer does not provide, or cause the Dissemination Agent to provide, a Periodic Report to EMMA by the Report Date as required in subsection (a) above, the Dissemination Agent shall send a notice to EMMA in the format prescribed by the MSRB, with a copy to City and the Participating Underwriter.

(c) With respect to the Periodic Report, the Dissemination Agent shall, to the extent the Periodic Report has been furnished to it, file the Periodic Report with EMMA and file a report with the Developer (if the Dissemination Agent is other than the Developer), the City and the Participating Underwriter certifying that the Periodic Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to and filed with EMMA.

Section 4. Content of Periodic Reports. The Developer’s Periodic Report shall contain or incorporate by reference the information set forth in Exhibit A relating to the Developer, any

or all of which may be included by specific reference to other documents, including official statements of debt issues of the Developer or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from EMMA. The Developer shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit A, the Developer's Periodic Report shall include 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.

Section 5. Reporting of Significant Events.

(a) Until the obligations are terminated pursuant to Section 6, the Developer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Developer and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Developer that is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes on the Property or to sell or develop the Property;

(ii) failure to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property on or prior to the delinquency date to the extent such failure is not promptly cured by the Developer upon discovery thereof;

(iii) filing of a lawsuit of which the Developer is aware against the Developer or an Affiliate seeking damages, which is reasonably likely to have a significant impact on the Developer's ability to pay Special Taxes on the Property or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Developer on any loan secured by the Property or any loan with respect to the construction of improvements on the Property

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Developer determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Developer shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with EMMA, with a copy to the City and the Participating Underwriter.

Section 6. Duration of Reporting Obligation.

(a) All the Developer's obligations hereunder shall commence on the date hereof and terminate (except as provided in Section 11) on the earliest to occur of the following:

- (i) upon the legal defeasance, prior redemption or payment in full of all the Bonds, or
- (ii) at such time as the Developer is no longer a Major Owner, or
- (iii) the date on which the Developer prepays in full all of the Special Taxes attributable to the Property.

The Developer shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) The Developer's obligations hereunder shall terminate with respect to any portion of the Property on the date such portion of the Property is sold to a Person that is not a Major Owner or on the date that any portion of the Property is acquired by a foreclosing creditor and/or lender. If any portion of the Property is sold to a Major Owner, the Developer shall remain obligated hereunder with respect to such Property unless the obligations have been assumed by the Major Owner, pursuant to an Assumption Agreement. The Developer's obligations under this Disclosure Certificate with respect to a Major Owner (other than a foreclosing creditor and/or lender) that has not executed an Assumption Agreement shall terminate upon the earlier to occur of (i) the date on which the Developer's obligations with respect to such Major Owner are assumed under an Assumption Agreement entered into pursuant to this Section 6(b), or (ii) the date on which the Major Owner is no longer considered a Major Owner. The Developer shall provide a copy of the executed Assumption Agreement to the City and the Participating Underwriter. However, a Major Owner shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the Bonds, and under which the property conveyed to such Major Owner will become subject to future Semi-Annual Reports.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist the Developer 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 initial Dissemination Agent shall be the Developer. The Dissemination Agent may resign by providing thirty days' written notice to the City, the Participating Underwriter and the Developer.

Section 8. No Amendment. The Developer may not amend this Disclosure Certificate.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Developer 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 Periodic Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Developer chooses to include any information in any Periodic Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Developer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Periodic Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, the Participating Underwriter and any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole and exclusive remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance. Neither the Developer nor the Dissemination Agent shall have any liability to any holder or beneficial owner of the Bonds or any other party for monetary damages or financial liability of any kind whatsoever arising from or relating to this Disclosure Certificate.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Developer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents (each, an "Indemnified Party"), 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 reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding loss, liabilities, costs and expenses due to an Indemnified Party's negligence or willful misconduct or failure to perform its duties hereunder. The Dissemination Agent (if other than the Developer) shall be paid compensation for its services provided hereunder in accordance with its schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent (if other than the Developer) shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Developer, the Fiscal Agent, the Bond owners, or any other party. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by regular, overnight or electronic mail as follows:

To the Developer	GTIS-HOV Holdings XVI LLC, c/o K. Hovnanian at Jaeger Ranch, LLC 3721 Douglas Blvd., Suite 150 Roseville, CA 95661 Email: rsprague@KHOV.com
To the City:	City of Rancho Cordova Attn: CFD Administrator 2729 Prospect Park Drive Rancho Cordova, CA 95670 Email: Kjurran@cityofranchocordova.org _____mmingay@cityofranchocordova.org
To the Participating Underwriter:	Piper Sandler & Co. 3626 Fair Oaks Boulevard, Suite 100 Sacramento, CA 95864

Email: Dennis.McGuire@psc.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Developer (its successors and assigns), the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. All obligations of the Developer hereunder shall be assumed by any legal successor to the obligations of the Developer as a result of a sale, merger, consolidation or other reorganization.

Section 14. 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 Developer has executed this Disclosure Certificate as of the date first above written.

GTIS-HOV HOLDINGS XVI LLC,
a California limited liability company

By: K. HOVNANIAN AT JAEGER RANCH, LLC,
a California limited liability company
Its Managing Member

By: _____

Name: _____

Title: _____

EXHIBIT A
PERIODIC REPORT

Relating to:

\$ _____
IMPROVEMENT AREA NO. 3 OF
CITY OF RANCHO CORDOVA
THE RANCH COMMUNITY FACILITIES DISTRICT NO. 2021-1
SPECIAL TAX BONDS
SERIES 2025

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Developer) (the "Disclosure Certificate") dated _____, 2025 executed by GTIS-HOV Holdings XVI LLC, a California limited liability company (the "Developer") in connection with the issuance of special tax bonds by the City of Rancho Cordova (the "City") with respect to Improvement Area No. 3 of the City of Rancho Cordova The Ranch Community Facilities District No. 2021-1 (the "District").

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

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date this Periodic Report is due for filing with EMMA)

A. Property currently owned by the Developer or its Affiliates (if any), K. Hovnanian, or HCA in Improvement Area No. 3 (the "Property"):

Development name: _____

Number of lots (acreage if not subdivided): _____

B. Status of land development or construction activities:

C. Number of building permits pulled during the reporting period and the aggregate number of building permits for the Property developed by the Developer or an Affiliate (if any), and any significant amendments to land use or development entitlements:

D. Aggregate property sold, optioned or leased by the Developer or an Affiliate (if any) to end users or merchant builders:

Since the Reported Date of Information in the Official Statement Since the Last Periodic Report

Lots _____ Lots _____

E. Any updates to ownership of the Property as stated in the Official Statement, and any other changes in ownership, whether acquisition of land in Improvement Area No. 3 by the Developer or an Affiliate (if any), or sales of land in Improvement Area No. 3 to other property owners, distinguishing between (i) end users (e.g., single family homeowners), (ii) developers and (iii) merchant builders.

II. Legal and Financial Status of Developer

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any change in the legal structure of the Developer or the financial condition and financing plan of the Developer that would materially and adversely interfere with its ability to complete its development plan described in the Official Statement.

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any development plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan described in the Official Statement.

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Periodic Report, describe any other significant changes in the information relating to the Developer or the Property contained in the Official Statement under the heading "IMPROVEMENT AREA NO. 3 – Development in the District" that would materially and adversely interfere with the Developer's ability to develop and sell the Property as described in the Official Statement.

V. Other Material Information

In addition to any of the information expressly required above, 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.

Certification

The undersigned Developer hereby certifies that this Periodic Report constitutes the Periodic Report required to be furnished by the Developer under the Disclosure Certificate.

ANY STATEMENTS REGARDING THE DEVELOPER, THE DEVELOPMENT OF THE PROPERTY, THE DEVELOPER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE BONDS, OTHER THAN STATEMENTS MADE BY THE DEVELOPER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE DEVELOPER. THE DEVELOPER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

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

Dated: _____

GTIS-HOV HOLDINGS XVI LLC,
a California limited liability company

By: K. HOVNANIAN AT JAEGER RANCH, LLC,
a California limited liability company,
Its Managing Member

By: _____

Name: _____

Title: _____

APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

*Neither the issuer of the Bonds (the “**Issuer**”) nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the “**Agent**”) take any responsibility for the information contained in this Appendix.*

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of 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 Appendix. 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.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue 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 issue.

2. 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.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.

6. Redemption notices will be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner will give notice to elect to have its Securities purchased or tendered, through its Participant, to the Agent, and will effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

MEMORANDUM



ITEM 19.3.

DATE: September 2, 2025
TO: Honorable Mayor and Council Members
FROM: Stefan Heisler, Housing Manager
Maria Kniestedt, Communications and Public Affairs Director
SUBJECT: **PRESENTATION OF THE 2025 RESIDENT SATISFACTION SURVEY RESULTS**

RECOMMENDATION

Receive presentation of the results from the 2025 Resident Satisfaction Survey.

RESULT OF RECOMMENDED ACTION

Council will receive the results of the survey and provide feedback to staff.

BACKGROUND

In July 2025 the City of Rancho Cordova completed its ninth Resident Satisfaction Survey. The first Resident Satisfaction Survey was completed in 2006. These surveys are used to gauge resident opinions on the quality of life in the City of Rancho Cordova and satisfaction with the services provided by the City.

This is the fourth time it has been administered by consultant Dennis Tootelian Ph.D. Resident satisfaction surveys prior to 2018 were conducted by Godbe Research. In 2018, city staff decided to review past methodologies and questionnaires to streamline the survey, while maintaining the ability to compare the 2018 findings with those from the 2016 survey. With some minor modifications over the years, the 2025 survey closely mirrors the 2023, 2021, and 2018 surveys.

The 2025 biennial Resident Satisfaction Survey had the following scope:

- A questionnaire of 34 questions, mirroring the 2023, 2021, and 2018 surveys that were jointly developed by city staff and Dennis Tootelian, maintaining key metrics from previous surveys
- 350 residents over the age of 18 were surveyed by telephone (landlines and cell phones)
- The surveys occurred during the month of May 2025

The specific topics assessed were:

- Overall perceptions of living in Rancho Cordova

- Satisfaction with services offered by the City
- Satisfaction with customer service when contacting the City
- Public safety and the services provided by the Police Department
- Satisfaction with information provided by the City on its programs and services
- Sources of information used by residents to learn about City programs and services

The survey results will assist the City Council and staff in setting its strategic and budgetary priorities.

FISCAL IMPACT AND FUNDING SOURCE

The cost of this survey was a not to exceed \$28,250. There is no direct additional fiscal impact associated with this activity, except that the results of this survey may inform future policy and fiscal decisions.

ATTACHMENT(S)

1. Presentation



RANCHO CORDOVA BIENNIAL RESIDENT SATISFACTION SURVEY

September 2, 2025



Survey Goals

Overall Goal – to survey residents' views on how well City services meet residents' needs

In particular:

- Overall perceptions of living in Rancho Cordova
- Satisfaction with services offered by the City
- Satisfaction with customer service when contacting the City
- Public safety and the services provided by the Police Department
- Satisfaction with information provided by the City on its programs and services
- Sources of information used to learn about City programs and services

Sample size and population

- 350 residents over age 18
- Respondents reached by phone - both land lines and cell phones
- Surveys were conducted during May, 2025
- All comparisons are to the surveys in 2018, 2021, and 2023

Respondent Characteristics

<u>Gender</u>	<u>2025</u>	<u>2023</u>	<u>2021</u>	<u>2018</u>
Male	49%	51%	51%	44%
Female	51%	49%	49%	56%
<u>Age</u>				
65 and older	14%	13%	13%	38%
40 to 64	53%	51%	58%	32%
Under 40	33%	36%	29%	30%
<u>Income</u>				
Above \$100,000	47%	45%	38%	29%
\$76,000 to \$100,000	16%	17%	15%	25%
\$51,000 to \$75,000	18%	17%	25%	33%
Less than \$51,000	19%	21%	22%	13%

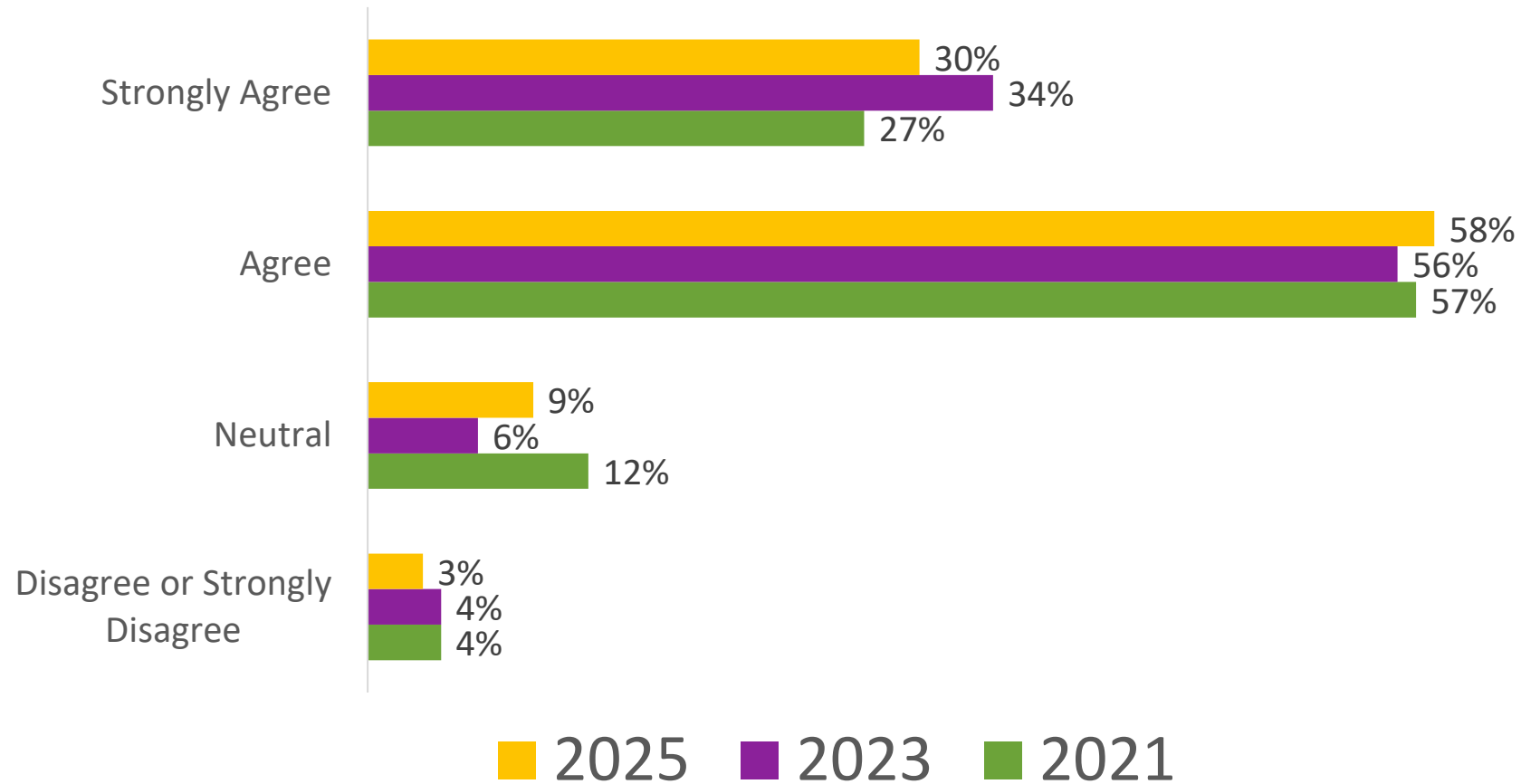
Respondent Characteristics

<u>Tenure</u>	<u>2025</u>	<u>2023</u>	<u>2021</u>	<u>2018</u>
Homeowners	76%	75%	78%	83%
Renters	24%	25%	22%	17%
<u>Years in RC</u>				
More than 20 years	27%	29%	26%	46%
6 to 20 years	44%	43%	60%	36%
5 years or less	29%	28%	14%	18%
<u>Race</u>				
Caucasian	52%	52%	58%	60%
Asian American	10%	10%	7%	14%
Latino/Hispanic	17%	16%	12%	13%
African American	10%	6%	6%	9%
Other/Mixed	11%	16%	17%	4%

Perceptions of Living in Rancho Cordova

Part 1 of 4

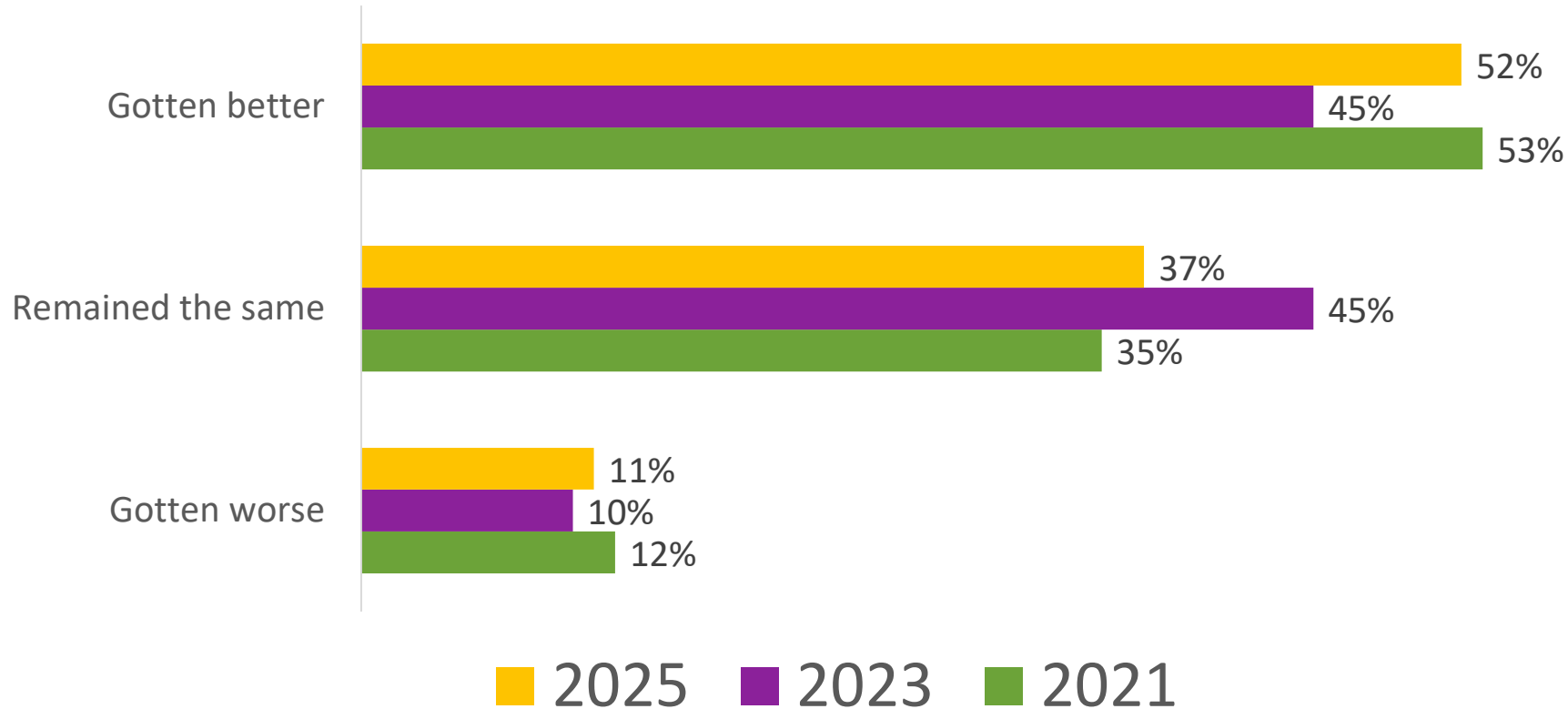
You can have a good quality of life living in Rancho Cordova.



Perceptions of Living in Rancho Cordova

Part 2 of 4

Has the image of Rancho Cordova gotten better in the last 2 years?

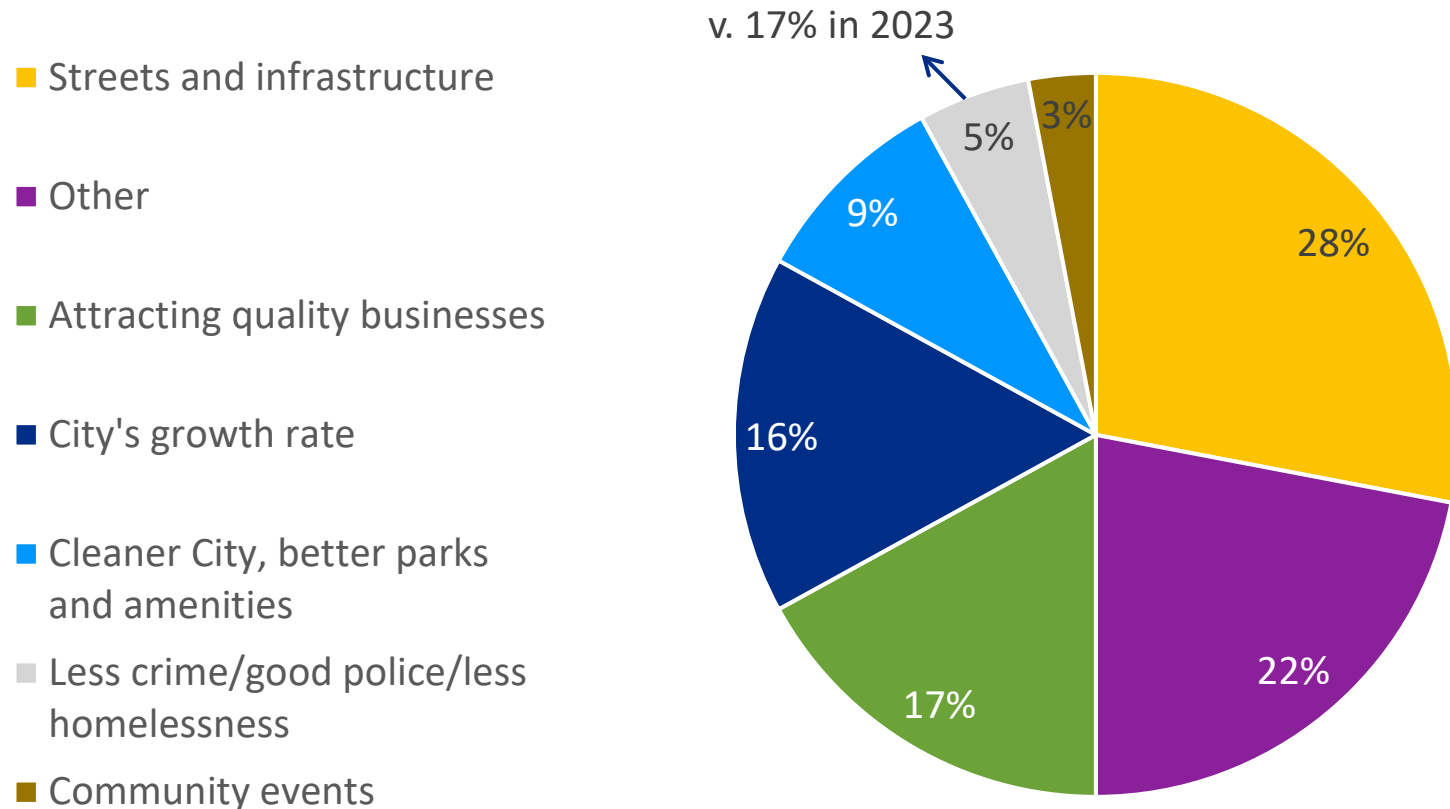


Perceptions of Living in Rancho Cordova

Part 3 of 4

What is the main reason you feel the image of the City has gotten **BETTER**?

(Of the **51%** of respondents saying image has gotten **better**, responses summarized into categories)



Comparisons:

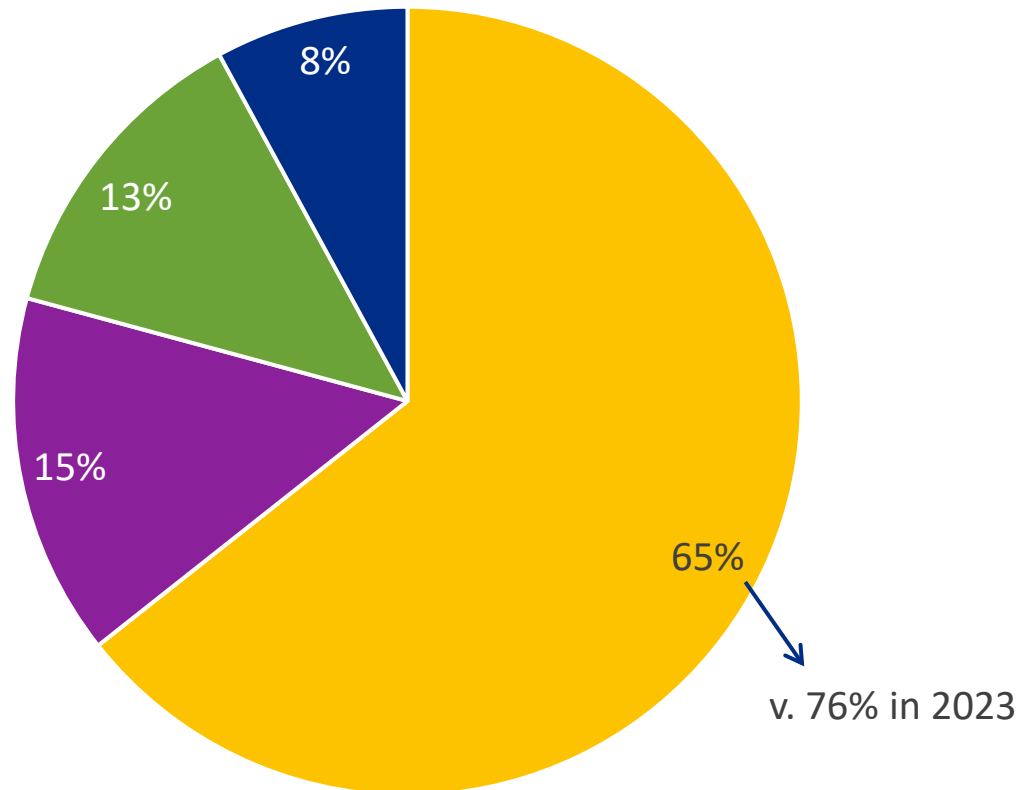
- Streets and infrastructure has remained the top noted reason since 2018
- Attracting quality businesses and the City's growth have been the next top two reasons since 2021

Perceptions of Living in Rancho Cordova

Part 4 of 4

What is the main reason you feel the image of the City of Rancho Cordova has gotten **WORSE**?
(Of the **11%** of respondents saying image has gotten **worse**, responses summarized into categories)

- Higher crime rate, homeless issues, lack of police services
- Other
- Quality of streets and infrastructure, traffic congestion
- Businesses that have come/left



Ratings on City Service Attributes

Part 1 of 6

How well is the City providing the following service?

Repairing and resurfacing City streets

Very good & good

Fair

Poor & very poor



Maintaining the streets, including cleanliness, lighting and landscaping

Very good & good

Fair

Poor & very poor



Trash and recycling disposal

NOTE: New question for 2025

Very good & good

Fair

Poor & very poor



Ratings on City Service Attributes

Part 2 of 6

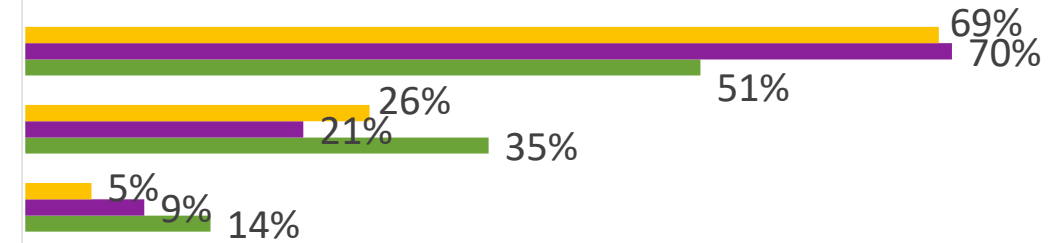
How well is the City providing the following service?

Planning for the future of the City

Very good & good

Fair

Poor & very poor

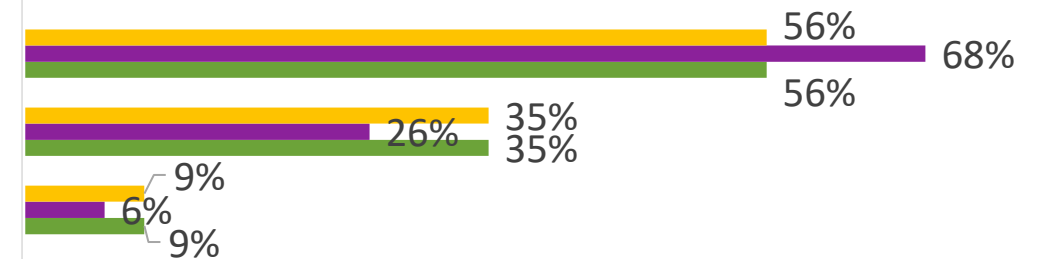


Attracting and retaining businesses within the City

Very good & good

Fair

Poor & very poor

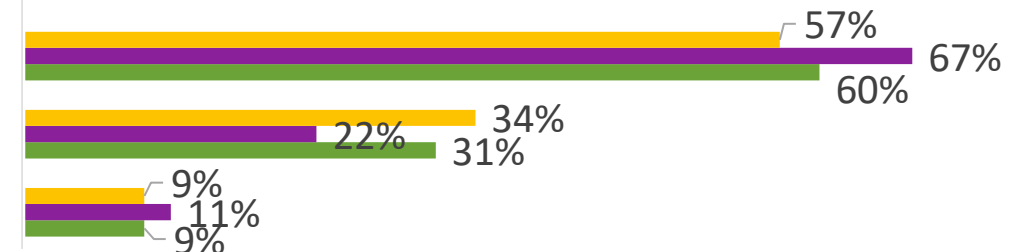


Enforcing City code requirements

Very good & good

Fair

Poor & very poor



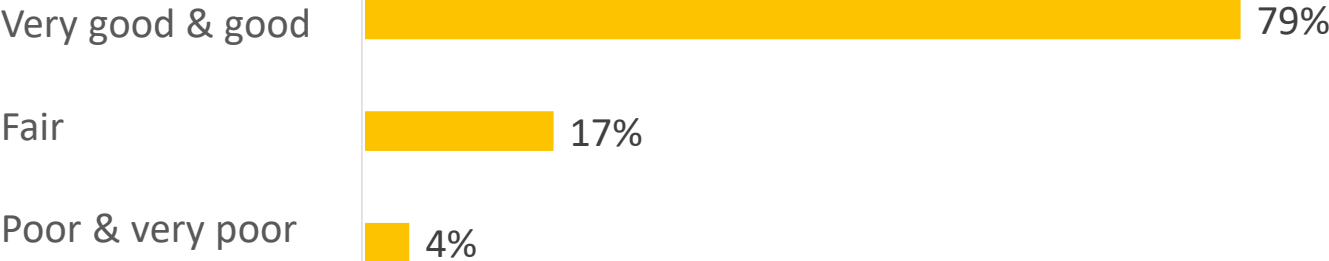
Ratings on City Service Attributes

Part 3 of 6

How well is the City providing the following service?

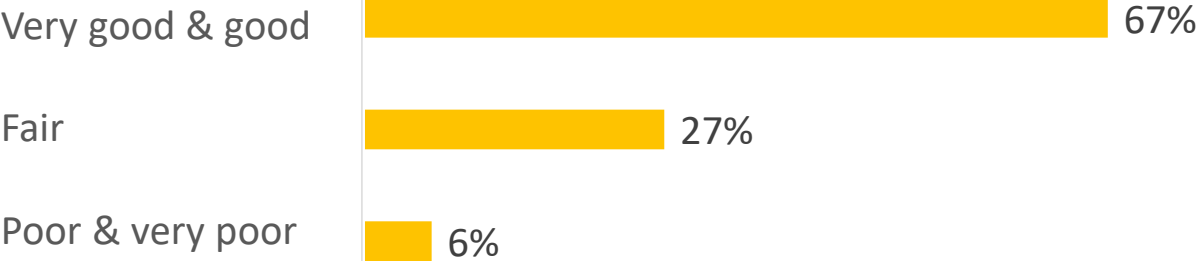
Providing community events for residents

NOTE: New question for 2025



Conducting beautification programs

NOTE: New question for 2025



■ 2025

Ratings on City Service Attributes

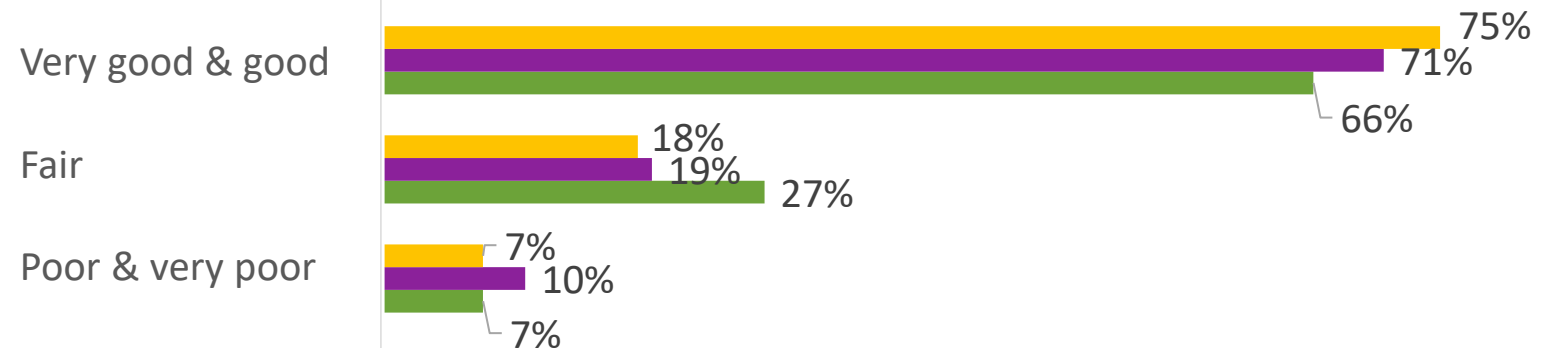
Part 4 of 6

How well is the City providing the following service?

Addressing Homeless Issues



Providing police services in your neighborhood



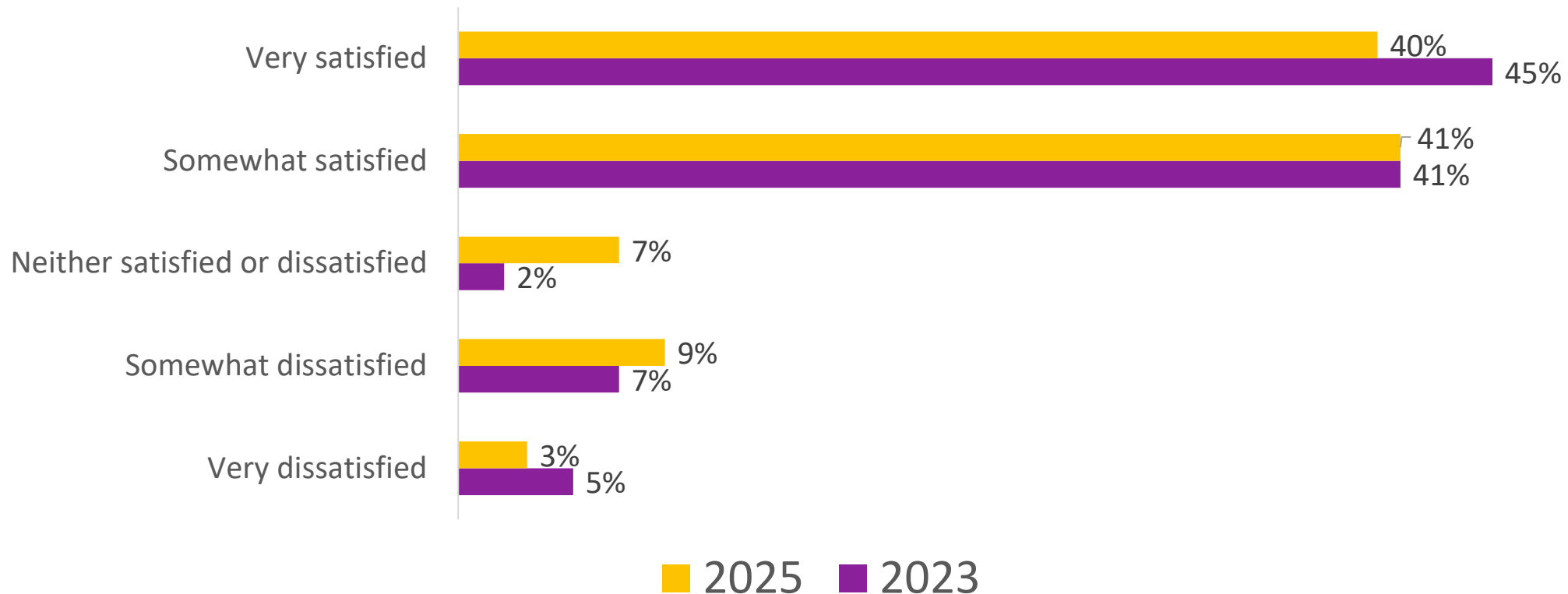
2025 2023 2021

Ratings on City Service Attributes

Part 5 of 6

If you have contacted the City in person/by telephone to obtain information, report a problem, get a problem resolved, or for some other reason, how satisfied were you with the customer service you received?

NOTE: Question revised in 2023

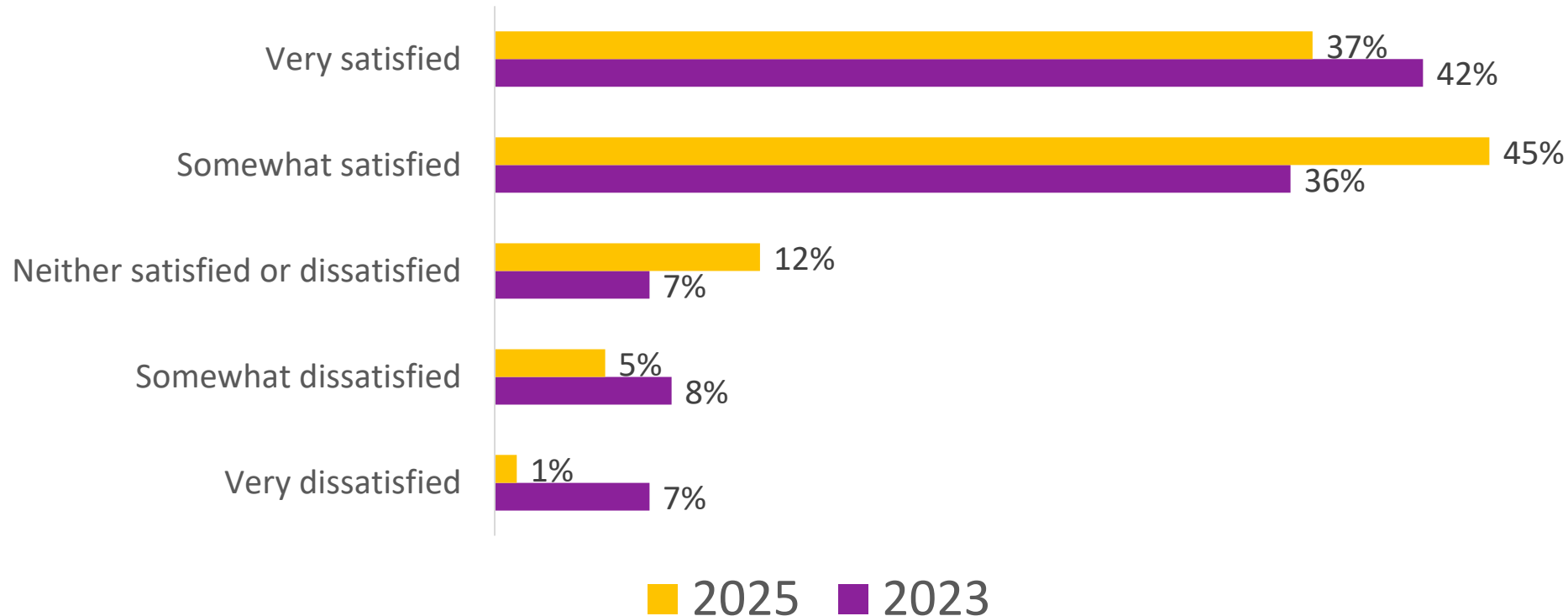


Ratings on City Service Attributes

Part 6 of 6

If you have contacted the City using the City's website/RC Online to obtain information, report a problem, get a problem resolved, or for some other reason, how satisfied were you with the experience?

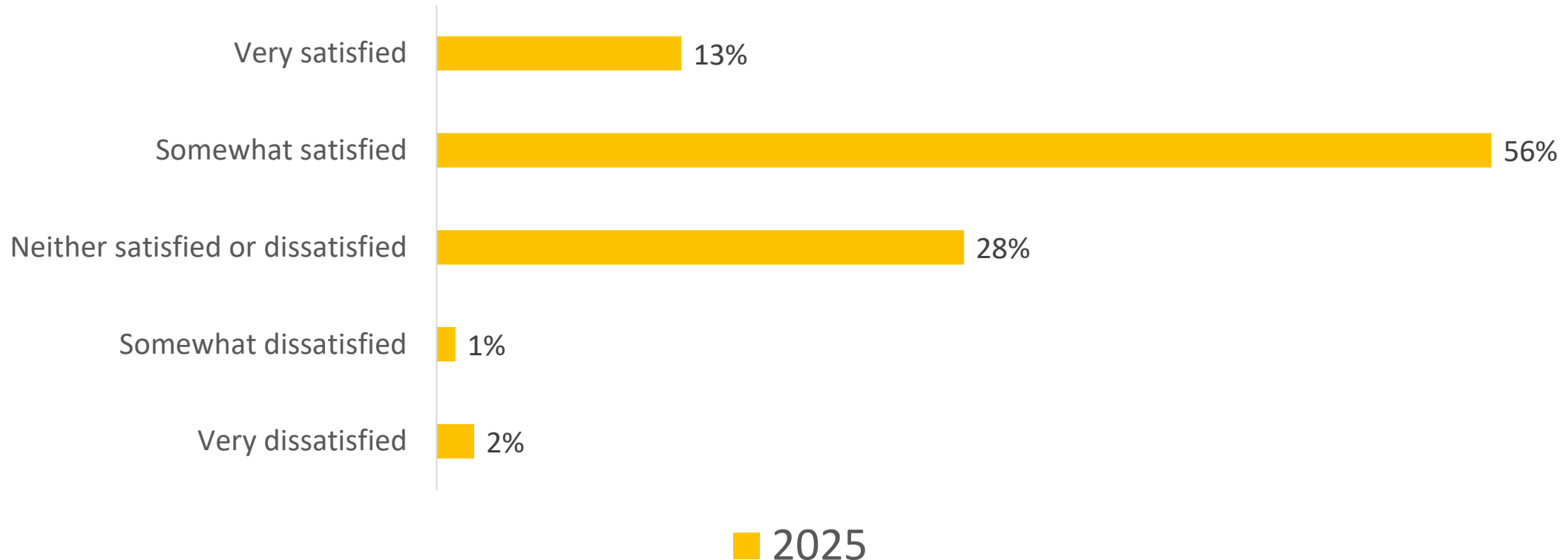
NOTE: Not asked in 2021



Achieving the City's Vision/Mission

How would you rate the City's efforts to achieve its Vision/Mission of creating a "unified and innovative city where quality services, infrastructure, and technology create an outstanding quality of life"?

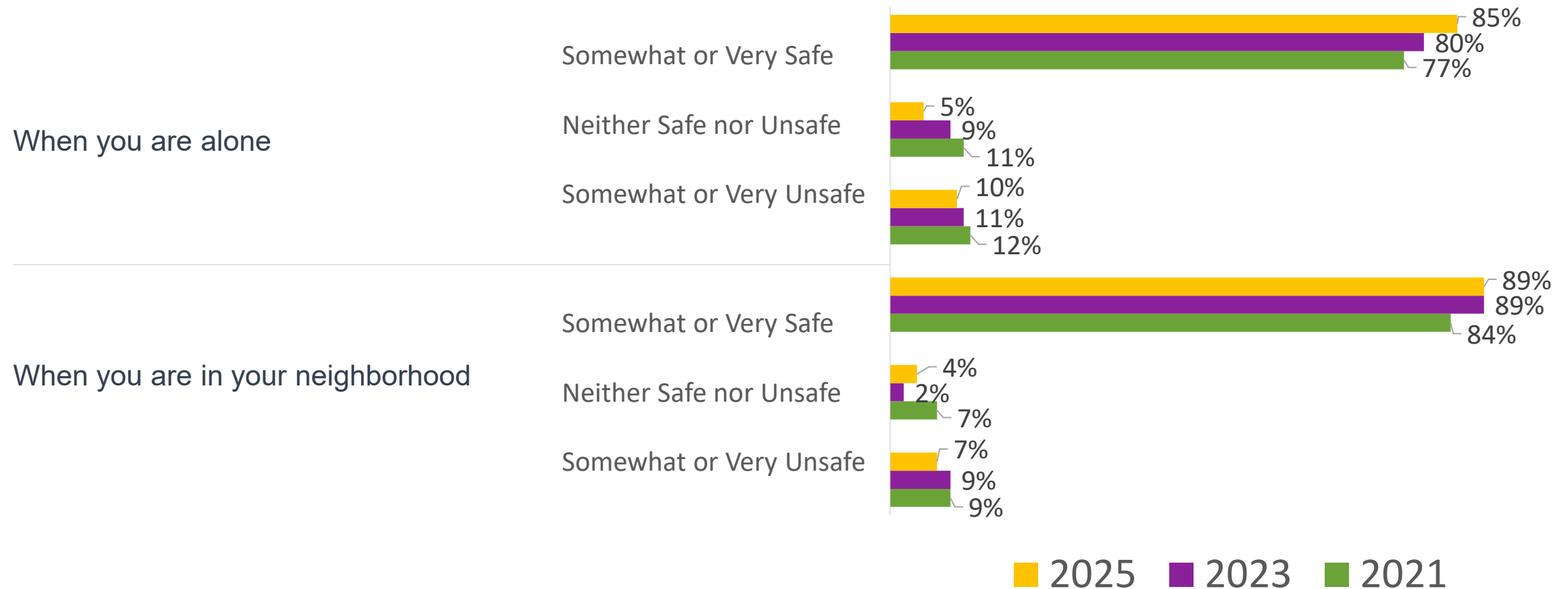
Note: New question for 2025



Perceptions of Safety and Ratings of RCPD

Part 1 of 5

How safe do residents feel when they are in particular situations?



Perceptions of Safety and Ratings of RCPD

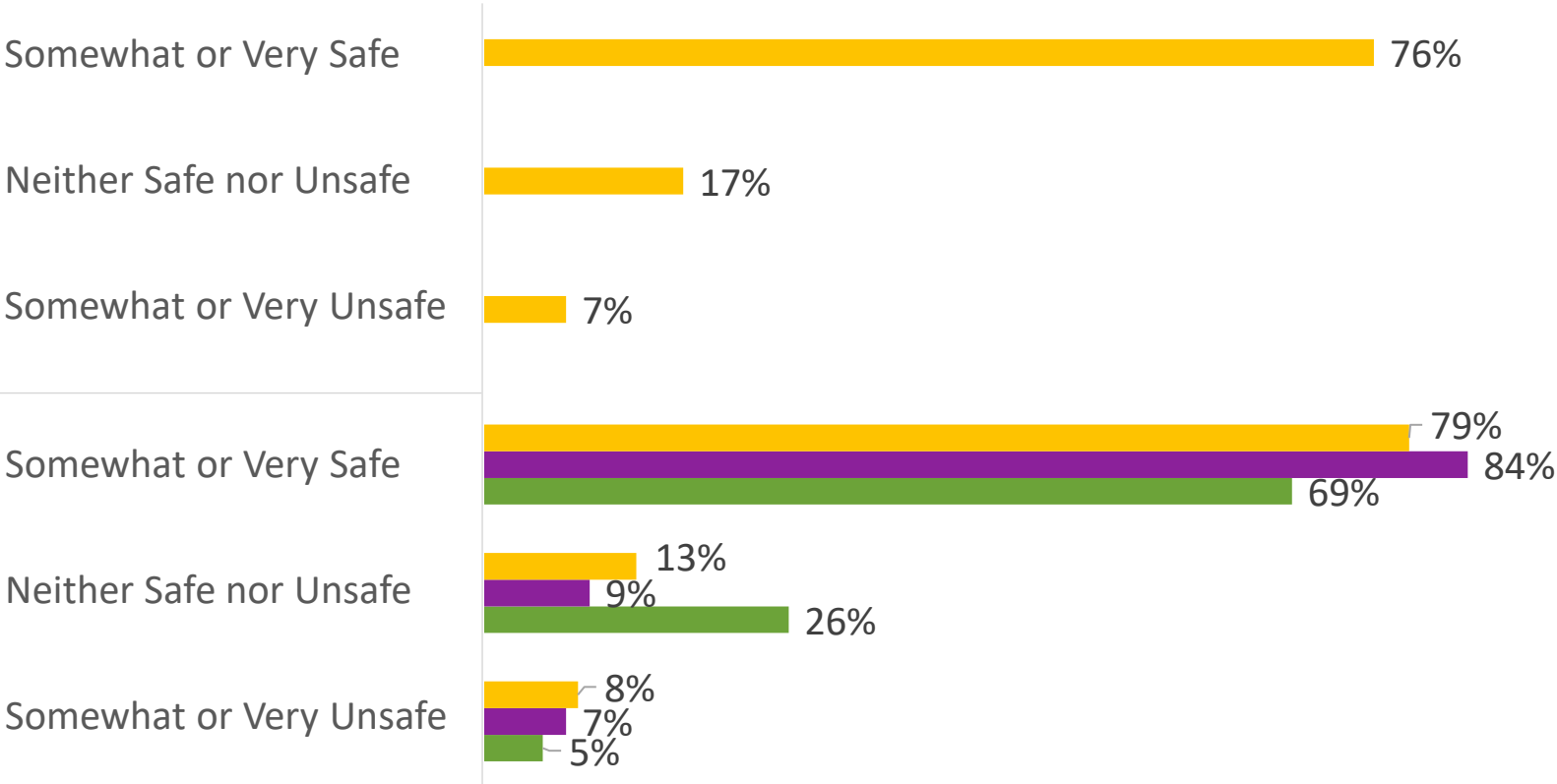
Part 2 of 5

How safe do residents feel when they are in particular situations?

When you attend events in Rancho Cordova

NOTE: New question for 2025

When you are at your local parks

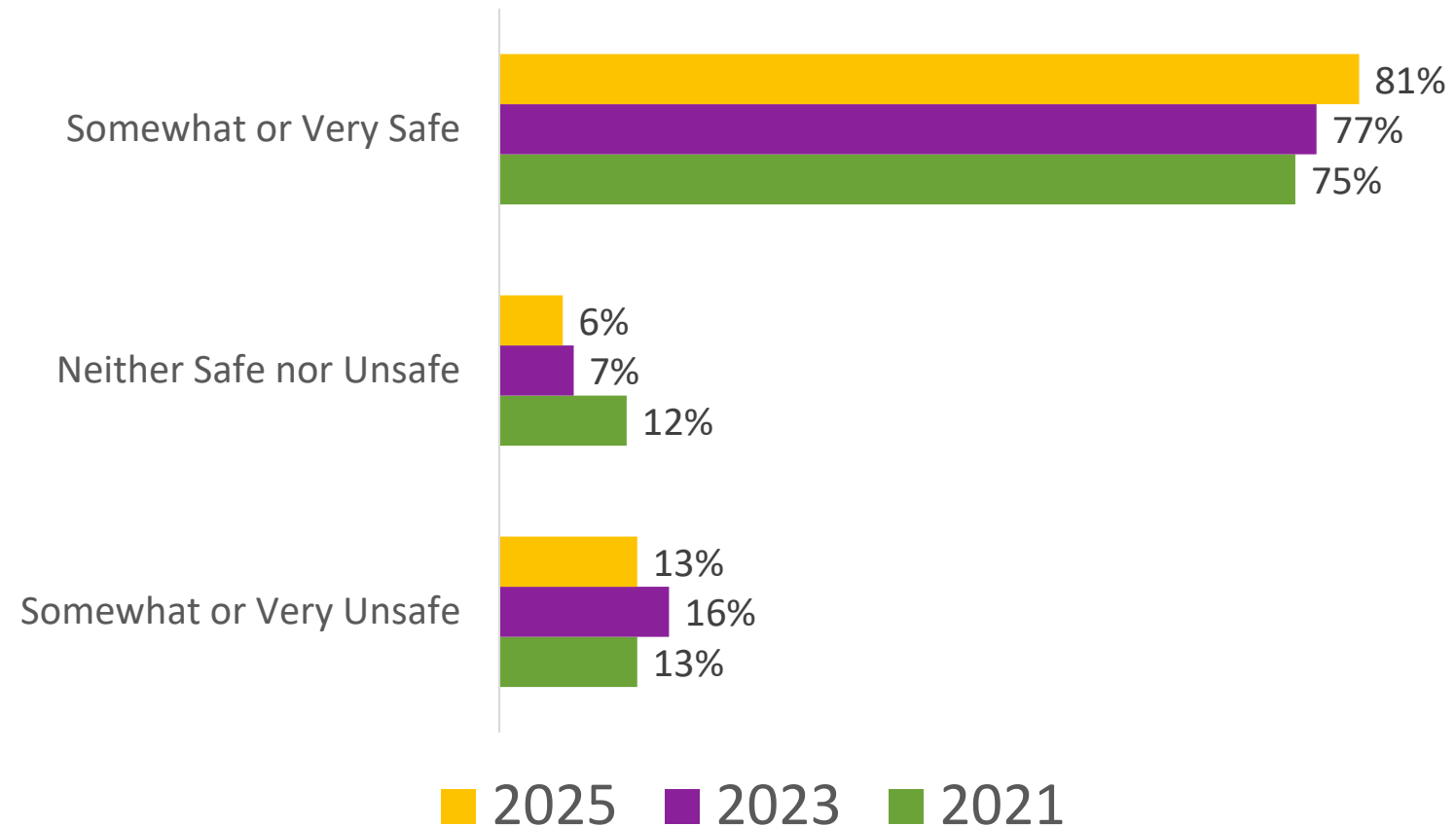


Perceptions of Safety and Ratings of RCPD

Part 3 of 5

How safe do residents feel when they are in particular situations?

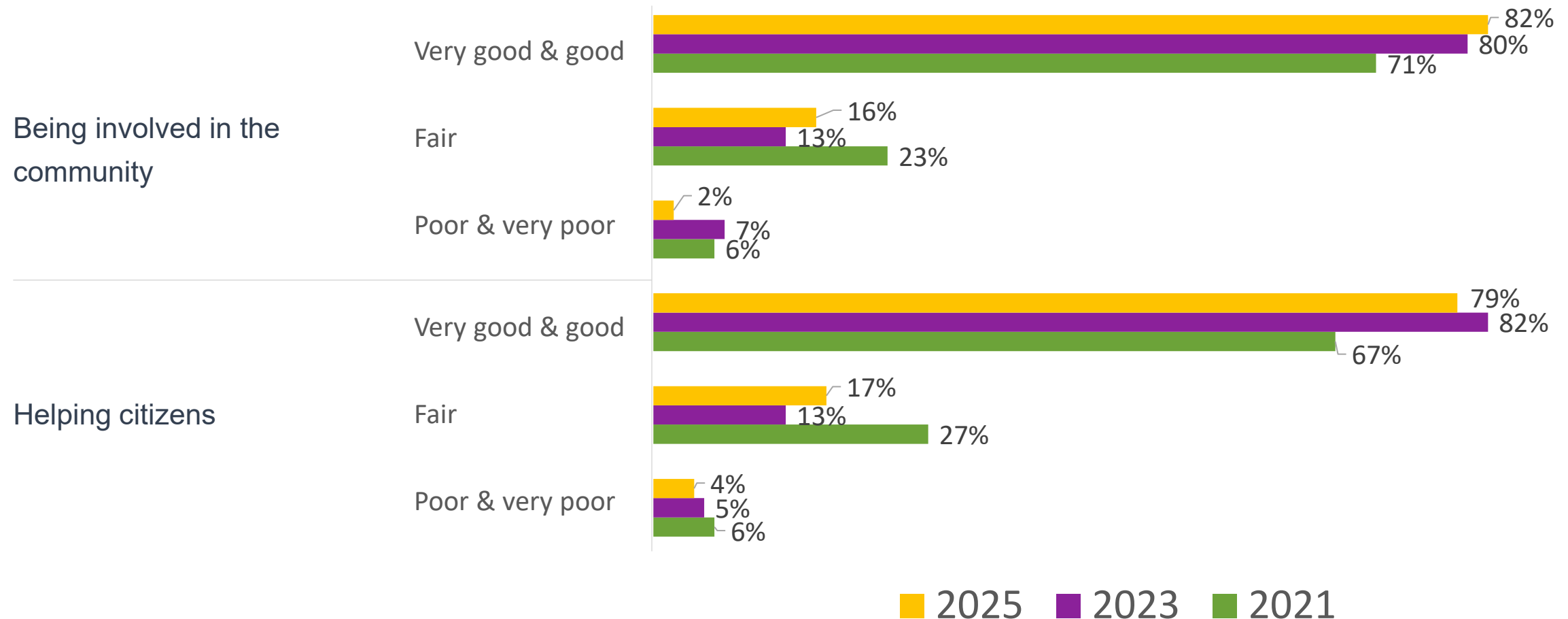
When you are shopping within
Rancho Cordova



Perceptions of Safety and Ratings of RCPD

Part 4 of 5

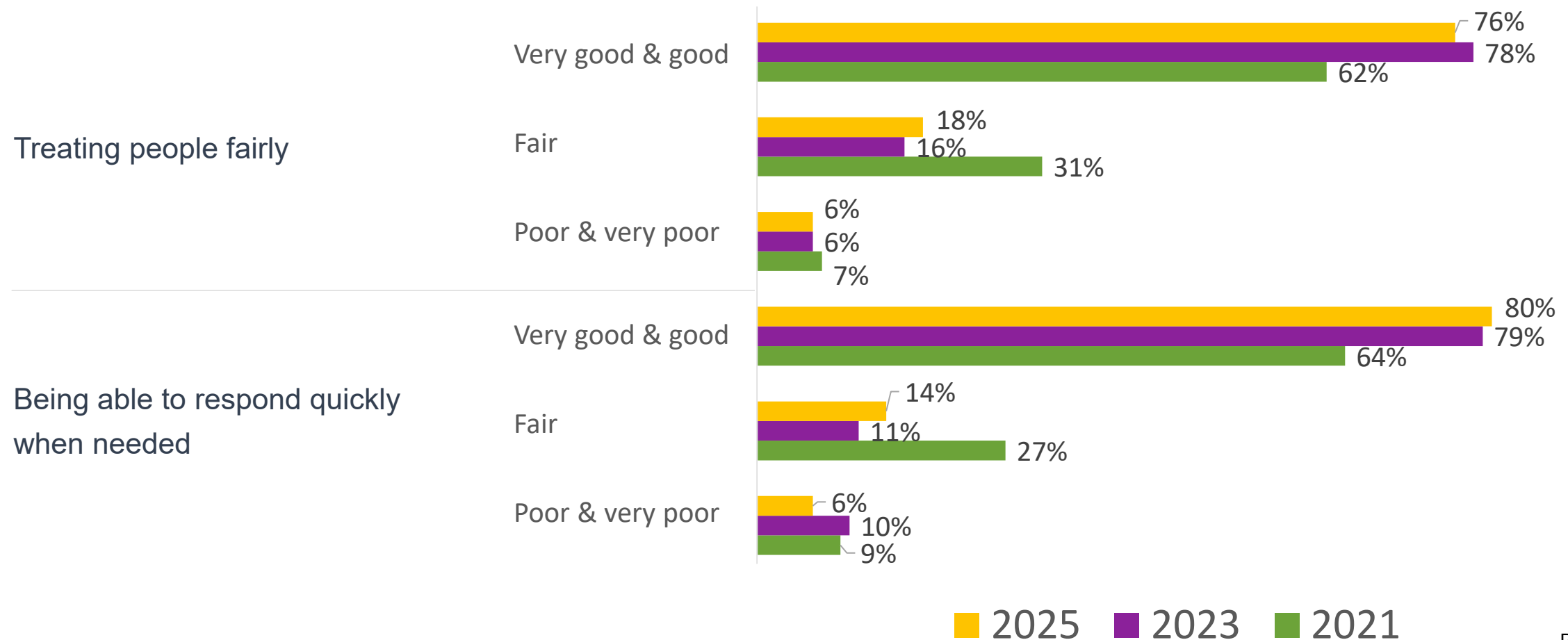
How would you rate the Rancho Cordova Police Department on each of the following?



Perceptions of Safety and Ratings of RCPD

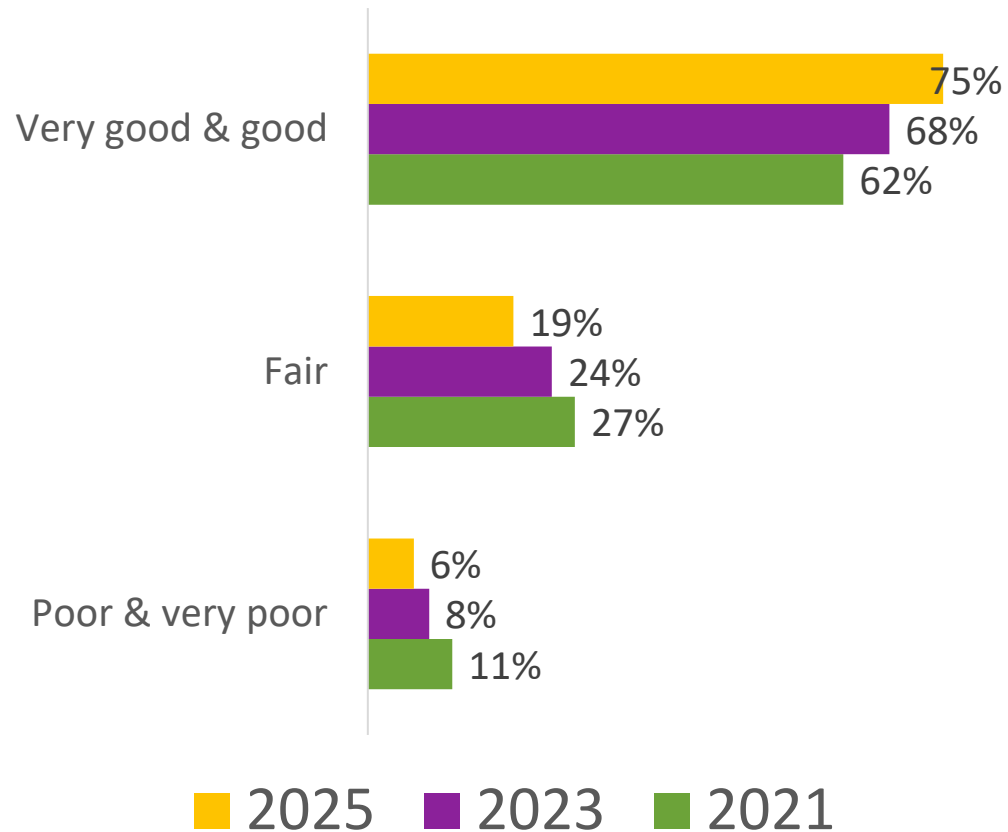
Part 5 of 5

How would you rate the Rancho Cordova Police Department on each of the following?

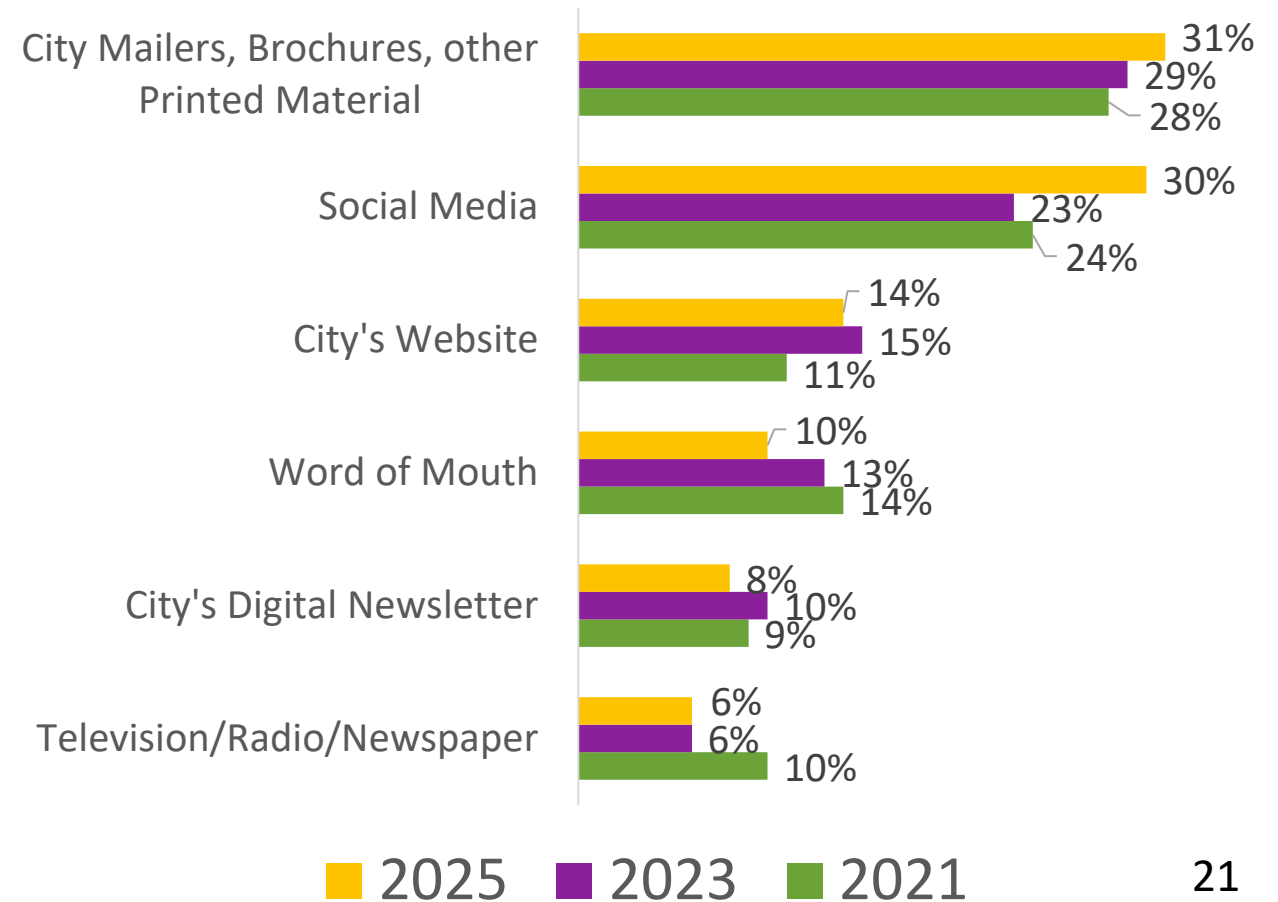


Information Sharing with Residents

How would you rate the City on providing you with information about the programs and services it makes available to residents?



What is your main source of information about what the City is doing in your community?



Summary and Conclusions

Overall, this survey indicates a **high level of satisfaction with living in Rancho Cordova and the services residents receive from the City.**

Overall:

- About 90% agreed you can have a good quality of life living in Rancho Cordova.
- More than 50% felt the image of Rancho Cordova has improved because of the:
 - Quality of the streets and infrastructure
 - Improvements in parks and amenities
 - Businesses that have come and the City's growth rate
- Most rated the services provided by the City very positively, except for addressing homeless issues.
- More than 80% were satisfied with their experiences when contacting the City.
- 75% were satisfied with the City's providing information about programs and services.
- Well over 75% felt safe when alone, in their neighborhoods, shopping, etc.
- Well over 75% rated the Rancho Cordova Police Department very good or good on all dimensions studied.
- Very few rated the City poor or very poor on any dimension studied.
- In the great majority of cases, these findings are consistent with or better than what was found in 2023, and better than 2021.