CITY OF RANCHO CORDOVA

CITY COUNCIL MEETING
Tuesday, January 20, 2026

5:30 PM – Regular Meeting
David B. Roberts Council Chambers

City Hall
2729 Prospect Park Drive, Rancho Cordova

How to Observe or Listen to the Meeting:

- Online via Zoom: https://cityofranchocordova.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@cityofranchocordova.org no later than 2:00 p.m. on Tuesday, January 20, 2026. 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, January 20, 2026, at 2:00 p.m.

AMENDED AGENDA

1. REGULAR MEETING - CALL TO ORDER/ROLL CALL

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

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

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

3. PLEDGE OF ALLEGIANCE

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

4. INVOCATION

Elizabeth Brick with the United Methodist Church of Rancho Cordova will give the invocation.

5. PRESENTATIONS

5.1. Presentation by the Folsom Cordova Unified School District Related to Their Adult Education Program.

5.2. Introduction of New Employees Philip Banea, Associate Transportation Planner by Drew Hart, Principal Transportation Planner, and Sera Salmanyan, Human Resources Analyst II, by Brenda Roach, Human Resources Manager.

6. 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.

7. COUNCIL REPORTS

8. CITY MANAGER'S REPORT

8.1. Trumark Update (No Action)

9. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

9.1. **Subject:** Meeting Minutes from the Special and Regular City Council Meeting of January 5, 2026.
Recommendation: Adopt the minutes.

9.2. **Subject:** A Resolution Authorizing the City Manager to Approve a Purchase Order with Meridian Solar in an Amount not to Exceed $108,612 for the Purchase of Two (2) Solar Camera Trailers for the Rancho Cordova Police Department Through Community Oriented Policing Services (COPS) Grant Funding.

Recommendation: Adopt the Resolution.

9.3. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 2021-342-5 for Environmental Planning Services with Placeworks to Include Additional Scope Tasks and Increase the Contract Budget by $140,977 for Environmental Review Related to the Rancho Cordova Arena Project.
Recommendation: Adopt the Resolution.

10. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

None.

11. PUBLIC HEARING ITEMS

None.

12. REGULAR CALENDAR ITEMS

12.1. **Subject:** A Resolution Authorizing the Issuance of Special Tax Bonds for and on Behalf of the City of Rancho Cordova Preserve Community Facilities District No. 2025-1, 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.

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

14. ADJOURN TO CLOSED SESSION

Mayor Gatewood will adjourn the meeting to closed session.

15. CLOSED SESSION - CALL TO ORDER/ROLL CALL

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

16. CLOSED SESSION

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

16.1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) Orion 51 Outdoor, LLC, a California Limited Liability Company vs City of Rancho Cordova, a Public Entity; Defendants, Cordova Community Council Foundation, a Public Benefit Corporation, 3127Fite, LLC, a California Limited Liability Company, Real Parties in Interest, Sacramento Superior Court Case No. 25WM000210.

16.2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(Two Cases).

17. OPEN SESSION - REPORT FROM CLOSED SESSION

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

18. 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

January 27, 2026	5:30 PM Special Meeting/Work Session
February 2, 2026	4:00 PM Special Meeting/5:30 PM Regular Meeting
February 10, 2026	9:00 AM Special Meeting/Work Session
February 17, 2026	5:30 PM Regular Meeting
March 2, 2026	4:00 PM Special Meeting/5:30 PM Regular Meeting
March 16, 2026	5:30 PM Regular Meeting
March 24, 2026	5:30 PM Special Meeting/Work Session
April 6, 2026	4:00 PM Special Meeting/5:30 PM Regular Meeting

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, Persephonie Riley, Assistant City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the January 20, 2026, Regular Meeting of the Rancho Cordova City Council was posted and available for review on January 16, 2026, 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 January 16, 2026, at Rancho Cordova, California.

Persephonie Riley, CMC
Assistant City Clerk

CITY OF RANCHO CORDOVA

RANCHO CORDOVA
CALIFORNIA

CITY COUNCIL MEETING
Monday, January 5, 2026

4:00 PM – Special Meeting
5:30 PM – Regular Meeting
David B. Roberts Council Chambers

City Hall
2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Gatewood called the Special meeting to order in the David B. Roberts Council Chambers at 4:10 p.m.

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

Council Members Absent: Joe Little

Staff Members Present: Rachel Duhe, Stacy Leitner, Adam Lindgren, and Micah Runner

2. PUBLIC COMMENT

Mayor Gatewood stated that public comment would be taken at the time the item on the Agenda was heard.

3. SPECIAL MEETING

3.1. **Subject:** Summary of 2025 California Laws.
Recommendation: Receive update.

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

1. James Garcia
2. Helen Whelan-Bashaw

Mayor Gatewood closed the public comment period.

ACTION: Input was received regarding the Summary of 2025 California Laws.

4. ADJOURNMENT OF SPECIAL MEETING

Mayor Gatewood adjourned the Special meeting to the Regular meeting at 5:08 p.m.

5. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Mayor Gatewood called the Regular meeting to order in the David B. Roberts Council Chambers at 5:35 p.m.

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

Council Members Absent: None

Staff Members Present: Rachel Duhe, Stacy Leitner, Adam Lindgren, and Micah Runner

6. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

7. PLEDGE OF ALLEGIANCE

Director Gregg Fishman of the Sacramento Municipal Utility District Ward 3 led the pledge.

8. INVOCATION

Julie Steinbach with the United Methodist Church of Rancho Cordova gave the invocation.

9. PRESENTATIONS

None.

10. PUBLIC COMMENT

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

1. James Garcia
2. Helen Whelan-Bashaw
3. Eileen Sedilko
4. Valerie Knippschild

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

ACTION: Motion to approve items 13.1 through 13.7 by Budge second by Sander;

Motion passed with a 5:0 vote.

13.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of December 15, 2025.
Recommendation: Adopt the minutes.

13.2. **Subject:** A Resolution Authorizing the City Manager to Execute Contract No. 2025-275 with Dokken Engineering in an Amount not to Exceed $255,089 for Engineering Design and Environmental Services for the American River Drainage Outfall One Repair Project.
Recommendation: Adopt the Resolution.

13.3. **Subject:** A Resolution Authorizing the City Manager to Execute Standard Agreement No. 0000000549 Amendment 1 (City Contract Amendment No. 2024-280-1) with the State of California Employment Development Department for Quarterly Census Employment and Wages Information.
Recommendation: Adopt the Resolution.

13.4. **Subject:** A Resolution Approving the Annexation Boundary Map for the Autozone 4004 Sunrise Blvd Project and Annexation to the City of Rancho Cordova Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance).
Recommendation: Adopt the Resolution.

13.5. **Subject:** Second Reading of an Ordinance Amending Sections 10.50.010 and 10.50.020 of the Rancho Cordova Municipal Code to Establish Radar Enforceable Speed Limits on the Roads Listed in the Ordinance.
Recommendation: Waive the second reading and adopt the Ordinance.

13.6. **Subject:** Second Reading of an Ordinance Approving a Second Amendment to the Development Agreement for the Douglas 103 Project.
Recommendation: Waive the second reading and adopt the Ordinance.

13.7. **Subject:** Second Reading of an Ordinance Establishing a Special Tax for Transit-Related Services for the Big Baller Storage RV Project.
Recommendation: Waive the second reading and adopt the Ordinance.

14. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

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

ACTION: Motion to approve item 14.1 by Budge second by Little;
Motion passed with a 5:0 vote.

14.1. **Subject:** A Resolution Approving the Issuance of Multifamily Revenue Bonds by the California Municipal Finance Authority in Support of an Affordable 236 Unit Multifamily Development project to be known as Asteria Flats.
Recommendation: Adopt the Resolution.

15. PUBLIC HEARING ITEMS

15.1. **Subject:** A Resolution Authorizing the City Manager to Waive Specific City Fees for Alpha One Sports and Entertainment Group, LLC and Kozpure Development, LLC in an Amount not to Exceed $940,000 toward the Development and Construction of a New Arena and Plaza to Be Located at the South East Corner of Trade Center Boulevard and Kilgore Road in the City of Rancho Cordova.
Recommendation: Adopt the Resolution.

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

1. Helen Whelan-Bashaw
2. James Garcia
3. Mark Daya
4. Diann Rogers
5. Marilyn Metzger

Mayor Gatewood closed the public comment period.

ACTION: Motion to approve item 15.1. by Budge second by Little;
Motion passed with a 5:0 vote.

16. REGULAR CALENDAR ITEMS

16.1. **Subject:** 2026 Legislative Update.
Recommendation: Receive presentations by Covino Smith & Simon and Joe A. Gonsalves & Son regarding key 2025 legislation affecting the city, as well as staff update regarding 2026 legislative priorities and federal funding priorities. Receive consultant presentations and updates; provide direction and/or approval to staff on city's 2026 Legislative Priorities.

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

ACTION: Motion to approve item 16.1 by Budge second by Little;
Motion passed with a 5:0 vote.

16.2. **Subject:** Authorization to Execute Documents for Mather Veterans Village Phase 4 Project.
Recommendation: Adopt the Resolutions.

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

ACTION: Motion to approve item 16.2 by Budge second by Pulipati;
Motion passed with a 5:0 vote.

16.3. **Subject:** Horn Road Light Rail Station Update and Request for Design Input.
Recommendation: Receive presentation on Horn Road Light Rail Station from Sacramento Regional Transit (SacRT) and provide input.

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

1. Helen Whelan-Bashaw

Mayor Gatewood closed the public comment period.

ACTION: Input was received regarding the Horn Road Light Rail Station Update and Request for Design Input.

16.4. **Subject:** A Resolution Approving an Incentive Payment for 2025 Performance and a Salary Increase for Micah Runner for Service as City Manager, and Adjusting the Full

Time Employee Salary Schedule for the Position of City Manager.

Recommendation: Receive oral report summarizing the proposed changes to the City Manager's pay and benefits and adopt the Resolution.

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

ACTION: Motion to approve item 16.4 by Budge second by Pulipati;
Motion passed with a 5:0 vote.

17. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None.

18. ADJOURNMENT

Mayor Gatewood adjourned the meeting in honor of William Alexander Leidesdorff Jr. at 7:34 p.m.

Stacy Leitner, CMC
City Clerk

MEMORANDUM

ITEM 9.2.

DATE: January 20, 2026

TO: Honorable Mayor and Council Members

FROM: Matt Tamayo, Chief of Police

SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE A PURCHASE ORDER WITH MERIDIAN SOLAR IN AN AMOUNT NOT TO EXCEED $108,612 FOR THE PURCHASE OF TWO (2) SOLAR CAMERA TRAILERS FOR THE RANCHO CORDOVA POLICE DEPARTMENT THROUGH COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT FUNDING**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the purchase of two mobile camera trailers for the Rancho Cordova Police Department.

BACKGROUND

The Rancho Cordova Police Department (RCPD) is requesting funding to purchase two mobile camera trailers to further advance the Community Oriented Policing Services (COPS) Office goals of improving community safety, enhancing officer effectiveness, and reducing crime through innovative, community-oriented policing strategies. Camera trailers have proven to be a critical tool for RCPD, providing a highly visible and flexible crime deterrent in areas experiencing elevated calls for service, community concerns, or emerging crime trends.

These mobile surveillance units offer remote monitoring capabilities that enhance officer safety by reducing the need for constant physical presence in potentially hazardous locations while still providing real-time situational awareness. The ability to stream live video and record footage supports proactive problem-solving, strengthens evidence collection, and enhances transparency—key pillars of community trust and effective policing.

In addition to neighborhood deployment, the City of Rancho Cordova hosts several large-scale community events each year, including the annual Christmas Tree Lighting, Fourth of July in the Park celebration, and the California Capital Airshow. These events draw tens of thousands of attendees into confined spaces. Deployable camera trailers significantly improve RCPD's ability to monitor these environments, continuously scan for behavioral indicators, and rapidly identify and respond to potential public safety issues.

FISCAL IMPACT AND FUNDING SOURCE

The total cost for two camera trailers through Meridian Camera, LLC is $108,612, including tax. These units are consistent with those being purchased by the Sacramento County Sheriff's Office, through an approved County vendor, and are fully compatible with both the County and RCPD Real Time Information Centers. This purchase will be funded through the COPS program and will substantially enhance RCPD's capacity to proactively address crime, safeguard large public gatherings, and strengthen trust between law enforcement and the Rancho Cordova community.

ATTACHMENT(S)

1. Resolution
2. Meridian Quote

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO APPROVE A PURCHASE ORDER WITH MERIDIAN SOLAR IN AN AMOUNT NOT TO EXCEED $108,612 FOR THE PURCHASE OF TWO (2) SOLAR CAMERA TRAILERS FOR THE RANCHO CORDOVA POLICE DEPARTMENT THROUGH COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT FUNDING

WHEREAS, the Rancho Cordova Police Department ("RCPD") desires to purchase two (2) 1320W Solar Configuration Camera Trailers Model VK360; and

WHEREAS, the purchase of these trailers will significantly enhancing the city's ability to deter crime, monitor high-risk areas, and support proactive, community-oriented policing efforts; and

WHEREAS, these trailers are consistent with those being purchased by the Sacramento County Sheriff's Office, through an approved County vendor, and are fully compatible with both the County and RCPD's Real Time Information Centers; and

WHEREAS, the trailers will be purchase with Community Oriented Policing Services (COPS) grant funds in an amount not to exceed $108,612.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager, or his designee, to execute the purchase and acquisition of the two (2) 1320W Solar Configuration Camera Trailers, in an amount not to exceed $108,612.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 20th day of January 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

____
Garrett Gatewood, Mayor

____
Stacy Leitner, CMC
City Clerk

Meridian Camera, LLC
1315 Vinci Ave.
Sacramento, CA 95838

Quote

Date	Quote #
11/20/2025	264

Name / Address	Ship To
Investigations Bureau Rancho Cordova Police Department 2897 Kilgore Rd Rancho Cordova, CA 95670	Investigations Bureau Rancho Cordova Police Department 2897 Kilgore Rd Rancho Cordova, CA 95670

Phone # 866-300-1422

E-mail sales@meridiancamera.com

Rep	P.O. No.	Terms
DS	Pending	Due on receipt

Item	Description	Qty	Cost	Total
Misc Equipment	2025 Solar Camera Trailer Model VK360 Model: 1320W Solar Configuration, 450aH 24V Battery Bank, 5G/LTE Radio, PoE Power Supply, (1) 110db IP Siren, led alert lights, 4MP HD Cameras: (2) Dual Lens 25x PTZ camera, and (2) 180 Wide Angle Camera each with 1TB storage. Includes 3 year unlimited data package, 30 day continuous loop cloud recording, remote support, service and warranty.	2	50,400.00	100,800.00T
Delivery	FOB Sacramento	1	0.00	0.00
	Sales Tax		7.75%	7,812.00

Quote valid for 30 days.
Quote may not include any or all applicable taxes.
3.5% fee for credit card payments.

Total $108,612.00

The Rancho Cordova Police Department (RCPD) is seeking the purchase of two new camera trailers. RCPD has found the use of camera trailers critical to advancing the COPS Office goals of improving community safety, enhancing officer effectiveness, and reducing crime through innovative policing strategies.

These mobile surveillance units provide a versatile, high-visibility presence that deters criminal activity in areas experiencing heightened calls for service, community concerns, or emerging crime trends. The remote monitoring capabilities of the camera trailers enhance officer safety by reducing the need for constant physical presence in potentially hazardous locations while still delivering real-time situational awareness. The recorded video and real time streaming supports problem-solving efforts, evidence collection, and enhanced transparency—key pillars of community-oriented policing. Funding through the COPS program will greatly expand our ability to protect the public, respond proactively to crime issues, and strengthen trust between officers and the community.

Additionally, the City of Rancho Cordova hosts several large events (Christmas Tree lighting, Annual 4th of July in the Park event and the California Capital Airshow), each drawing tens of thousands of people into confined areas. The use of remote, deployable camera trailers improves the ability of RCPD to safely monitor these spaces and constantly sweep the area for behavior indicators and rapidly identify potential issues.

The cost of two trailers through Meridian Camera, LLC will be $108,612, including tax. These trailers match those being purchased by the Sacramento County Sheriff’s Office and would be compatible with both the county and RCPD’s Real Time Information Centers.

MEMORANDUM

ITEM 9.3.

DATE: January 20, 2026

TO: Honorable Mayor and Council Members

FROM: Arlene Granadosin-Jones, Planning Manager

SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 2021-342-5 FOR ENVIRONMENTAL PLANNING SERVICES WITH PLACEWORKS TO INCLUDE ADDITIONAL SCOPE TASKS AND INCREASE THE CONTRACT BUDGET BY $140,977 FOR ENVIRONMENTAL REVIEW RELATED TO THE RANCHO CORDOVA ARENA PROJECT**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract Amendment No. 2021-342-5 for environmental planning services related to the Rancho Cordova Arena project.

BACKGROUND

The city entered into a Professional Services Agreement (PSA) with Placeworks in January 2022 for the purpose of environmental planning services. The current contract amount with Placeworks is $297,353, which has been expended for various city projects since the original contract was approved. In October 2025, the city received a design review application for the Rancho Cordova Arena, which will require environmental review per the California Environmental Quality Act (CEQA). To address this project component, additional scope of work tasks have been added to the existing contract, which will require a budget increase of $140,977. This would increase the current contract value to $438,330.

FISCAL IMPACT AND FUNDING SOURCE

The additional contract budget will be funded through the General Fund.

ATTACHMENT(S)

1. Resolution

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 2021-342-5 WITH PLACEWORKS TO INCREASE THE CONTRACT BUDGET TO AN AMOUNT NOT TO EXCEED $438,330 FOR ENVIRONMENTAL SERVICES RELATED TO THE RANCHO CORDOVA ARENA PROJECT

WHEREAS, the city and Placeworks entered into a Professional Services Agreement ("PSA") dated January 1, 2022, for the purpose of providing environmental planning services; and

WHEREAS, the city received a design review application for the Rancho Cordova Arena, which will require environmental review per the California Environmental Quality Act (CEQA) new State legislation requirements, additional project management needs, and ongoing coordination has necessitated the need to revise the scope of work and budget for the contract; and

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

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. 2021-342-5 with Placeworks in an amount not to exceed $438,330 and in a form approved by the City Attorney, for environmental planning services related to the Rancho Cordova Arena.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 20th day of January 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Garrett Gatewood, Mayor

ATTEST:

____
Stacy Leitner, CMC
City Clerk

MEMORANDUM

ITEM 12.1.

DATE: January 20, 2026

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 THE CITY OF RANCHO CORDOVA PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1, 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 The Preserve Community Facilities District No. 2025-1 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 Preserve Community Facilities District No. 2025-1 ("CFD 2025-1" or the "District") was formed in 2025 to assist in the financing of the acquisition and construction of certain public facilities and payment of certain fees within a portion of The Preserve project. Through various City Council actions, the City Council has declared the necessity to incur bonded indebtedness and set an annual appropriations limit of $23,800,000 for CFD 2025-1, of which $13,700,000 was allocated to Improvement Area 1 and the remaining $10,100,000 available for land within the Future Annexation Area.

In November 2025, with the consent of the owner of all the land within the Future Annexation Area, all of the land within the Future Annexation Area was annexed into Improvement Area No. 1 and the indebtedness limit of $23,800,000 became applicable to the entirety of Improvement Area No. 1.

Based on the current status of the property within the District, the appraisal estimates the value of the property within Improvement Area No. 1 at approximately $141.3 million. This has created an opportunity for the District to issue special tax bonds. Based on the expected par amount of approximately $12.0 million, 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 $13.5 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 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 February 2, 2026.
- **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 investors.
- **Funding, Construction and Acquisition Agreement:** This agreement is between the City and Developer (Lennar Homes of California, LLC) to provide for the acquisition of certain public facilities serving development of the project within CFD 2025-1 to be financed in whole or in part by the District, including payment of certain fees to fund such public facilities, using proceeds from issuance and sale of bonds for the District to finance the design and acquisition of such public facilities and expenses incidental thereto and to provide the terms of any reimbursement to Developer.

If this item is approved, staff would work with the Bond finance team to determining 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 February 2, 2026 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 February 16, 2026.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact. The Bonds are secured solely by the Special Taxes levied 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: 5.11%; (2) estimated finance charge of the Bonds (sum of all fees and charges paid to third parties): $656,040; (3) estimated amount of proceeds of the Bonds received by the city (net of finance charges, reserves and capitalized interest, if any): $9,974,793; 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: $22,908,750.

ATTACHMENT(S)

1. Resolution
2. Fiscal Agent Agreement
3. Bond Purchase Agreement
4. Preliminary Official Statement
5. Acquisition Agreement

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS FOR AND ON BEHALF OF CITY OF RANCHO CORDOVA THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1, APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND AN ACQUISITION 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 Preserve Community Facilities District No. 2025-1 (the “CFD”), (ii) designate within the CFD, “Improvement Area No. 1 of City of Rancho Cordova The Preserve Community Facilities District No. 2025-1” (“Improvement Area No. 1”), and (iii) establish a “City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (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 March 17, 2025, the City Council, as legislative body of the CFD and Improvement Area No. 1, established the bonded indebtedness limit for the CFD in the principal amount of not to exceed $23,800,000 (excluding bonds described in Section 53364.2(e) of the Act) (the “Authorization”), initially allocated as follows: (i) for Improvement Area No. 1, $13,700,000 and (ii) for land within the Future Annexation Area, $10,100,000; and

WHEREAS, in November 2025, with the consent of the owner of all the land within the Future Annexation Area, all of the land within the Future Annexation Area was annexed into Improvement Area No. 1 and the indebtedness limit of $23,800,000 became applicable to the entirety of Improvement Area No. 1; and

WHEREAS, the city desires to issue the first series of special tax bonds for the CFD pursuant to 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 the CFD, designated as the “Improvement Area No. 1 of City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Special Tax Bonds Series 2026” (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, there has been placed on file with the City Clerk a form of Funding, Construction and Acquisition Agreement (the "Acquisition Agreement") providing for certain CFD authorized facilities to be acquired by the city from Lennar Homes of California, LLC, a California limited liability company, as the developer of the land within the District, or an affiliate or assignee, and the City Council, with the assistance of staff, has reviewed the Acquisition Agreement and found it to be in proper order, and now desires to approve such agreement; 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:

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 and 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 $13,500,000, 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 the CFD 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 the CFD.

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, Assistant 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 The CFD 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 $13,500,000 or result in an Underwriter's discount in excess of 1.6%, or a true interest cost in excess of 6.50%. 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. Approval of Acquisition Agreement. The City Council hereby approves the Acquisition Agreement. An Authorized Officer is hereby authorized and directed to execute the Acquisition 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.

SECTION 10. 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 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 11. 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 20th day of January 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

Garrett Gatewood, 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 ____________ 1, 2026

Relating to:

$__________
City of Rancho Cordova
The Preserve Community Facilities District No. 2025-1
Improvement Area No. 1
Special Tax Bonds
Series 2026

TABLE OF CONTENTS

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the "Agreement") is made and entered into and dated as of ____________ 1, 2026, 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 Preserve Community Facilities District No. 2025-1 (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").

W I T N E S S E T H :

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 Preserve Community Facilities District No. 2025-1" ("Improvement Area No. 1"), and (iii) establish a "City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (Future Annexation Area)" for the District (the "Future Annexation Area"); and

WHEREAS, the City Council, as the legislative body of the District and Improvement Area No. 1, is authorized under the Act to levy special taxes to pay for the costs of facilities authorized for the District and to issue bonds secured by said special taxes under the Act;

WHEREAS, under the provisions of the Act, on _______, 2026, the City Council of the City adopted its Resolution No. _______-2026 (the "Resolution"), which resolution authorized the issuance of the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds Series 2026 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 ____________ 1, 2026, by and between the City and Lennar Homes of California, Inc., 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 2026 Bonds issued pursuant to Section 5.17 hereof.

"Administrative Expense Priority" means (i) for fiscal year 2026-27, $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. 1. 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. 1 not to exceed $13,700,000 (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 2026 Bonds any (ii) 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 ___________, 2026, 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 Preserve Community Facilities District No. 2025-1, 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. 1" means Improvement Area No. 1 of the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1, designated pursuant to the Resolution of Formation.

"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 ___________ 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.

"Net Maximum Annual Special Taxes" means the largest amount of Special Taxes allowed to be levied for any Bond Year, net of the Administrative Expense Priority.

"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 an 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, Charter 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. 1, 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 as a result of prepayment of the Special Tax.

"Resolution" means Resolution No. ______-2026, adopted by the City Council of the City on ______, 2026, which resolution authorized the issuance of the Bonds.

"Resolution of Formation" means Resolution No. 26-2025, adopted by the City Council of the City on March 17, 2025, establishing the District and designating therein Improvement Area No. 1.

"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. 1 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. 1 pursuant to the Act, the Ordinance and this Agreement.

"Special Tax Revenues" means the proceeds of the Special Taxes annually received by the City, excluding any interest and penalties thereon collected in connection with delinquent Special Taxes, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes.

"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.

"2026 Bonds" means the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds Series 2026.

ARTICLE II

THE BONDS

Section 2.01. Principal Amount; Designation. 2026 Bonds in the aggregate principal amount of $_________ are hereby authorized to be issued by the City for Improvement Area No. 1 under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California. The 2026 Bonds shall be designated the "City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds Series 2026."

Section 2.02. Terms of 2026 Bonds.

(A) Form; Denominations. The 2026 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 2026 Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

(B) Date of 2026 Bonds. The 2026 Bonds shall be dated the Closing Date for the 2026 Bonds.

(C) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the 2026 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2026 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 2026 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 2026 Bonds shall be issued as serial bonds and term bonds and shall mature and become payable as follows:

Maturity (September 1)	Principal Amount	Interest Rate

T = Term bonds.

(E) Interest. The 2026 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 2026 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 2026 Bond, interest is in default thereon, such 2026 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 2026 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 2026 Bonds; provided that so long as any 2026 Bonds are in book-entry form, payments with respect to such 2026 Bonds shall be made by wire transfer or such other method acceptable to the Fiscal Agent to the Depository. The principal of the 2026 Bonds and any premium on the 2026 Bonds are payable in lawful money of the United States of America upon surrender of the 2026 Bonds at the Principal Office of the Fiscal Agent. All 2026 Bonds paid by the Fiscal Agent pursuant to this Section shall be cancelled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled 2026 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:

Redemption Dates	**Redemption Price**
September 1, _____ through August 31, _____	103%
September 1, _____ through August 31, _____	102
September 1, _____ through August 31, _____	101
September 1, _____ 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:

Redemption Dates	**Redemption Price**
Interest Payment Dates through and including March 1, _____	103%
September 1, _____ and March 1, _____	102
September 1, _____ and March 1, _____3	101
September 1, _____ 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 2026 Bonds.

(iii) Mandatory Sinking Fund Redemption. The Bonds maturing September 1,______ and September 1,______, which are all issued as term bonds (collectively, the "**Term Bonds**"), are subject to mandatory sinking payment redemption in part on September 1,______ and September 1,______, 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, ____ Term Bonds

Mandatory Redemption Date (September 1)	**Sinking Fund Payment**
(maturity)	

September 1, ____ Term Bonds

Mandatory Redemption Date (September 1)	**Sinking Fund Payment**
(maturity)	

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 2026 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 2026 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 2026 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 2026 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 Securities Depositories and 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 2026 Bonds.

The proceeds of the purchase of the 2026 Bonds by the Original Purchaser in the amount of $__________ (representing the principal of amount of the Bonds, less an underwriter's discount of $__________, plus net original issue premium 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 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 Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds, Series 2026, 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 Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 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, 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 Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds Series 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 2026 Bonds.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, including a portion of the initial Administrative Expense Priority of the City in the amount of $20,000, 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 2026 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 2026 Bonds. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of 6 months, from the Closing Date of the 2026 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 2026 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 Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 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 2026 Bonds, a portion of the proceeds of which will be deposited to such Capitalized Interest Account pursuant to Section 3.02(a). The amount deposited to the Capitalized Interest Account and any investment earnings thereon shall be used solely to make payments on the 2026 Bonds on 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.

(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 Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 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. 1 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. 1 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. 1 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. 1 is delinquent on four consecutive semi-annual Special Tax installments (irrespective of the total delinquencies in Improvement Area No. 1) it will enforce the lien against such property.

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. 1 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, 10th 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 ____________ 1, 2026.

CITY OF RANCHO CORDOVA, for itself and on behalf of CITY OF RANCHO CORDOVA THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1

By: ___________________________________
Administrative Services Director

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, *as Fiscal Agent*

By: ___________________________________
Authorized Officer

[Signature page to Fiscal Agent Agreement dated as of ____________ 1, 2026]

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

No. ________ *****$__________*****

CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS SERIES 2026

INTEREST RATE:	MATURITY DATE:	BOND DATE:	CUSIP:
%	September 1, 20__	_________, 2026	

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 Preserve Community Facilities District No. 2025-1 (the "District") for Improvement Area No. 1 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 September 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 _________, 2026 (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 "City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds Series 2026" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of ____________ 1, 2026, 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. 1 (the "Special Taxes"), less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, interest and 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:

Redemption Dates	Redemption Price
September 1, _____ through August 31, _____	103%
September 1, _____ through August 31, _____	102
September 1, _____ through August 31, _____	101
September 1, _____ and any date thereafter	100

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:

Redemption Dates	**Redemption Price**
Interest Payment Dates through and including March 1, _____	103%
September 1, _____ and March 1, _____	102
September 1, _____ and March 1, _____3	101
September 1, _____ and any Interest Payment Date thereafter	100

The Bonds maturing September 1,______ and September 1,______, which are all issued as term bonds (collectively, the "**Term Bonds**"), are subject to mandatory sinking payment redemption in part on September 1,______ and September 1,______, 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, ____ Term Bonds

Mandatory Redemption Date (September 1)	**Sinking Fund Payment**
(maturity)	

September 1, ____ Term Bonds

Mandatory Redemption Date (September 1)	**Sinking Fund Payment**
(maturity)	

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: _____________, 2026

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.

$__________
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

BOND PURCHASE AGREEMENT

__________, 2026

City of Rancho Cordova
The Preserve Community Facilities District No. 2025-1
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 Preserve Community Facilities District No. 2025-1 (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 February 1, 2026 (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 City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds, Series 2026 (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 ________, 2026. 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. 1; (ii) provide for a deposit into the debt service reserve fund for the Bonds; (iii) pay capitalized interest on 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.

G. Except as the City and the Underwriter 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 on the Closing Date.

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 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. 1 (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 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 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 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 Taxes, 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 or special tax liens against any of the properties within Improvement Area No. 1 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 with any previous undertakings with regard to the Rule to provide annual reports or notices of material 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. 1 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, Inc. 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 Lennar Homes of California, LLC, a California limited liability company (the "Property Owner") in the form under Appendix G hereto.

25. Property Owner Continuing Disclosure Certificate. Executed copies of the Continuing Disclosure Certificate (Developer) 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. 1, 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:

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. 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 CDIAC 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 – CITY OF RANCHO CORDOVA THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1 IMPROVEMENT AREA NO. 1 SPECIAL TAX BONDS, SERIES 2026]

APPENDIX A

$__________
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

MATURITY SCHEDULE

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The-Offering-Price Rule
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
20__ (T)							
20__ (T)							
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 Preserve Community Facilities District No. 2025-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Re: City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds, Series 2026

Ladies and Gentlemen:

We have acted as counsel for the City of Rancho Cordova (the "City") and the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (the "Community Facilities District"), in connection with the purchase and sale of the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds, Series 2026 (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 February 1, 2026 (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 _______, 2026 ("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

CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

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 Preserve Community Facilities District No. 2025-1 (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 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 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 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

CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

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 February 1, 2026 (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 Preserve Community Facilities District No. 2025-1
Rancho Cordova, California

Piper Sandler & Co.
El Segundo, California

Re: City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Improvement Area No. 1 Special Tax Bonds, Series 2026

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 February 1, 2026 (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

CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

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 (the "Rate and Method") as set forth in Appendix A to the Official Statement dated [BPA Date], for the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (the "Community Facilities District") Improvement Area No. 1 Special Tax Bonds, Series 2026 (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 February 1, 2026 (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 $_____ for Fiscal Year 2026-27 (subject to inflation at 2.00% per Fiscal Year beginning in Fiscal Year 2027-28)), 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. 1," "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, Piper Sandler & Co., and all the professionals involved in the financing are entitled to rely on this Certificate.

Dated: [Closing Date]

GOODWIN CONSULTING GROUP, INC.

By: ____

Title: ______________________________________

APPENDIX G

CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

CERTIFICATE OF PROPERTY OWNER

[POS Date]

City of Rancho Cordova
The Preserve Community Facilities District No. 2025-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Piper Sandler & Co.
2321 Rosecrans Ave., Suite 3200
El Segundo, California 90245

The undersigned certifies and represents that he or she is duly authorized on behalf of Lennar Homes of California, 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 the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1(the "**Community Facilities District**") of the Bonds captioned above (the "**Bonds**").

Capitalized terms used but not defined in this Certificate have the same meanings as are 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/or (ii) review of documents reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth 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 other Person (i) who presently directly or indirectly through one or more intermediaries, is currently controlling, controlled by, or under common control with the Property Owner, and (ii) about whom information is material to potential investors in their evaluation of Improvement Area No. 1 of the Community Facilities District and 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 on the portion of the Property then-owned by the Property Owner (to the extent the responsibility of the Property Owner) 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. 1 of 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, to the Actual Knowledge of the Undersigned, as follows, as an authorized offer 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 limited liability company 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 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 own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) to pay the Special Taxes on the portion of the Property then-owned by the Property Owner (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 the Special Taxes on the portion of the Property then-owned by the Property Owner (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 commencement of a foreclosures action against the delinquent Property Owner of Relevant Entity in 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, before or by any court, regulatory agency, public board or body 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 the Special Taxes on the portion of the Property then-owned by the Property Owner (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 able to pay their respective bills as they become due;

(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, neither the Property Owner nor any of its Relevant Entities has any proceedings pending against it (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 "OWNERSHIP AND DEVELOPMENT OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1", and "CONTINUING DISCLOSURE – Lennar Homes," concerning only the Property Owner, its Relevant Entities, ownership of 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, to the Actual Knowledge of the Undersigned, 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 is reasonably likely to materially and adversely affect the ability of the Property Owner to:

(i) own, develop and sell the Property, as described in the Preliminary Official Statement,

(ii) pay the Special Taxes on the portion of the Property then-owned by the Property Owner (to the extent the responsibility of the Property Owner) prior to delinquency,

(iii) carry on its business as described in the Preliminary Official Statement, or

(iv) perform its obligations under the Continuing Disclosure Certificate (Developer).

(14) An appraisal of the taxable properties within Improvement Area No. 1 of the Community Facilities District dated ______, 2026 (the "**Appraisal Report**"), with a date of value of November 24, 2025 (the "**Date of Value**"), was prepared by Integra Realty Resources, Rocklin, California (the "**Appraiser**"). The Appraisal Report estimates the market value of the taxable properties within Improvement Area No. 1 of the Community Facilities District as of the Date of Value. To the Actual Knowledge of the Undersigned, all information submitted by, or on behalf of and authorized by, the Property Owner to the Appraiser and contained in the sections of the Appraisal Report highlighted in yellow in Exhibit A attached hereto was true and correct in all material respects as of the Date of Value.

(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. 1 of the Community Facilities District,

(iii) seeks to invalidate the Community Facilities District or any of the Bonds or any refunding obligations relating thereto, or

(iv) seeks to invalidate the special tax liens of Improvement Area No. 1 of the Community Facilities District 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 or among the Property Owner and its Relevant Entities, the City and/or the Community Facilities District or under which the Property Owner or its Relevant Entities is a party or beneficiary.

(16) The Property Owner has received a copy of the Rate and Method containing the Special Tax 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, including, but not limited to, the risks described in the Preliminary Official Statement under the sections entitled "BOND OWNERS' RISKS" and "IMPROVEMENT AREA NO. 1", to the Actual Knowledge of the Undersigned, the Property Owner anticipates that it will have sufficient funds to (i) complete the development and sale of the Property as described in the Preliminary Official Statement, and (ii) 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. 1 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 the Property Owner, its Relevant Entities, or the acquisition, ownership, development or sale of the Property which the undersigned believes would 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, 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 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 ownership, development or sale of the Property occurs, as a result of which it is necessary to modify the form of bring-down certificate, the Property Owner agrees to deliver at the time of issuance of the Bonds a new form of 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,

(ii) 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 of the Bonds contemplated by the Bond Purchase Agreement.

(23) On behalf of the Property Owner, the undersigned has reviewed the contents of this Certificate and 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.

[Remainder of Page Intentionally Blank; Signature Page Follows]

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.

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By:____________________________
Name:__________________________
Title:___________________________

EXHIBIT A

EXCERPTS FROM THE APPRAISAL REPORT

(to be attached)

APPENDIX H

$__________
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

BRING-DOWN CERTIFICATE OF PROPERTY OWNER

Dated: [Closing Date]

City of Rancho Cordova
The Preserve Community Facilities District No. 2025-1
2729 Prospect Park Drive
Rancho Cordova, California 95670

Piper Sandler & Co.
2321 Rosecrans Ave., Suite 3200
El Segundo, California 90245

The undersigned certifies and represents that he or she is duly authorized, on behalf of Lennar Homes of California, 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 the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1(the "**Community Facilities District**") 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, 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 Section 11 of the Certificate (and subject to the limitations and exclusions contained in Section 11 of the Certificate) relating only to the Property Owner, its Relevant Entities, ownership of 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 25 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 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).

[Remainder of Page Intentionally Blank; Signature Page Follows]

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.

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By:_____________________________
Name:___________________________
Title:____________________________

APPENDIX I

CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

CERTIFICATE OF APPRAISER

Integra Realty Resources (the "Appraiser"), Sacramento, California prepared an appraisal of the properties within Improvement Area No. 1 of the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (the "Community Facilities District") dated ______, 2026 (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

$__________
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
IMPROVEMENT AREA NO. 1
SPECIAL TAX BONDS
SERIES 2026

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 Bonds***.

(a) Piper offered each Maturity of the Bonds 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], between the Issuer and Piper, Piper agreed in writing that, (i) for each Maturity of the Bonds, 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 Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms***.

(a) *Holding Period* means, for each Maturity of the Bonds, 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 Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means the City of Rancho Cordova.

(c) *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.

(d) *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.

(e) *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].

(f) *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

Jones Hall Draft of Jan. 10, 2026

PRELIMINARY OFFICIAL STATEMENT DATED __________, 2026

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.

$12,000,000*
IMPROVEMENT AREA NO. 1 OF
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
SPECIAL TAX BONDS
SERIES 2026

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. 1 (the "Improvement Area No. 1") of the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (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 February 1, 2026 (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 Tax Revenues (as defined herein) consisting of Special Taxes levied on property within Improvement Area No. 1 according to a rate and method of apportionment of special tax described herein, 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 are secured by a lien on applicable taxable lots, and do not constitute a personal indebtedness of the owners of the parcels within Improvement Area No. 1. 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. 1 subject to the Special Tax comprises land in the City of Rancho Cordova, Sacramento County, California, currently being developed by Lennar Homes of California as "The Preserve" community comprised of 439 single-family home sites under development into four neighborhoods, with some homes sold and construction and marketing ongoing. See "IMPROVEMENT AREA NO. 1" and "OWNERSHIP AND DEVELOPMENT OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1."

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. 1; (ii) provide for a deposit into the debt service reserve fund for the Bonds; (iii) pay capitalized interest on 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 September 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 BOND OWNERS' RISKS 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, Bond Counsel, and subject to certain other conditions. Jones Hall 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 ________, 2026*.

[PIPER LOGO]

The date of this Official Statement is: _________, 2026.

____
* Preliminary; subject to change.

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 Global Services (CGS) is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Copyright© 2026 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 Fiscal Agent or the Underwriter take any responsibility for the accuracy of the CUSIP data.

CITY OF RANCHO CORDOVA

City Council

Garrett Gatewood, *Mayor*
Linda Budge, *Vice Mayor*
Siri Pulipati, *Councilmember*
David M. Sander, Ph.D., *Councilmember*
Joe Little, *Councilmember*

Staff

Micah Runner, *City Manager*
Kim Juran-Karageorgiou, *Administrative Services Director*
Stacy Leitner, CMC, *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
Los Angeles, California

TABLE OF CONTENTS

OFFICIAL STATEMENT

$12,000,000*
IMPROVEMENT AREA NO. 1 OF
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
SPECIAL TAX BONDS
SERIES 2026

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. 1 ("**Improvement Area No. 1**") of City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (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.

The District and Improvement Area No. 1. The District was established in March 2025, including designation of Improvement Area No. 1 as an improvement area within the District, and a future annexation area (the "**Future Annexation Area**") was created, all pursuant to proceedings conducted by the City under the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, *et seq*., of the Government Code of the State of California) (the "**Mello-Roos Act**").

In November 2025, land within the Future Annexation Area was annexed into the District. As a result, there is no remaining Future Annexation Area.

An initial bond authorization was established for the District in the amount of $23,800,000, with $13,700,000 of it allocated to Improvement Area No. 1 and the remainder available for the Future Annexation Area. Upon merger of all the land within the Future Annexation Area into

* Preliminary; subject to change.

Improvement Area No. 1 in November 2025, the bonded indebtedness limit applicable to Improvement Area No. 1 was authorized to be the overall CFD limit. The Bonds represent the first series of special tax bonds authorized and issued by the City for the District and no additional parity bonds are allowed to be issued, except for refunding purposes.

The Bonds. The Bonds are issued pursuant to the provisions of the Mello-Roos Act, a Fiscal Agent Agreement, dated as of February 1, 2026 (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 January 20, 2026 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 September 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 and/or paying impact fees for, certain public infrastructure improvements necessary for development in the District (the "**Facilities**," as described herein). The Facilities consist generally of roadway and transportation improvements, park improvements, in-tract improvements and other miscellaneous infrastructure improvements necessary for development of property within the District, as well as certain development impact fees imposed by the City and other local agencies. Proceeds of the Bonds will also be used to make a deposit in the Reserve Fund (defined herein), provide capitalized interest on 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 are defined as the proceeds of the Special Taxes annually received by the City, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes. "**Special Taxes**" means the special tax levied on taxable real property within the boundaries of Improvement Area No. 1 under the Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 (the "**Rate and Method**"), and "**Administrative Expense Priority**" means (i) for Fiscal Year 2026-27, $30,000, and (ii) for each subsequent fiscal year, an amount equal to the preceding fiscal year's Administrative Expense Priority plus an additional 2% of such amount. Upon merger of all the land within the Future Annexation Area into Improvement Area No. 1 in November 2025, the Rate and Method was revised to include the land originally within the Future Annexation Area, as set forth in Exhibit A hereto.

The Bonds are also payable from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, including the Reserve Fund, all as more fully described herein. The Special Tax applicable to each taxable parcel in Improvement Area No. 1 will be levied and collected annually 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. 1 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 taxed 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 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. 1 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 are the first series of bonds being issued by the City for Improvement Area No. 1. No additional bonds are currently expected, except that additional bonds secured on parity with the Bonds may be issued for refunding purposes.

Property Subject to the Special Tax. Improvement Area No. 1 consists of 439 residential lots subject to the Special Tax, currently consisting of completed homes and lots under development by Lennar Homes of California, LLC ("**Lennar Homes**"). Lennar Homes is developing 55 lots into its "Aqua at The Preserve," 126 lots into its "Azure at The Preserve," 134 lots into its "Cobalt as The Preserve," and 124 lots into its "Cyan at The Preserve" communities. See "OWNERSHIP AND DEVELOPMENT OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1" herein.

Marketing in all neighborhoods is ongoing. As of January 2, 2026, 164 homes had closed escrow and 69 homes were under contract to homeowners. Homes under contract may not result in closed escrows as sales contracts are subject to cancellation.

Value of Property. Property in Improvement Area No. 1 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. 1 as of November 24, 2025, prepared by Integra Realty Resources, Sacramento, California (the "**Appraiser**"). The Appraiser indicated a value estimate of $141,327,000 as of the date of value, subject to the conditions and qualifications set forth therein. 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 assumption of completion of the Facilities expected to be funded with the proceeds of the Bonds. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1."

The principal amount of the direct and overlapping debt in Improvement Area No. 1 is $13,433,516*, which consists of the estimated amount of Bonds ($12,000,000*) and $1,433,516 of direct and overlapping debt. Consequently, the $141,327,000 appraised estimate value of property in Improvement Area No. 1 subject to the Special Tax lien, is approximately 10.5* times the principal amount of the Bonds and other direct and overlapping debt in Improvement Area No. 1. This is an average, and individual parcels may have value-to-lien ratios that are different. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1 – 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 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. 1 since the date hereof.

---

* Preliminary; subject to change.

FINANCING PLAN

The Bonds are being issued to (i) construct and acquire certain public facilities, which may include payment of fees related to public facilities, authorized for the District; (ii) deposit into the Reserve Fund an amount equal to the Reserve Requirement with the Bonds; (iii) fund capitalized interest on 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 for the Bonds.
(2) Used to pay capitalized interest on 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 January 20, 2026, 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 Los Angeles, California, 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:

Redemption Dates	Redemption Price
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:

Redemption Dates	Redemption Price
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**," defined in the Fiscal Agent Agreement as the proceeds of the Special Tax received by the City for Improvement Area No. 1, less an amount equal to the Administrative Expense Priority, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes. *"***Administrative Expense Priority***"* means (i) for Fiscal Year 2026-27, $30,000, and (ii) for each subsequent fiscal 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. 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.

Amounts in a 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. 1 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. 1. 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. 1, 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 XIIIA 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. 1, 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. 1 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 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. 1 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 up to the Maximum Special Tax rate authorized by the qualified electors within Improvement Area No. 1 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. 1 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. 1 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. 1.

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. 1 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 Detached Property, Single Family Attached Property or Other Property, (iii) for Single Family Detached Property, determine the Lot Category for each SFD Lot; (iv) for Single Family Attached Property, determine the number of SFA Units on each Parcel; (v) for Other Property, determine the Acreage of each Parcel; and (vi) 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. 1 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. 1, 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 based on a lot category of “Tax Rate 1,” “Tax Rate 2,” “Tax Rate 3” or “Tax Rate 4” designated in the Rate and Method, based on lot size (see the “Land Use Category” definitions in Appendix A) at the time the District was formed, as shown below and in Attachment 2 of the

Rate and Method. The Rate and Method includes a designated tax amount for Attached Property and Other Property, however no development into those designations is expected. For additional details, see APPENDIX A.

Tax Zone	Land Use Category	FY 2026-27 Base Special Tax (1)(2)	
Tax Zone 1	Single Family Property	$1,319.22	per Residential Unit / SFD Lot
	Other Property	$15,758.94	per Acre
Tax Zone 2	Single Family Property	$1,601.18	per Residential Unit / SFD Lot
	Other Property	$17,983.32	per Acre
Tax Zone 3	Single Family Property	$1,594.94	per Residential Unit / SFD Lot
	Other Property	$15,996.16	per Acre
Tax Zone 4	Single Family Property	$2,135.94	per Residential Unit / SFD Lot
	Other Property	$19,641.72	per Acre

(1) On July 1 each fiscal year, the Maximum Special Taxes shall be increased by two percent 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 CFD. Subject to change pursuant to Section D of the RMA.
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 Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts. "Developed Property" for purposes of the Rate and Method means, in any Fiscal Year, all Parcels of Taxable Property that are not Taxable Owners Association Property, Taxable Public Property, or Taxable Welfare Exemption Property for which a Building Permit for new construction was issued prior to June 1 of the preceding Fiscal Year.

If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Final Map Property up to 100% of the Maximum Special Tax for each Parcel of Final Map Property until the amount levied is equal to the Special Tax Requirement.

If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

Thereafter, Taxable Welfare Exempt Property, Taxable Owners Association Property and Taxable Public Property could be taxed. See 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. 1 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. 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 for Improvement Area No. 1

Projected Fiscal Year 2026-27
Special Tax Levy (1)

Tax Zone	Projected FY 2026-27 Maximum Special Tax(1)	Projected FY 2026-27 Actual Special Tax (2)
Tax Zone 1	$163,583	$152,411
Tax Zone 2	88,065	84,298
Tax Zone 3	200,962	176,574
Tax Zone 4	286,216	259,586
	$738,827	$672,869

(1) Based on building permits issued prior to November 24, 2025, and final maps recorded by June 30, 2025.
(2) Includes debt service due in 2027 on the 2026 Special Tax Bonds and estimated administrative expenses in the amount of $30,600.
Sources: 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 on or after September 15th of each year, be transferred to the Surplus Account and thereafter be free of the pledge to pay the Bonds.

Moneys in the Surplus Account may, at the City's discretion, be used 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.

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 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 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 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 by more than 5% of the total amount of the Special Tax levied in such fiscal year, it will within 30 days thereafter institute foreclosure proceedings as authorized by the Mello-Roos Act in order to enforce the lien of the delinquent installment of the Special Tax against each separate lot or parcel of land in Improvement Area No. 1 for which such installment of the Special Tax is delinquent, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; *provided,* that if the City determines on the basis of such review that:

(a) the amount so collected is deficient by less than 5% of the total amount of the Special Tax levied in Improvement Area No. 1 in such fiscal year, but that property owned by any single property owner in Improvement Area No. 1 is delinquent by more than $6,500 with respect to the Special Tax due and payable by such property owner in such fiscal year, or

(b) that property owned by any single property owner in Improvement Area No. 1 is delinquent on four or more consecutive semi-annual Special Tax installments (irrespective of the total delinquencies in Improvement Area No. 1),

then the City will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided in the Fiscal Agent Agreement against each such property owner.

Under the Mello-Roos Act, foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. In such action, the real property subject to the special taxes may be sold at a judicial foreclosure sale for a minimum price which will be sufficient to pay or reimburse the delinquent Special Taxes.

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. 1 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. 1 – 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 will be applicable after the initial year of a Special Tax levy, but no assurance can be given that it will continue in any or all of the years that the Bonds are outstanding. 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. 1, 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. 1 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**" 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 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. The Reserve Requirement shall not increase after the issuance of the Bonds.

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. 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 establishes 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 $13,700,000 of bonded indebtedness for Improvement Area No. 1; the Bonds represent the first series of bonds and under the provisions of the Fiscal Agent Agreement and the City is precluded from issuing additional bonds secured by the Special Taxes on parity with the Bonds, except for refunding bonds issued under the Act. The City may issue bonds for Improvement Area No. 1 secured by Special Taxes on a subordinate basis to the pledge of Special Taxes for payment of the Bonds.

DEBT SERVICE SCHEDULE AND COVERAGE

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).

Improvement Area No. 1 of
City of Rancho Cordova
The Preserve Community Facilities District No. 2025-1
Special Tax Bonds Series 2026
Debt Service Schedule

Period Ending Sept. 1	Bonds Principal	Bonds Interest(1)	Bonds Total Debt Service
Total			

(1) The interest on the Bonds due through and including September 1, 2026 will be paid from capitalized interest.
Source: Underwriter.

Projected Debt Service Coverage. The projected debt service coverage for Fiscal Year 2026-27 is set forth below and is based on the current status of development and only the Bonds outstanding. To the extent that development status changes, the debt service coverage may be different than what is shown. The Bonds have been structured so there is at least 110% debt service coverage from Special Tax Revenues in every year the Bonds are outstanding.

Improvement Area No. 1 of
City of Rancho Cordova
The Preserve Community Facilities District No. 2025-1
Special Tax Bonds Series 2026
Projected Fiscal Year 2026-27 Debt Service Coverage(1)(2)

Bond Year	Maximum Special Tax Developed and Final Map Property (3)	Priority Admin (4)	Special Tax Debt Service *	Debt Service Coverage from Developed and Final Map Property *
2027	$738,827	($30,600)	$642,269	110.27%

*. *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 November 24, 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. 1

Formation and Background

On February 3, 2025, the City Council adopted a Resolution of Intention to form the District, designate Improvement Area No. 1 as an improvement area therein, and establish the Future Annexation Area, to levy a special tax and to incur bonded indebtedness for the purpose of financing the Facilities and making contributions to certain public facilities. After conducting a noticed public hearing, on March 17, 2025, the City Council adopted the Resolution of Formation, which established the District, designated Improvement Area No. 1 therein, and created the Future Annexation Area, approved the Rate and Method for Improvement Area No. 1.

In November 2025, all the land within the Future Annexation Area was annexed into Improvement Area No. 1. As a result, there is currently no remaining Future Annexation Area.

After conducting a noticed public hearing, on March 17, 2025, the City Council adopted a resolution setting forth the necessity to incur bonded indebtedness for the District and Improvement Area No. 1 in a total amount not to exceed $23,800,000 (excluding bonds or notes described in Section 53364.2(e) of the Mello-Roos Act), initially allocated as follows: (i) for Improvement Area No. 1, $13,700,000 and (ii) for the portion of the District that is in the Future Annexation Area and not currently in Improvement Area No. 1, $10,100,000. On the same day, an election was held within Improvement Area No. 1 in which Lennar Homes, as the sole eligible landowner voter in the District, approved the proposed bonded indebtedness and the levy of the Special Tax within Improvement Area No. 1. Upon merger of all the land within the Future Annexation Area into Improvement Area No. 1 in November 2025, the bonded indebtedness limit applicable to Improvement Area No. 1 was authorized to be the overall CFD limit.

Description and Location

General. Land developing in Improvement Area No. 1 of the District is a portion of a development referred to by the City as the "The Preserve" single-family residential project, which is generally located at the intersection of Edington Drive and Raymer Way, within the City.

Improvement Area No. 1 is planned for a total of 439 residential lots developing into four communities by Lennar Homes, as described herein. Lot sizes range from 4,500 to 5,830 square feet. As of January 2, 2026, 164 homes had been sold and closed to individual homeowners and 69 were under contract for sale. Some of the unsold lots are owned by a land bank under a holding arrangement used by Lennar Homes. See "OWNERSHIP AND DEVELOPMENT OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1 – Land Bank Arrangement."

The City. 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."

Environmental Matters

Flood Hazard Map Information. Land in Improvement Area No. 1 is located in Flood Zone X, described as areas outside of the 100 and 500-year flood plains (less than 0.2% annual chance of 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-0250H, revised August 16, 2012. Land in Improvement Area No. 1 is not subject to the Central Valley Flood Protection Plan (SB 5).

Seismic Conditions. According to the California Seismic Safety Commission, Improvement Area No. 1 is located within Zone 3, areas of moderate seismic activity. Zone 3 is considered to be the lowest risk zone in California. In addition, Improvement Area No. 1 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. Land in Improvement Area No. 1 has been classified as an area of moderate concern, as defined by CAL FIRE.

Maps

The following pages show the boundary map of the District; note that the original Future Annexation Area (depicted in the map as the “Annexation No. 1” area) has been annexed into Improvement Area No. 1.

[Insert CFD Boundary Map]

[Insert Site Plan Map]

THE FACILITIES

Eligible Facilities

The Facilities eligible to be financed by the District (including Improvement Area No. 1 therein) are set forth in the Resolution of Formation and include roadway and transportation improvements, park improvements, in-tract improvements as well as certain development impact fees imposed by the City and other local agencies, including fees for transportation related facilities, sanitary sewer facilities, water facilities and other capital improvements for which developer impact fees are payable as a condition of development within the District (collectively, the "**Facilities**), as well as improvements and 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 Facilities. See "FINANCING PLAN" for additional details.

Acquisition by the City and other Local Agencies

In connection with the issuance of special tax bonds for Improvement Area No. 1, the City and Lennar Homes entered into a Funding, Construction and Acquisition Agreement (the "**Acquisition Agreement**") which provides for financing of all or a portion of the Facilities, including Facilities to be constructed by or on behalf of Lennar Homes (or its successors), with a portion of the proceeds of the Bonds. As components of the Facilities to be constructed by Lennar Homes 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 to be constructed by Lennar Homes, which will not be provided from Bond proceeds, will be the responsibility of Lennar Homes.

The City also entered into joint community facilities agreements with the Sacramento County Water Agency and other local agencies so that a portion of the proceeds of the Bonds and other special tax bonds issued for Improvement Area No. 1 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 for a limited time 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 AND DEVELOPMENT OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1

The information regarding the ownership of the property contained under this caption has been provided by Lennar Homes. There may be material adverse changes in this information after the date of this Official Statement. Unpaid Special Taxes do not constitute a personal indebtedness of Lennar Homes or any other current or subsequent owners of the parcels within Improvement Area No. 1 and, in the event that any property owner defaults in the payment of its Special Taxes, the District may proceed with judicial foreclosure of the delinquent land within Improvement Area No. 1 securing the Bonds, but has no direct recourse to any other assets of any property owner or any affiliate thereof. The Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement.

There is no assurance that Lennar Homes or any other current or subsequent owners of the parcels within Improvement Area No. 1 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. 1 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. 1. See “SECURITY FOR THE BONDS” and “BOND OWNERS’ RISKS” herein.

Current Property Ownership

Lennar Homes, is the master developer for “The Preserve” development. Homes are under construction; as of January 2, 2026, 164 homes had been sold and closed to individual homeowners and 69 were under contract for sale. Some of the unsold lots are owned by a land bank under a holding arrangement used by Lennar Homes. See “Land Bank Arrangement” below.

Lennar Homes

General. As defined previously in this Official Statement, Lennar Homes is based in Irvine, California and has been in the business of developing residential real estate communities in California since 1996. Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company (“**U.S. Home**”). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida (“**Lennar Corporation**”). Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation’s Class A and Class B common stock are listed on the New York Stock Exchange under the symbols “LEN” and “LEN.B.” respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Homes primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar Homes maintains an interest.

Lennar Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the Securities and Exchange Commission (the “**SEC**”). Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is www.sec.gov. All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of Lennar Corporation's Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation's website at www.lennar.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Lennar Corporation and Lennar Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the 2026 Bonds.

Development Plan. Lennar Homes plans to construct a total of 439 single-family detached homes in Improvement Area No. 1 in four communities known as "Aqua at The Preserve," "Azure at The Preserve," "Cobalt at The Preserve," and ""Cyan at The Preserve."

The proposed product mix for the homes planned to be constructed by Lennar Homes within the neighborhoods is set forth in the following tables. As of January 2, 2026, 164 homes had been sold and closed to individual homeowners and 69 were under contract for sale, as detailed in the tables.

Lennar Homes – "Aqua at The Preserve"
(55 LDR Lots)
(as of January 2, 2026)

Floor Plans	Approx. Square Footage	Total Units Planned	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow	Units Under Construction	Finished Lots	Base Price (1)
1879	1879	16	7	3	4	2	$576,990
2261	2261	17	9	6	2	0	$601,990
2623	2623	22	10	9	1	2	$656,990
Total		**55**	**26**	**18**	**7**	**4**	

(1) Estimated base price as of January 2, 2026 and does not include lot upgrades, premiums or concessions and incentives which may be offered.
Source: Lennar Homes.

Lennar Homes – "Azure at The Preserve"
(126 LDR Lots)
(as of January 2, 2026)

Floor Plans	Approx. Square Footage	Total Units Planned	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow	Units Under Construction	Finished Lots	Base Price (1)
1873	1873	10	5	4	1	0	$585,990
2127	2127	15	9	3	1	2	$623,990
2386	2386	21	15	1	4	1	$639,990
2612	2612	23	13	4	5	1	$663,990
Undecided		57	0	0	0	57	
Total		**126**	**42**	**12**	**11**	**61**	

(1) Estimated base price as of January 2, 2026 and does not include lot upgrades, premiums or concessions and incentives which may be offered.
Source: Lennar Homes.

Lennar Homes – "Cobalt at The Preserve"
(134 LDR Lots)
(as of January 2, 2026)

Floor Plans	Approx. Square Footage	Total Units Planned	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow	Units Under Construction	Finished Lots	Base Price (1)
2679	2679	18	8	4	6	0	$703,990
2789	2789	30	14	6	8	2	$720,990
3105	3105	16	10	2	4	0	$754,990
3427	3427	29	14	9	4	2	$795,990
Undecided		41	0	0	0	41	
Total		**134**	**46**	**21**	**22**	**45**	

(1) Estimated base price as of January 2, 2026 and does not include lot upgrades, premiums or concessions and incentives which may be offered.
Source: Lennar Homes.

Lennar Homes – "Cyan at The Preserve"
(124 LDR Lots)
(as of January 2, 2026)

Floor Plans	Approx. Square Footage	Total Units Planned	Units Completed, Sold, and Closed	Units Completed and Unsold or in Escrow	Units Under Construction	Finished Lots	Base Price (1)
1765	1765	15	7	4	3	1	$555,990
1941	1941	15	9	4	2	0	$569,990
2018	2018	33	16	9	6	2	$589,990
2179	2179	29	18	6	4	1	$598,990
Undecided		32	0	0	0	32	
Total		**124**	**50**	**23**	**15**	**36**	

(1) Estimated base price as of January 2, 2026 and does not include lot upgrades, premiums or concessions and incentives which may be offered.
Source: Lennar Homes.

Lennar Homes' development expectations described above are based on Lennar Homes' current plans. These plans may change due to changes in economic and market conditions or *other factors. No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Lennar Homes reserves the right to change its development plans 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 by the homebuyer. See "BOND OWNERS' RISKS – Property Values and Property Development – Risks of Real Estate Secured Investments Generally."*

Land Bank Arrangement. The Lennar Land Bank, TPG AG EHC III (LEN) CA 2, L.P., a Delaware limited partnership, is an affiliate of, and managed by, Angelo Gordon & Co., L.P. ("**Lennar Land Bank**"), which is an alternative asset management firm founded in 1988 and headquartered in New York. In November 2023, Angelo Gordon was acquired by TPG Inc., a global alternative asset management firm, founded in San Francisco in 1992, with $296 billion of assets under management as of June 30, 2025, and investment and operational teams located around the world. TPG trades on the Nasdaq Stock Market under the ticket symbol "TPG.".

In connection with the land banking transaction, the Lennar Land Bank entered into an option agreement (the "**Option Agreement**") with Lennar Homes whereby Lennar Homes has the option, but not the obligation, to purchase lots from the Lennar Land Bank, the lots owned by the Lennar Land Bank within the District pursuant to a takedown schedule. During the term of the Option Agreement, Lennar Homes is obligated to pay all taxes and other carrying costs on the lots, including special taxes. To date Lennar Homes had acquired a portion of lots in the District from the Lennar Land Bank according to the takedown schedule. There is no guarantee that Lennar Homes will acquire the remaining lots in the District from the Lennar Land Bank as planned.

The Lennar Land Bank is serving as a land bank for Lennar Homes and is not a homebuilder. In the event Lennar Homes does not exercise its option on the lots or the right to purchase the lots expires or is terminated, the Lennar Land Bank, being an investor only and not a homebuilder, would likely attempt to sell such remaining lots to another merchant builder.

Model Ownership - Salt Non- NC/Non-WA Property Owners, LLC. The model complex for Azure, Cobalt, and Cyan at The Preserve was sold to a third party and leased back for Lennar Homes to use over the course of the sell off period.

Financing Plan. Lennar Homes has financed its various site development and homebuilding costs related to its development within Improvement Area No. 1 through internally generated funds (which may include funding from its parent company and home sales proceeds). However, home sales revenues from Lennar Homes' activities in Improvement Area No. 1 are not segregated and set aside for completing its development activities in Improvement Area No. 1.

Although Lennar Homes expects to have sufficient funds available to complete its development in Improvement Area No. 1 *as described in this Official Statement, no assurance can be given that amounts necessary to fund the remaining development costs will be available to Lennar Homes source when needed. Neither Lennar Homes, nor other entity or person is under any legal obligation of any kind to expend funds for the development of and construction of homes on Lennar Homes' property in* Improvement Area No. 1. *Any contributions by Lennar Homes or any other entity or person to fund the costs of such development are entire voluntary. Lennar Homes has no legal obligation to Bond Owners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.*

If and to the extent the aforementioned sources of funds are inadequate to pay the costs to complete the planned development by Lennar Homes within Improvement Area No. 1 and other financing is not put into place, there could be a shortfall in the funds required to complete the remaining planned development by Lennar homes or to pay ad valorem property taxes or Special Taxes related to Lennar Homes' property in Improvement Area No. 1 and the remaining portions of such development may not be completed. Many factors beyond Lennar Homes' control, or a decision by Lennar Homes to alter its current plans, may cause the actual sources and uses to differ from the projections.

VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1

The value of taxable property within Improvement Area No. 1 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. The City has obtained both the Fiscal Year 2025-26 assessed valuation of taxable property in Improvement Area No. 1 and an appraised value of such property, as described herein.

Assessed Valuation

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. 1 for Fiscal Year 2025-26.

Table 1
Improvement Area No. 1 Assessed Valuation(1)
Fiscal Year 2025-26

Fiscal Year	Land Assessed Value	Improvement Assessed Value	Total Assessed Value	Building Permits Issued (1) (2)
2025-26(3)	$23,810,042	$3,402,000	$27,212,042	183

(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, 183 building permits had been issued.
(2) As of November 24, 2025, the date of value, 275 building permits have been issued. Assumes no further development.
(3) Does not include the fiscal year 2025-26 assessed values of parcels annexed into Improvement Area No. 1 on November 17, 2025. No special tax was levied on the annexed parcels for fiscal year 2025-26. The fiscal year 2025-26 total assessed value including the annexed parcels is $46,497,804.
Source: Sacramento County Assessor's Office, Goodwin Consulting Group, inc.

Appraised Values

General. The value of taxable property within Improvement Area No. 1 is a critical factor in determining the investment quality of the Bonds. In order to obtain a more accurate estimate of the value of land in Improvement Area No. 1, the City ordered preparation of an appraisal report (the "**Appraisal**"), of the estimated value of the taxable land within Improvement Area No. 1 as of the November 24, 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. For additional background, see APPENDIX B hereto.

Value Estimate. The appraised valuation excludes the value of all portions of the property in Improvement Area No. 1 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 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 $141,327,000.

The Appraiser's valuation process began by employing the sales comparison approach to estimate the not-less-than market value for the completed single-family homes, based on the smallest floor plan being marketed within each community. In valuing the residential lots, both a land residual analysis and a discounted cash flow analysis that considers home prices and costs were utilized, 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 lot categories and adjustments to the benchmark lot values are considered, as applicable.

Table 2
Appraised Value by Ownership
As of November 24, 2025

	No. of Parcels	Appraised Value (2)
TPG EHC III (Len) CA 1, L.P. (Land Bank)		
Partially Improved Lots		
Aqua at The Preserve	10	$1,544,706
Azure at The Preserve	65	$10,227,742
Cobalt at The Preserve	53	$8,691,586
Cyan at The Preserve	36	$5,699,073
Homes Under Construction		
Aqua at The Preserve	16	$3,507,414
Azure at The Preserve	19	$4,218,967
Cobalt at The Preserve	20	$4,574,269
Cyan at The Preserve	21	$4,682,569
Subtotal- Land Bank	**240**	
Lennar Homes of California LLC (1)		
Homes Under Construction		
Cobalt at The Preserve	9	$2,058,658
Cyan at The Preserve	10	$2,229,659
Completed Homes		
Aqua at The Preserve	3	$1,439,256*
Azure at The Preserve	10	$4,845,020*
Cobalt at The Preserve	16	$8,968,037*
Cyan at The Preserve	22	$10,450,043*
Subtotal- Lennar Homes	**70**	
Subtotal- Land Bank/Lennar Homes	**310**	
Individual Homeowners		
Completed Homes		
Aqua at The Preserve	26	$13,130,000*
Azure at The Preserve	32	16,320,000*
Cobalt at The Preserve	36	21,240,000*
Cyan at The Preserve	35	17,500,000*
Subtotal- Individual Homeowners**	**129**	
Total (2)	**439**	**$141,327,000(2)**

* "Not less than" valuations based on smallest floorplan offered.
** As of January 2, 2026 Lennar Homes reported 164 homes are owned by individuals.
(1) Includes the model complex which was sold to a third party and leased back to Lennar Homes for use over the course of the sell off period.
(2) The Appraisal includes an adjustment to value based on the Appraiser's determination that Lennar and its land bank holding of 310 residential lots as of the date of value is greater than a typical bulk lot transaction size in the market. The Appraiser estimated the lots could sell within 12 months of exposure to the market; consequently, no discounting for the time value of money was warranted, however, a deduction for entrepreneurial incentive was warranted due to the greater risk associated with the lots held. In the valuation of those lots, it is the Appraiser's opinion, based on market support, that for a merchant builder to acquire all of the lots held by Lennar, an additional entrepreneurial incentive of 5% of the aggregate value of each ownership is considered appropriate and thus has been accounted for (deducted) in the final value determination shown here.
Source: The Appraisal.

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 fund certain improvements. The estimate of market value accounts for the impact of the lien of the Special Taxes securing the Bonds.

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. Also see "APPENDIX B – The Appraisal" hereto for a description of certain assumptions made by the Appraiser.

- The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, The Appraiser reserves the right to modify the value conclusions.

- 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.

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. 1; 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. 1 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. 1 is $13,433,516*, which consists of the estimated principal amount of Bonds ($12,000,000*) and $1,433,516 of direct and overlapping debt. Consequently, the appraised estimated value ($141,327,000) of property in Improvement Area No. 1 subject to the Special Tax lien, is approximately 10.5* times the principal amount of the Bonds and direct and overlapping debt in Improvement Area No. 1. 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. 1 to the principal amount of the Bonds and other direct and overlapping debt for Improvement Area No. 1, 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. 1 cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within Improvement Area No. 1 unless all of the property is subject to a delinquent Special Tax. 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. 1 could, without the consent of the City and in certain cases without the consent of the owners of the land within Improvement Area No. 1, impose additional taxes or assessment liens on the land within Improvement Area No. 1. The purpose would be to finance additional regional or local public improvements or services. The lien created on the land within Improvement Area No. 1 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 a developer of property in Improvement Area No. 1 or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within Improvement Area No. 1, however, will be in a junior position to the lien of the Special Tax.

The land within Improvement Area No. 1 is located within the boundary of an Elk Grove Unified School District community facility district, pursuant to which an annual special tax of approximately $200 per parcel will be levied following issuance of a building permit. As additional development occurs in Improvement Area No. 1 the Elk Grove USD CFD lien amount may be larger than what is shown.

* Preliminary; subject to change.

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. 1 for Fiscal Year 2026-27, based on the status of development as of November 24, 2025 and assuming no further development. Value-to-lien ratios on individual parcels may vary considerably from any average.

Table 3
Value-to-Lien Ratios by Appraisal Status
Projected for Fiscal Year 2026-27

Appraisal Status [(1)]	No. of Parcels	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*
TPG EHC III (Len) CA 1, L.P. (Land Bank)									
Partially Improved Lots									
Aqua at The Preserve	10	$1,544,706	$16,012	$12,245	1.8%	$218,378	$15,530	$233,908	6.6
Azure at The Preserve	65	$10,227,742	$103,671	$79,283	11.8%	$1,413,941	$119,344	$1,533,284	6.7
Cobalt at The Preserve	53	$8,691,586	$113,205	$86,574	12.9%	$1,543,975	$101,922	$1,645,897	5.3
Cyan at The Preserve	36	$5,699,073	$47,492	$36,320	5.4%	$647,728	$83,260	$730,988	7.8
Homes Under Construction									
Aqua at The Preserve	16	$3,507,414	$25,619	$25,619	3.8%	$456,889	$27,127	$484,016	7.2
Azure at The Preserve	19	$4,218,967	$30,304	$30,304	4.5%	$540,441	$47,017	$587,458	7.2
Cobalt at The Preserve	20	$4,574,269	$42,719	$42,719	6.3%	$761,850	$76,089	$837,939	5.5
Cyan at The Preserve	21	$4,682,569	$27,704	$27,704	4.1%	$494,068	$80,479	$574,548	8.2
Lennar Homes of California LLC									
Homes Under Construction									
Cobalt at The Preserve	9	$2,058,658	$19,223	$19,223	2.9%	$342,833	$16,981	$359,814	5.7
Cyan at The Preserve	10	$2,229,659	$13,192	$13,192	2.0%	$235,271	$38,324	$273,594	8.1
Completed Homes									
Aqua at The Preserve	3	$1,439,256	$4,804	$4,804	0.7%	$85,667	$11,497	$97,164	14.8
Azure at The Preserve	10	$4,845,020	$15,949	$15,949	2.4%	$284,443	$40,213	$324,656	14.9
Cobalt at The Preserve	16	$8,968,037	$34,175	$34,175	5.1%	$609,480	$68,542	$678,022	13.2
Cyan at The Preserve	22	$10,450,043	$29,023	$29,023	4.3%	$517,596	$84,312	$601,907	17.4
Subtotal	310	$73,137,000	$523,091	$457,134	67.9%	$8,152,560	$810,636	$8,963,196	8.2
Individual Homeowners									
Completed Homes									
Aqua at The Preserve	26	$13,130,000	$41,631	$41,631	6.2%	$742,445	$100,208	$842,653	15.6
Azure at The Preserve	32	16,320,000	51,038	51,038	7.6	910,217	171,074	1,081,291	15.1
Cobalt at The Preserve	36	21,240,000	76,894	76,894	11.4	1,371,331	173,487	1,544,818	13.7
Cyan at The Preserve	35	17,500,000	46,173	46,173	6.9	823,447	178,111	1,001,559	17.5
Total	**439**	**$141,327,000**	**$738,827**	**$672,869**	**100.0%**	**$12,000,000**	**$1,433,516**	**$13,433,516**	**10.5**

(Footnotes to follow on following page)

* *Preliminary; subject to change.*

(1) Appraisal status is based on the Appraisal and as of November 24, 2025, the 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 may not be indicative of the market values of the communities or the individual lots. Completed homes were valued at a "not less than" valuation.

(3) As of November 24, 2025, the date of value, 275 building permits have been issued. Assumes no further development.

(4) Includes debt service due in 2027 on the 2026 Special Tax Bonds and estimated administrative expenses in the amount of $30,600. Includes the $12,000,000 par amount of the 2026 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 2025-26. 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. 1 for Fiscal Year 2026-27.

Table 4
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 10:1	180	$93,892,355	$299,686	44.5%	$5,344,625	$827,444	$6,172,069	15.2
5:1 to 10:1	254	46,614,684	365,016	54.2	6,509,717	584,653	7,094,370	6.6
Less than 5:1	5	819,961	8,167	1.2	145,658	21,419	167,077	4.9
Total	**439**	**$141,327,000**	**$672,869**	**100.0%**	**$12,000,000**	**$1,433,516**	**$13,433,516**	**10.5**

* *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 may not be indicative of the market values of the communities or the individual lots.
(2) As of November 24, 2025, the date of value, 275 building permits have been issued. Assumes no further development. Includes debt service due in 2027 on the 2026 Special Tax Bonds and estimated administrative expenses in the amount of $30,600.
(3) Includes the $12,000,000 par amount of the 2026 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 2025-26. 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. 1, and payment of the Special Tax is secured by a lien on certain real property within Improvement Area No. 1. 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. 1. 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. 1. 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. 1, may be placed upon property in Improvement Area No. 1 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. 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. 1 in whole or in part. The second column shows the assessed value of the area common to Improvement Area No. 1 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. 1. 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. 1. See the sample tax bill at Table 6 for estimated amounts of these parcel charges, assessments and special taxes for Fiscal Year 2025-26.

The Overlapping Debt Report does not include PACE debt secured by assessments or special taxes on any property. According to the Special Tax Consultant, none of the parcels within Improvement Area No. 1 currently have a PACE lien.

Table 5
Direct and Overlapping Indebtedness
As of December 1, 2025

2025-26 Local Secured Assessed Valuation: $46,497,804

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 12/1/25**	
Los Rios Community College District	0.016%	$ 47,846	
Folsom-Cordova Unified School District School Facilities Improvement District No. 1	0.438	18,185	
Folsom-Cordova Unified School District School Facilities Improvement District No. 3	0.733	1,292,239	
Sacramento Metropolitan Fire District	0.047	75,246	
City of Rancho Cordova Community Facilities District No. 2025-1, I.A. 1	**100.000**	**0**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,433,516	
OVERLAPPING GENERAL FUND DEBT:			
Sacramento County General Fund Obligations	0.019%	$ 14,872	
Sacramento County Pension Obligation Bonds	0.019	37,270	
Sacramento County Board of Education Certificates of Participation	0.019	212	
City of Rancho Cordova Certificates of Participation	0.316	33,276	
Sacramento Metropolitan Fire District General Fund Obligations	0.047	3,157	
Sacramento Metropolitan Fire District Pension Obligation Bonds	0.047	9,500	
Cordova Recreation and Park District General Fund Obligations	0.205	10,731	
TOTAL OVERLAPPING GENERAL FUND DEBT		$109,018	
COMBINED TOTAL DEBT		$1,542,534	(2)

Ratios to 2025-26 Local Secured Assessed Valuation:

Direct Debt ($0) 0.00%

Total Direct and Overlapping Tax and Assessment Debt.................... 3.08%

Combined Total Debt... 3.32%

(1) Excludes Bonds.

(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 within each of the tax zones described in the Rate and Method for Improvement Area No. 1, based on maximum tax rates for Fiscal Year 2025-26.

Table 6
Sample Tax Bill
Fiscal Year 2025-26

		Tax Zone 1 Cyan (1)	Tax Zone 2 Aqua (2)	Tax Zone 3 Azure (3)	Tax Zone 4 Cobalt (4)
Net Taxable Value		**Amount**	**Amount**	**Amount**	**Amount**
Estimated Market Values (5)		$500,000.00	$505,000.00	$510,000.00	$590,000.00
Less: Homeowner's Exemption		(7,000.00)	(7,000.00)	(7,000.00)	(7,000.00)
Net Taxable Value		$493,000.00	$498,000.00	$503,000.00	$583,000.00
Ad Valorem Property Taxes	**Rate**	**Amount**	**Amount**	**Amount**	**Amount**
Base Property Tax	1.0000%	$4,930.00	$4,980.00	$5,030.00	$5,830.00
Los Rios College GOB	0.0208%	$102.54	$103.58	$104.62	$121.26
Folsom Cordova IMP 1	0.0386%	$190.30	$192.23	$194.16	$225.04
Folsom Cordova IMP 3	0.1765%	$870.15	$878.97	$887.80	$1,029.00
Sac Metro Fire GOB 25A	0.0098%	$48.31	$48.80	$49.29	$57.13
Total Ad Valorem Property Taxes	1.2457%	$6,141.30	$6,203.59	$6,265.87	$7,262.43
Parcel Charges, Assessments, and Special Taxes (6)(7)		**Amount**	**Amount**	**Amount**	**Amount**
Water and Drainage Studies - SCWA 13		$6.92	$6.92	$6.92	$6.92
SCGA SGMA Fee		$2.50	$2.50	$2.50	$2.50
Rancho Cordova CFD No. 2018-2		$148.42	$148.42	$148.42	$148.42
CRPD CFD No. 2018-1		$518.34	$518.34	$518.34	$518.34
Transit Related Services Tax		$139.66	$139.66	$139.66	$139.66
Rancho Cordova Lighting District 2012-1		$2.56	$2.56	$2.56	$2.56
Rancho Cordova CFD 2014-2		$533.86	$533.86	$533.86	$533.86
Rancho Cordova CFD No. 2013-2		$683.70	$683.70	$683.70	$683.70
The Preserve IA 1 CFD No. 2025-1 (8)		$1,293.36	$1,569.78	$1,563.66	$2,094.06
Total Parcel Charges, Assessments, and Special Taxes		$3,329.32	$3,605.74	$3,599.62	$4,130.02
Total Taxes		**$9,470.62**	**$9,809.33**	**$9,865.49**	**$11,392.45**
Total Effective Tax Rate		**1.89%**	**1.94%**	**1.93%**	**1.93%**

* *Preliminary; subject to change.*
(1) The developer estimates average home pricing at $607,650 within Cyan which would result in a total effective tax rate of 1.78%.
(2) The developer estimates average home pricing at $659,335 within Aqua which would result in a total effective tax rate of 1.80%.
(3) The developer estimates average home pricing at $658,195 within Azure which would result in a total effective tax rate of 1.80%.
(4) The developer estimates average home pricing at $757,589 within Cobalt which would result in a total effective tax rate of 1.80%.
(5) Represents the average estimated home prices provided in the Appraisal.
(6) Based on fiscal year 2025-26 charges identified on the Sacramento County-issued property tax bills. Charges subject to change in future years.
(7) Does not include any PACE liens secured by assessments or special taxes on the property.
(8) 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 2026-27 will be the first fiscal year during which the Special Tax will be levied in Improvement Area No. 1. Accordingly, there is no history of collections and delinquencies. The levy of Special Taxes in Improvement Area No. 1 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 if Special Tax collections are delinquent or insufficient, 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 for Special Tax delinquencies. The City is not obligated to advance funds to pay debt service on the Bonds.

Concentration of Ownership

As of January 2, 2026, substantial the land within Improvement Area No. 1 was owned by Lennar Homes and its land bank. Although 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. 1 to pay the Special Taxes when due. The only assets of the owners of property within Improvement Area No. 1 which constitute security for the Bonds are such owners' real property holdings located within Improvement Area No. 1, 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. 1, choose to default on payments of the Special Tax on parcels. Also see "– Bankruptcy Delays" below.

Development of undeveloped property within Improvement Area No. 1 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 Lennar Homes. 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.

Appraised Values

The Appraisal summarized in APPENDIX B estimates the market value of certain taxable property within Improvement Area No. 1. 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, the appraised value is based on the hypothetical condition that the improvements to be financed by the Bonds are in place as of the date of inspection. See APPENDIX B.

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. 1 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. 1.

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. 1 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. 1 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. 1 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. 1. 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. 1 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. 1; this would decrease the value to lien ratios of parcels in Improvement Area No. 1.

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. 1 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. 1, 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. 1 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 taxable property within Improvement Area No. 1 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's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the City's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, wildfires, or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

The following is a discussion of specific risk factors that could affect the value of property in Improvement Area No. 1.

Current Challenges to the Homebuilding Industry. No assurances can be given that the timing of construction of homes and/or sale of homes to individual homeowners projected herein will be accomplished. Due to the current state of world affairs, the pace of homebuilding and sale of homes to individual homeowners in Improvement Area No. 1 may be adversely affected by a variety of factors, including rising interest rates, inflation and changes in economic conditions, increases in certain construction costs, droughts and water shortages or other environmental factors, workforce shortages and supply chain disruptions. Further, the recent increases in interest rates may slow the demand for new residential homes and a combination of historically high new home prices and rising interest rates may price some homebuyers out of entry-level homes. High inflation could force prospective homebuyers to account for other costs over purchasing a new home at a higher interest rate. See "VALUE OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1 – Appraised Values – Currently Changing Market Conditions" above.

Although such factors are not currently having a significant impact on the overall development of homes in Improvement Area No. 1, the impacts caused by such factors are evolving and no prediction can be made with respect to the ultimate effects of these factors on the ability to sell and close homes in Improvement Area No. 1. These external factors, if and as they arise, could have a material adverse effect on the ability to develop the homes in Improvement Area No. 1 as planned, and no assurance can be provided that the developer will be able to (a) complete in whole or in any part, or within any particular time, its construction of homes within Improvement Area No. 1; (b) avoid additional material increases in development costs or delays resulting from work stoppages, reduced attendance of workers and shortages or delays in the delivery of building materials; or (c) sell homes, and close home sales or not experience purchase contract cancellations, due to an economic downturn driven by rising interest rates, inflation or other changes in economic conditions.

Natural Disasters. The value of the Taxable Property 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 Taxable Property and the continued habitability and enjoyment of such private improvements.

The areas in and surrounding Improvement Area No. 1, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes. See "IMPROVEMENT AREA NO. 1 – Description and Location."

Other natural disasters could include, without limitation, floods, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. Land in Improvement Area No. 1 is t in a moderate fire hazard zone for wildfires, landslides, floods, or tornadoes, natural disasters such as these are unpredictable and may occur anywhere throughout the State, with devastating consequences. In particular, large fires have impacted other parts of the City and County in recent years. 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 Taxable Property may well depreciate or disappear.

Droughts. The State is subject from time-to-time to drought conditions, which could have an impact on future development in Improvement Area No. 1. Drought conditions have been present in the State numerous times in the recent past. Although much of the State, including property in the City, is now out of the worst drought category, the City cannot predict when worsening drought conditions and concomitant water-reduction requirements will return, what effect drought conditions could have on property values, or whether or to what extent water reduction requirements may affect the development of Improvement Area No. 1.

Legal Requirements. Other events that may affect the value of Taxable Property 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.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition.

The property values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the City is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, 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 Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that 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 that 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 Taxable Property that is realizable upon a delinquency.

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 it has presently been determined that no federally listed endangered or threatened species would be affected by the proposed development within Improvement Area No. 1, 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. 1 or reduce the value of undeveloped property.

Future Property Development

Continuing development of the parcels in Improvement Area No. 1 may be adversely affected by changes in general or local economic conditions, 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. 1 may also be affected by development in surrounding areas, which may compete with the property in Improvement Area No. 1.

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. 1 –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. 1 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. 1 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. 1 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. 1 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. 1 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. 1 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. 1 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 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. 1. 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. 1 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. 1 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. 1 or the lending of money secured by property in Improvement Area No. 1. 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."

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.

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 XIIIC and XIIID 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 XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA 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 XIIIC 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. 1 were each authorized by not less than a two-thirds vote of the landowners within Improvement Area No. 1 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 XIIIA, 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 XIIIC, 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. 1, there were fewer than 12 registered voters within Improvement Area No. 1 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. 1.

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. 1 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. 1 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 and particularly as a result of the COVID-19 pandemic, 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. 1, 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. 1 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. 1 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.

LEGAL MATTERS

Legal Opinion

The legal opinion of Jones Hall LLP, as 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 has also served 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. 1, 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, as 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**") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. 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 to the public at the first price at which a substantial amount of such Bonds is sold to the public.

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. 1 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 the 2024-25 fiscal year (due by April 1, 2026) (provided that the City Annual Report due by April 1, 2026 shall be satisfied by the posting of this Official Statement and the City's audited financial statements for Fiscal Year 2024-25), and to provide notices of the occurrence of certain enumerated events. Additionally, Lennar Homes has covenanted for the benefit of owners of the Bonds to provide certain information by April 1 and October 1 of any fiscal year (commencing April 1, 2026) with respect to the property owned by it and its Affiliates (as defined in the Continuing Disclosure Certificate) within Improvement Area No. 1 (the "**Developer Semi-Annual Report**") to owners of the Bonds (so long as it is responsible for a certain percentage of the Special Taxes), as described in the Developer Semi-Annual Report, and to provide notices of the occurrence of certain enumerated events.

The City Annual Report and the Developer Semi-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 and the Semi-Annual Reports for Lennar Homes 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 compliance during such period, other than being two days late on a financial statements filing.

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.

Lennar Homes

[To be confirmed] Lennar Homes represents that, other than as disclosed in this paragraph, to the actual knowledge of Lennar Homes, Lennar Homes has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years. However, (i) in connection with the $16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial Semi-Annual Report by the due date of May 1, 2021, but filed a curative report on May 21, 2021; and (ii) in connection with the $5,795,000 City of Rancho Cordova Grantline 208 Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021B, Lennar Homes inadvertently failed to file the initial annual report by the due date of April 1, 2022, but filed a curative report on September 21, 2022.

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.

PROFESSIONAL FEES

In connection with the issuance of the Bonds, some or all of fees or other compensation payable to certain professionals is contingent upon the issuance and delivery of the Bonds. Those professionals include:

- 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 for the Bonds.

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. 1.

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

Calendar Year	City of Rancho Cordova	County of Sacramento	State of California
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 Sacramento-Roseville-Folsom MSA was 5.4 percent in August 2025, down from a revised 5.6 percent in July 2025, and above the year-ago estimate of 5.1 percent. This compares with an unadjusted unemployment rate of 5.8 percent for California and 4.5 percent for the nation during the same period. The unemployment rate was 5.2 percent in El Dorado County, 4.7 percent in Placer County, 5.5 percent in Sacramento County, and 5.8 percent in Yolo County.

The following table summarizes the civilian labor force, employment and unemployment, as well as employment by industry for the Sacramento MSA for calendar years 2020 through 2024.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Sacramento-Roseville-Folsom MSA
(El Dorado, Placer, Sacramento and Yolo Counties)
March 2024 Benchmark
Annual Averages

	2020	2021	2022	2023	2024
Civilian Labor Force (1)					
Employment	1,018,500	1,054,600	1,096,600	1,114,500	1,125,600
Unemployment	96,800	71,400	43,000	48,900	55,100
Unemployment Rate	8.7%	6.3%	3.8%	4.2%	4.7%
Wage and Salary Employment (2)					
Agriculture	8,300	9,000	8,600	9,000	8,900
Goods Producing	106,800	113,200	118,200	115,900	117,000
Mining and Logging	500	500	500	500	400
Construction	70,200	74,900	77,100	74,900	76,500
Manufacturing	36,100	37,700	40,600	40,600	40,100
Wholesale Trade	26,600	26,900	28,300	28,400	28,200
Retail Trade	95,100	100,600	100,300	98,900	97,500
Trade, Transportation & Utilities	34,300	37,500	40,800	41,700	41,500
Transportation, Warehousing & Utilities	10,200	10,100	10,500	10,000	9,400
Information	34,800	34,100	33,000	29,900	28,800
Finance & Insurance	16,900	17,700	18,800	18,200	17,800
Real Estate & Rental & Leasing	132,600	137,200	139,800	136,000	134,900
Professional & Business Services	164,000	168,800	175,600	187,300	198,900
Educational & Health Services	83,900	93,600	108,700	112,400	112,200
Leisure & Hospitality	31,000	33,300	36,100	38,200	39,200
Other Services	14,800	14,500	14,400	14,500	14,800
Federal Government	121,700	127,300	129,800	134,300	136,600
State Government	98,900	98,400	102,700	107,200	111,600
Local Government	8,300	9,000	8,600	9,000	8,900
Total, All Industries	979,800	1,021,900	1,065,500	1,081,900	1,097,300

(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 November 2025, in alphabetical order.

COUNTY OF SACRAMENTO
Major Employers
As of November 2025

Employer Name	Location	Industry
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
Agreeya Solutions Inc	Folsom	Information Technology Services
American River College	Sacramento	Junior-Community College-Tech Institutes
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
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
Securitas Security Svc USA	Sacramento	Security Guard & Patrol Service
SMUD	Sacramento	Utility Contractors
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 2nd 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 two quarters of calendar year 2025 in the City were reported to be $954,742,316, a 7.70% decrease from the total taxable sales of $1,034,341,118 reported during the first two quarters 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 two quarters of calendar year 2025 in the County were reported to be $17,765,059,567, a 1.90% increase over the total taxable sales of $17,433,708,537 reported during the first two quarters 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.

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. 1 of City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 Special Tax Bonds, Series 2026

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 as of February 1, 2026, 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. 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. 1 OF
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
SPECIAL TAX BONDS
SERIES 2026

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 February 1, 2026 (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 Preserve Community Facilities District No. 2025-1.

"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. 1*" means Improvement Area No. 1 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 (provided that the City Annual Report due by April 1, 2026 shall be satisfied by the posting of this Official Statement and the City's audited financial statements for Fiscal Year 2024-25), provide to the MSRB through the EMMA System an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. 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. 1 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. 1.

(7) Until the fiscal year in which the Special Tax levied on the developed property in Improvement Area No. 1 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. 1.

(c) For so long as there is any owner of property in Improvement Area No. 1 whose properties collectively represent 10% or more of the Special Taxes, the following information regarding the status of development in Improvement Area No. 1:

(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. 1 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)(9) and (10) 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. <u>Identifying Information for Filings with the MSRB</u>. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. <u>Termination of Reporting Obligation</u>. 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. <u>Dissemination Agent</u>. 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. <u>Amendment; Waiver</u>. 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: _________, 2026

CITY OF RANCHO CORDOVA for and on behalf of IMPROVEMENT AREA NO. 1 OF CITY OF RANCHO CORDOVA THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1

By: ________________________________
Authorized Officer

AGREED AND ACCEPTED:
GOODWIN CONSULTING GROUP,
as Dissemination Agent

By: ______________________________________
Name: _____________________________
Title: ____________________________________

CONTINUING DISCLOSURE CERTIFICATE
(Developer)

Relating to:

$_________
IMPROVEMENT AREA NO. 1 OF
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
SPECIAL TAX BONDS
SERIES 2026

THIS CONTINUING DISCLOSURE CERTIFICATE (Developer) (the "Disclosure Certificate") dated as of __________, 2026, is executed and delivered by Lennar Homes of California, LLC, a California limited liability" in connection with the issuance by the City of Rancho Cordova (the "City") of the above-referenced bonds (the "Bonds"). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement, dated as of February 1, 2026 (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, means 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. 1 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.

"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. 1), 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. 1 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.

"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 Preserve Community Facilities District No. 2025-1.

"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/.

"Improvement Area No. 1" means Improvement Area No. 1 of the District.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"Major Owner" means, as of any Report Date, a Person that, together with such Person's Affiliates, is either responsible for 20% or more of the Special Tax or collectively owns ___ or more residential lots in Improvement Area No. 1.

"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. 1 that is owned by (i) the Developer, (ii) any Affiliate of the Developer.

"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. 1.

Section 3. Provision of Periodic Reports.

(a) So long as the Developer's obligation under this Disclosure Certificate have not been terminated pursuant to Section 6 below, 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 (if different than the Developer) 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) So long as the Developer's obligation under this Disclosure Certificate has not been terminated pursuant to Section 6 below, 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 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, together with its Affiliates, is responsible for less than 20% of the Special Tax or collectively own less than [___] residential lots in Improvement Area No. 1 subject to the Special Tax, 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) If a portion of the Property owned by the Developer, or any Affiliate of the Developer, is conveyed to a Person that, upon such conveyance, will be a Major Owner, the obligations of the Developer hereunder with respect to the property in Improvement Area No. 1

owned by such Major Owner and its Affiliates may be assumed by such Major Owner or by an Affiliate thereof, and if so assumed the Developer's obligations hereunder with respect to such portion of the Property will be terminated. In order to effect such an assumption, such Major Owner or Affiliate shall enter into an Assumption Agreement. If not so assumed, the Developer shall report the information, as applicable to the transferee, required herein so long as the transferee is a Major Owner.

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 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	Lennar Homes, LLC ________, _______ Roseville, CA 95661 Attention: _______ Email: ___________
To the City:	City of Rancho Cordova Attn: CFD Administrator 2729 Prospect Park Drive Rancho Cordova, CA 95670 Email: Kjuran@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.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Builder has executed this Disclosure Certificate as of the date first above written.

LENNAR HOMES, LLC,
a Delaware limited liability company

By: ________________,
____

EXHIBIT A

PERIODIC REPORT

Relating to:

$_________
IMPROVEMENT AREA NO. 1 OF
CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1
SPECIAL TAX BONDS
SERIES 2026

This Periodic Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Developer) (the "Disclosure Certificate") dated ________, 2026 executed by Lennar Homes, LLC, a Delaware 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. 1 of City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (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 of this Periodic Report).

A. Property currently owned by the Developer or its Affiliates (if any) in Improvement Area No. 1 (the "Property"):

Development name: _______

Number of lots (acreage if not subdivided): _______

B. Updated information regarding land development and home construction activities with respect to the Property described in the Official Statement for the Bonds under the heading "OWNERSHIP AND DEVELOPMENT OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1 – Lennar Homes" or the Periodic Report last filed in accordance with the Disclosure Certificate:

____

____

C. Status of building permits, and any significant amendments to land use or development entitlements for the Property described in the Official Statement for the Bonds or the Periodic Report last filed in accordance with the Disclosure Certificate:

____

____

D. Status of any land purchase contracts with regard to Property, including sales of land in Improvement Area No. 1 to other property owners (other than individual homeowners).

____

____

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 with respect to the Property described in the Official Statement. To the extent that the ownership of the Developer has changed, describe all material terms of the new ownership structure.

____

____

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 for the Property 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 "OWNERSHIP AND DEVELOPMENT OF PROPERTY WITHIN IMPROVEMENT AREA NO. 1 – Lennar Homes" 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:_____________

LENNAR HOMES, LLC,
a Delaware limited liability company

By: _______________________,
President Divisional – Northern California

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.

FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT

Dated as of ___________ 1, 2026

by and between

CITY OF RANCHO CORDOVA

and

LENNAR HOMES OF CALIFORNIA, LLC

RELATIVE TO THE

CITY OF RANCHO CORDOVA
THE PRESERVE COMMUNITY FACILITIES DISTRICT NO. 2025-1

This **FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT** (this "**Agreement**") is entered into as of ___________ 1, 2026, by and between the CITY OF RANCHO CORDOVA, a municipal corporation and general law city existing under the laws of the State of California (the "**City**"), and LENNAR HOMES OF CALIFORNIA, LLC, a California limited liability company ("**Developer**").

RECITALS

WHEREAS, the City Council of the City (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 Preserve Community Facilities District No. 2025-1 (the "**District**"), (ii) designate within the District, "Improvement Area No. 1 of City of Rancho Cordova The Preserve Community Facilities District No. 2025-1" ("**Improvement Area No. 1**"), and (iii) establish a "City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (Future Annexation Area)" for the District (the "**Future Annexation Area**");

WHEREAS, land currently in the District and anticipated to annex from the Future Annexation Area in the future relates to the proposed development within the City commonly known as "The Preserve" (the "**Property**") owned by, or under option to, the Developer, and the District has been formed for the purpose of paying costs for certain public facilities and fees which are necessary to the development of the Property;

WHEREAS, the County of Sacramento approved the Specific Plan for the development of the Property (and properties owned by others) (the "**Specific Plan**"), the Developer proposes to construct improvements and to pay certain fees which will fund improvements to the portion of the Specific Plan that includes the Property (the development of such portion of the Specific Plan is defined herein as the "**Project**") as required by the Project Approvals (as defined below). The Specific Plan sets forth a comprehensive land use plan and establishes detailed regulations, conditions and programs for development of the property that includes the Property, the City approved tentative subdivision maps for the Project and final subdivision maps for portions of the Project, and the Specific Plan, the tentative subdivision maps, including conditions of approval, and other existing and subsequent approvals granted by City and agreements between Developer and City in implementation of the Project, as the same may be amended from time to time, including amendments thereto (these documents are herein collectively referred to as the "**Project Approvals"**);

WHEREAS, Section 53313.5 of the Act provides that a community facilities district may finance the construction and acquisition of facilities constructed after the adoption of the resolution of formation establishing the community facilities district if the facilities have been constructed as if they had been constructed under the direction and supervision, or under the authority of, the local agency whose governing body is conducting proceedings for the establishment of the district; and

WHEREAS, the purpose of this Agreement is to provide for the acquisition of certain public facilities serving development of the Project to be financed in whole or in part by the District, including payment of certain fees to fund such public facilities, using proceeds from issuance and sale of bonds for the District to finance the design and acquisition of such public facilities and expenses incidental thereto and to provide the terms of any reimbursement to Developer.

AGREEMENTS

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

Section 1. **<u>Establishment of District and Improvement Area No. 1</u>.** The City has initiated and concluded proceedings pursuant to the Act for the establishment of the District, including designation of Improvement Area No. 1 therein, and identification of Future Annexation Area related thereto. Such proceedings included elections pursuant to Sections 53326 and 53327 of the California Government Code on (i) the question of the issuance of bonds for Improvement Area No. 1 of District to finance the design, construction or acquisition of the below described authorized facilities, either directly or through the payment of fees charged by the City to fund capital improvements, (ii) the issue of the annual levy of special taxes on all taxable property within the Improvement Area No. 1 of District pursuant to the terms of the Rate and Method of Apportionment of Special Taxes for Improvement Area No. 1 (for Improvement Area No. 1 and each future improvement area, an "**RMA**"), for the payment of principal and interest on the bonds of the District and the annual administrative expenses of the City and the District in levying and collecting such special taxes, paying the principal and interest on such bonds and providing for the registration, exchange and transfer of such bonds, including the fees of fiscal agents and paying agents, and any necessary replenishment for the reserve fund for such bonds, accumulation of funds for future bond payments, or the acquisition of authorized facilities and payment of authorized costs from the proceeds of such special taxes, and (iii) the question of the establishment of an appropriations limit for Improvement Area No. 1. This Agreement applies to Improvement Area No. 1 and each future improvement area (each, an "Improvement Area") designated out of the Future Improvement Area.

Section 2. **<u>Sale of Bonds; Authorized Facilities</u>**. The City intends to proceed with the sale of bonds in one or more series in each Improvement Area (herein, the "**Bonds**") for the District for the purpose of raising money eligible for use as payment for Authorized Facilities and/or Authorized Fees (described below) in accordance with this Agreement and City policies, in the maximum aggregate principal amount of not to exceed $__________ (excluding Bonds described in Section 53364.2(e) of the Act) (the "**Authorization**"), initially allocated as follows: (i) for Improvement Area No. 1, $__________ and (ii) for land within the Future Annexation Area, $__________. The timing of the issuance and sale of each series of Bonds, the aggregate principal amount thereof, and the terms and conditions upon which they shall be sold shall be determined by the City. If multiple series of Bonds are to be issued, this Agreement is applicable to proceeds from all such series of such Bonds.

The authorized facilities (the "**Authorized Facilities**") eligible for reimbursement from Bond proceeds and City-wide fees eligible for reimbursement and advance funding (the "**Authorized Fees**") from Bond proceeds are generally described in Exhibit A attached hereto. The Authorized Facilities identified in Exhibit A represent all of the facilities that are eligible for acquisition; however Developer may not construct all of the Authorized Facilities (e.g., some facilities may be constructed by City, other public agencies or utilities, or other developers that require the construction of such facilities, or in concert with other developers).

"**Available Construction Proceeds**" shall be the proceeds of the sale of the Bonds net of costs of issuance, less the Formation Fees and Costs, capitalized interest, and any administration costs to be deducted therefrom, plus any interest earnings on such proceeds ("**Net Bond Proceeds**"), plus any Special Taxes that are authorized to be used to finance Authorized Facilities and Authorized Fees directly.

Section 3. **Tax Requirements**. For any Bonds that are issued as federally tax-exempt, the City shall take all actions which, in the opinion of City's bond counsel, are necessary in order to avoid classification of the Bonds as "arbitrage bonds" or the loss of tax exemption for the Bonds for any other reason.

Section 4. **Amounts to Be Included in Bonds**. The principal amount of each series of Bonds shall include an amount needed (i) to fund a reserve fund for the payment of principal and interest of such Bonds as is determined by the City to be necessary and appropriate, capitalized interest on such Bonds for such period as the City and the Developer shall determine is appropriate (if and to the extent not provided by the levy and collection of special taxes in advance of such Bond sale), (ii) the amount of the discount of the underwriter who purchases such Bonds, and (iii) other expenses incurred by the City in connection with the issuance and sale of such Bonds, including bond and disclosure counsel fees, legal fees, fees of the bank which will act as transfer agent, registrar and paying or fiscal agent for such Bonds, other fees and costs normally incidental to the sale of Bonds, and such other fees and costs enumerated in Section 53345.3 of the Act as the City determines are necessary and appropriate. The City may also include within the principal amount of a series of Bonds an amount determined by the City to equitably reimburse Developer, or any entities related thereto, for costs and expenses incurred by them which are related to the establishment of the District; provided that the City shall determine the amount to be so reimbursed on the basis of detailed itemizations of costs provided by Developer. (All of the foregoing fees, costs, and expenses described in this paragraph are hereinafter "**Formation Fees and Costs**.") In no event shall Developer be reimbursed from Bond proceeds for (i) in-house administrative overhead (except that Developer shall be entitled to payment equal to four percent (4%) of actual construction costs as and for project and construction management services), (ii) interest expense incurred by Developer on moneys advanced during the proceedings for formation of the District and issuance of Bonds, and during construction of the Authorized Facilities, and (iii) any other costs and expenses incurred by Developer which are not authorized by the Act.

Section 5. **Design of Authorized Facilities**.

(a) Conformance with Standards. Authorized Facilities to be acquired by the City shall be designed in conformance with all applicable City standards and requirements. Upon completion of the design of each such Authorized Facility to the satisfaction of the City; and when Developer has paid to the City all applicable plan checking and other fees, Developer shall notify City that the design of the Authorized Facility is completed.

(b) Reimbursement for Design. Developer may be reimbursed out of Available Construction Proceeds for such expenses incurred in designing those Authorized Facilities set forth in Exhibit A hereto, including all applicable plan checking and other fees paid, subject to the City's determination of the amount to be so reimbursed pursuant to the terms hereof, and subject to the limitation that reimbursement in all cases is to be made from Available Construction Proceeds only. Reimbursement for design and for plan check services related to approval of the design for each Authorized Facility shall be made in one or more lump sum payments as and when the design for each Authorized Facility is approved, but only after City has received and approved all invoices for such services associated with the design of such Authorized Facility.

(c) Assumption of Design by City. Notwithstanding the preceding provisions of this Section, if the City determines that Developer is not proceeding with the design of an Authorized Facility to be constructed by Developer for acquisition by City on a reasonable schedule which will enable the City to insure that construction of such Authorized Facility can be completed within the time specified in Section 6 hereof, the City may take over the design of the Authorized Facility by giving Developer written notice thereof. Upon receipt of such a notice, Developer shall surrender to the City all plans and specifications which have then been completed or which are in progress with respect to such Authorized Facility.

If the City takes over the design of an Authorized Facility as provided above, the City shall reimburse Developer from the Available Construction Proceeds for the approved expenses incurred in connection with the design of the Authorized Facility which have not previously been reimbursed, provided there are sufficient funds remaining, after payment for the Authorized Facilities, to do so. City shall be reimbursed from Available Construction Proceeds the expenses incurred to complete the design. If the City takes over the design of other Authorized Facilities commenced by Developer, the cost of a portion of the plans for such Authorized Facilities taken over shall be eligible for fee credits to the extent fee credits are applicable hereunder for Authorized Facilities.

Section 6. **Construction for Acquisition**. The City shall only be required to acquire from Developer, and otherwise pay Developer for, the Authorized Facilities set forth in Exhibit A. For those Authorized Facilities which Developer constructs, Developer shall proceed with the construction thereof in accordance with the approved plans and specifications.

For construction of Authorized Facilities under this Section, Developer shall comply with all of the following requirements to insure that the Authorized Facilities will be constructed as if they had been constructed under the direction and supervision, or under the authority of the City:

(a) Approval by City. The plans and specifications and form of contract documents shall be approved by the City Engineer and City Attorney for conformance with City Codes and policy.

(b) Contract Requirements. Developer shall require, and the specifications and contract documents shall require, all such contractors to pay prevailing wages in accordance with the California Labor Code.

To the extent bidding is required by the City the following shall apply:

(i) The bidding and contract award procedures shall be approved by the City Engineer for conformance with City codes and policy. Based on qualifications submitted by the contractors, the Developer, in consultation with the City Engineer, shall select a list of qualified bidders for each element of work. If the Developer determines that the nature of a particular element of the construction does not require a pre-qualified bid list, the Developer may allow a particular element of the work to be bid without a pre-qualified bid list.

(ii) The specifications and bid and contract documents shall require all contractors and subcontractors, to pay prevailing wages in accordance with the California Labor Code.

(iii) All contractors and subcontractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Authorized Facilities.

(iv) No contractor or subcontractor may be listed on a bid proposal for the Authorized Facilities unless registered with the Department of Industrial Relations pursuant to Labor

Code Section 1725.5. No contractor or subcontractor may work on the Authorized Facilities unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Developer shall be responsible for ensuring that these contractor registration requirements are adhered to since construction of the Authorized Facilities is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(v) Developer shall notify the Department of Industrial Relations within five (5) days of the award of the initial prime contract for the Authorized Facilities.

(vi) Developer shall comply with all federal, state and local laws, ordinances and regulations applicable to the construction of the Authorized Facilities.

(c) Proof of Insurance/Completion of Construction. All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Authorized Facilities which they will construct in conformance with the City's standard procedures and requirements. Developer shall cause the Authorized Facilities to be constructed in an expeditious manner as determined by the City to be in accordance with project approvals and development progress. If Developer fails to expeditiously prosecute such construction of the Authorized Facilities to be constructed by Developer for acquisition by the City, the City shall have the right and may elect to take over the construction of such Authorized Facilities, or any part thereof, if it determines it is necessary for it to so proceed in order to protect the City's interests. If the City elects to so proceed, it shall notify Developer in writing that if Developer does not satisfy the City that construction is proceeding expeditiously on the construction of an Authorized Facility within 30 days after receipt of such notice, the City will take over the construction of such Authorized Facilities. If after receiving such a written notification Developer does not satisfy the City that they are proceeding expeditiously to construct that portion of the Authorized Facilities identified in the written notification to the satisfaction of the City, within 30 days from the date of receipt thereof, Developer shall relinquish to the City all design documents, and shall cooperate with the City in every way to ensure that the construction of the Authorized Facilities will be completed expeditiously.

Notwithstanding the provisions of this Section, the sources of funds to be utilized by the City for the construction of any such Authorized Facilities may include (i) the proceeds of the sale of Bonds of the District, (ii) the proceeds of applicable City development fees collected pursuant to the applicable codes, ordinances and policies of the City, (iii) proceeds from the sale of the bonds of another community facilities district or assessment district established over and including, property in the City, (iv) interest earnings on the reserve fund or improvement fund for Bonds of the District, to the extent such earnings are determined by the City to be available for construction of the Authorized Facilities, (v) the Developer's subdivision bond or bonds to the extent applicable, (vi) any other performance security that may have been provided by Developer, and (vii) the Developer's and/or contractors' performance bonds. To the extent that such sources may be insufficient to pay for the construction of an Authorized Facility which will be constructed by the City pursuant to this Section, the City may either construct only those Authorized Facilities which can be constructed with such sources of funds which are available therefor, or the City may proceed to complete the Authorized Facilities and charge the Developer, the Developer's bond or any contractor's bond for the costs thereof. Nothing contained herein and no take-over of construction of Authorized Facilities by the City shall relieve a Developer of any of its responsibilities under any development agreement or project approval relating to the Property. Following completion of the Authorized Facilities taken over by the City, the City shall use the above-referenced sources to reimburse the Developer for any costs incurred by the Developer in the construction of the Authorized Facilities that were not previously reimbursed to the Developer.

Section 7. Inspection and Approval of Construction. The City shall provide such level of inspection of the progress of construction of the Authorized Facilities to be constructed by Developer for acquisition or reimbursement therefor by the City as it deems necessary. The City may provide engineering and inspection services using City staff, contracting with the Sacramento County Public Works Agency, or contracting with any other entity for these services (in all cases referred to as the "City Inspectors"). City Inspectors shall have access to the construction sites at all reasonable times for the purpose of conducting their inspections. Developer and its contractors shall reasonably cooperate in every way with the City Inspectors to ensure that they are afforded an adequate opportunity to inspect each and every aspect of the progress of construction of each and every such Authorized Facility.

Section 8. Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Section 3115 and 3116 of the California Civil Code, Developer shall provide to the City (as set forth in paragraph 9(a) below) such evidence or proof as the City shall reasonably require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the Authorized Facilities, or portion thereof, constructed by Developer for acquisition by the City have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. During construction of the Authorized Facilities, Developer shall provide, or cause its contractors to provide, conditional lien releases with respect to pending Requests for Payment (and unconditional lien releases for previously paid Requests for Payment), in accordance with the statutory requirements and as may be requested by City.

Section 9. Payment of Acquisition Price.

(a) Request for Payment of Acquisition Price. On the 30th day of each month following commencement of construction of any of the Authorized Facilities, or such other dates as are mutually agreeable by City and Developer, Developer will submit to City an invoice, or other form of request, for payment (the "Request for Payment") of the Acquisition Price (as determined below) for the portion of each Authorized Facility constructed during the previous month. The Request for Payment shall be made on the form attached hereto as Exhibit B and include such necessary information (including invoices, receipts, worksheets and other evidence) in sufficient detail to allow the City to verify the Acquisition Price of such portions of the Authorized Facilities. With the Request for Payment, Developer shall also submit copies of verifications of inspections conducted pursuant to Section 7 and lien releases pursuant to Section 8 above for the portions of the Authorized Facilities for which the Request for Payment is submitted.

(b) Determination of Acquisition Price/City Inspection. Upon submittal of a complete (as reasonably determined by City) Request for Payment, the City or the City and Other Public Entity, shall determine the Acquisition Price (or in the case of a reimbursement, the reimbursement amount, which hereinafter is included in the term "Acquisition Price") to be paid by the City for the acquisition from Developer of the portions of the Authorized Facilities constructed by Developer during said prior month. City Inspectors shall verify the type and quantity of work described in the Request for Payment as having been completed and confirms said work is completed in a satisfactory manner. City Inspectors shall transmit to the City's Finance Department the findings of its review and then consult with the Finance Department as needed to determine the Acquisition Price. The Acquisition Price for the portion of an Authorized Facility shall include the actual cost of construction (or payment) thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Developer with its contractors, and suppliers, in accordance with standards and procedures therefor as prescribed by the City. The City shall use its best efforts to determine the Acquisition Price within twenty (20) business days from receipt of a Request for Payment to determine the Acquisition Price. Upon determining the Acquisition Price, City shall promptly notify Developer in writing of such Acquisition Price.

(c) Payment of Acquisition Price. Within forty-five (45) days after receipt of a complete (as reasonably determined by City) Request for Payment, the City, through its fiscal agent, shall pay from the Available Construction Proceeds the Acquisition Price then due to Developer. If the Payment Request indicates that Developer is withholding from its contractor a retention of a least five percent (5%) of the contract price for the portion of the constructed Authorized Facility, then the full amount of the approved Acquisition Price shall be authorized for payment to Developer; if the Payment Request does not indicate the withholding by Developer of such five percent (5%) retention, then the amount to be paid to Developer shall be equal to the Acquisition Price, less a retention of five percent (5%) of the contract price for the portion of the constructed Authorized Facility. Upon completion of such Authorized Facility in its entirety, including all “Punch List” work, and acceptance of the Authorized Facility by the City, the City, through its fiscal agent, shall pay from the Available Construction Proceeds the balance of the Acquisition Price then due Developer for such Facility, including any 5% progress retention then paid by Developer or any 5% retentions previously retained by City with respect thereto. City may withhold payment from a Developer if the Developer requesting payment owes the City money on outstanding invoices or is delinquent in the payment of any special taxes, until such balance is brought to zero. For the purposes of clarity, acceptance of a completed Authorized Facility is not a condition precedent to the payment of the Acquisition Price of the Authorized Facility in accordance with this subsection.

(d) Payment Limited to Available Construction Proceeds. As noted hereunder, payments to Developer shall be payable solely from the Available Construction Proceeds. The amount to be paid to Developer shall be a reimbursement for actual costs incurred as determined by the City in accordance with this Agreement and shall not exceed the Developer’s cost thereof as reasonably determined by the City to be eligible under the Act to be part of the Acquisition Price of Authorized Facilities. All portions of the Authorized Facilities not acquired with the Available Construction Proceeds shall nonetheless be constructed by the Developer, to the extent required by the Project Approvals. In the event Available Construction Proceeds are insufficient to pay the eligible Acquisition Price, any shortfall shall be the responsibility of the Developer, however Developer may request that all or any portion of such shortfall be reimbursed from additional series of Bonds for the District if and when such additional Bonds are issued, and in such event the deferred amount will be eligible for reimbursement from proceeds of such future Bonds, to the extent funds are available.

Developer shall not be entitled to reimbursement for costs allocable to any Authorized Facility which has previously been acquired by the City and reimbursed from other sources, if, in the opinion of the City, such reimbursement would create a double payment to Developer(s) for such Authorized Facility, or component thereof.

(e) Annual Accounting of Available Construction Proceeds. At the request of Developer, which shall be not more than once a year during the term of this Agreement, City shall prepare and provide to Developer an accounting (an “Annual Accounting”) of the following: (i) the total amount of Available Construction Proceeds then on deposit in the Improvement Fund hereunder and deposited thereto from the prior fiscal year; (ii) the fiscal year tax roll submitted to the County Auditor-Controller; (iii) the amount of all charges and credits to the Improvement Fund during the prior fiscal year, including interest earnings on the funds therein and charges for City administration and any third party consultant or administration fees; (iv) the amount of Authorized Fees then advanced on behalf of Developer pursuant to Section 16 below; and (v) the amount, if any, of outstanding payments then approved for payment to Developer pursuant to approved Requests for Payment.

Section 10. Acquisition/Ownership of Facilities.

(a) Dedication of Authorized Facilities. Upon determination by Developer that an Authorized Facility is complete and ready for acceptance by the City, Developer shall execute and submit to City or other public agency or utility that will own and operate such Authorized Facility an offer of dedication (or other such instrument acceptable to the City or applicable public entity) irrevocably offering to transfer ownership of the Authorized Facility (the "Offer of Dedication").

(b) Review of Completed Construction. Upon delivery to City or other public agency or utility of the Offer of Dedication and upon (i) completion of the construction of an Authorized Facility, (ii) receipt of written notification from City's Inspectors that construction thereof has been completed in accordance with the plans and specifications thereof and the City's or other entity's standard requirements, and (iii) receipt of satisfactory proof, based on the records of Developer and the City and such certifications as the City may require, that the requirements of Section 6 hereof have been satisfied, the City shall notify Developer in writing that the construction of the Authorized Facility has been satisfactorily completed. Upon receiving such notification of a completed Authorized Facility, Developer shall forthwith file with the County Recorder of the County of Sacramento a Notice of Completion pursuant to the provision of Section 3093 of the California Civil Code. Developer shall furnish to the City a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Recorder. The costs incurred by the City in inspecting and approving the construction of the Authorized Facilities shall be paid by Developer, subject to reimbursement from Available Construction Proceeds. Upon recordation of a Notice of Completion, the City or other entity shall accept the Authorized Facility offered and the one-year warranty period provided in paragraph 11(c) shall commence.

(c) Ownership of Facilities. Notwithstanding the fact that some of the Authorized Facilities, or components or segments thereof, to be constructed by Developer for acquisition by the City or other public agency or utility may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated or offered for dedication to the City, District or other entity, such Authorized Facilities, or components or segments, shall be and remain the property of Developer, and Developer shall be responsible for any loss or damage thereto or liability arising therefrom, until they are acquired by the City or other entity as provided in this Agreement. Such ownership by Developer shall likewise not be affected by any agreement which Developer may enter into with the City pursuant to the provisions of the Subdivision Map Act (Section 66410 et seq. of the California Government Code) which agreement may contain or include provisions with respect to the construction and ownership of Authorized Facilities which provisions may seem to be contradictory to the provision of this Agreement. The provisions of this Section shall control.

(d) Maintenance of Authorized Facilities. Until an Authorized Facility is acquired by the City or other public agency or utility, Developer shall maintain it, and shall keep the same free of any liens and in good operating condition. Upon the acceptance of an Offer of Dedication of an Authorized Facility by the City or other entity, the City or other entity shall, except as otherwise provided in the Project Approvals, become responsible for its maintenance, subject to the warranty period in section 11(c).

(e) Dedication of Rights-of-Way. Notwithstanding the preceding provisions of this Section, the City will not acquire any Authorized Facilities, unless and until the street, drainage or other utility rights of way where they are located have been irrevocably offered to the City for dedication.

(f) Expectations of the Parties. The City understands and agrees that (i) Developer may be constructing Authorized Facilities prior to the availability of Available Construction Proceeds that will be used to pay for such Authorized Facilities, (ii) the City or the other public agencies that will own and operate such Authorized Facilities may be inspecting such Authorized Facilities and processing and completing payment requests for the payment on such Authorized Facilities with knowledge that there may be insufficient Available Construction Proceeds available at such time, (iii) the Authorized Facilities may be conveyed to and accepted by the City or other local agency that will own and operate such Authorized Facilities when there are insufficient Available Construction Proceeds to pay the Acquisition Prices of such Authorized Facilities, and (iv) in any such case, the payment of any approved payment requests for the Acquisition Prices of such Authorized Facilities will be deferred until there are sufficient Available Construction Proceeds available to pay the Acquisition Prices of such Authorized Facilities, at which time the City will, from time to time and in as many installments as necessary, promptly make such payments in accordance with this Agreement. At all times, Developer will be constructing such Authorized Facilities with the expectation that the Acquisition Prices for such Authorized Facilities will be paid solely from the Available Construction Proceeds. The conveyance of Authorized Facilities to the City or a local agency that will own and operate such Authorized Facilities prior to receipt of the Acquisition Prices for such Authorized Facilities shall not be construed as a dedication or gift, or a waiver of the payment of the Acquisition Prices, or any part thereof, for such Authorized Facilities.

Section 11. Improvement Security.

(a) Security Prior to Final Maps. Notwithstanding the provisions of this Agreement, Developer shall be required to agree to construct and to secure the construction and completion of construction of the Authorized Facilities, or portions thereof, as a condition precedent to the approval of final subdivision or parcel maps for portions of Developer's Property as required by the City pursuant to Section 66462 and Sections 66499 through 66499.10 of the Government Code.

(b) Reduction in Amount of Improvement Bonds. The aggregate principal amount of the improvement bonds or other security provided by Developer pursuant to this Section shall be reduced by such amount as the City shall reasonably determine is appropriate upon receipt of the proceeds from the sale of the Bonds. The amount of the reduction of such aggregate principal amount shall be determined by the City based on the amount of each such improvement bond or other security which relates to the Authorized Facilities to be constructed or acquired with the Available Construction Proceeds provided by the sale of the Bonds and Special Tax Revenues.

(c) Performance Bonds-One Year Warranty. Developer warrants to the City or other public agency or utility having jurisdiction that the Authorized Facilities constructed by Developer and acquired by the City shall be free from defects in workmanship or materials for a period of one year from the date of acceptance by the City. All subdivision and performance bonds shall provide, among other things, that the principal thereof, whether that be Developer or its contractor(s), guarantees that the completed Authorized Facilities shall be free from defects resulting from faulty workmanship and materials for a period of one (1) year from the date of acceptance by the City or other public entity, and the obligation of the surety shall extend to the fulfilling of that guarantee. At the end of said one-year period, and subject to certification from the City Engineer that any defects have been corrected, the obligation of the principal and surety named therein shall cease. For purposes of this Section 11, the correction of any defects in the Authorized Facility shall not mean the day-to-day upkeep or correction of normal wear and tear of the Authorized Facility (such as watering or weeding for landscape improvements, painting, graffiti removal, etc.).

Section 12. Gap Shortfall.

(a) "Gap Shortfall" Defined. The parties anticipate that a shortfall will occur between: (i) the anticipated cost of the Authorized Facilities as determined from the actual construction and design contracts and related invoices therefor and the actual costs of all other Authorized Facilities, and (ii) the Net Bond Proceeds (hereafter referred to as the **"Gap Shortfall."**)

(b) Reimbursement of Gap Shortfall to Developer. To cover the Gap Shortfall, Developer agrees with the City to defer payment of the Gap Shortfall until and to the extent the District can impose and collect annual special taxes in excess of the amounts required annually to pay required debt service, replenish the debt service reserve fund, cure bond delinquencies and pay City administration costs associated therewith (**"Available Special Tax Revenues"**). In consideration of such deferral of payment of the Gap Shortfall, City covenants and agrees that the City shall levy and collect the special taxes against all properties within the District at the maximum rate permitted under the District and annually pay, after September 1st of each year, to Developer from Available Special Tax Revenues payments towards such deferred Gap Shortfall, for a period of ten (10) years (unless the Gap Shortfall is sooner paid in full) beginning with Available Special Tax Revenues in the first year the special tax is levied in the District (the **"Gap Shortfall Period"**); provided however, the Developer may elect to begin the 10 year period prior to the issuance of Bonds by giving a written request to the City; the levy shall thereafter be as defined in, permitted by and in accordance with Section E(1) of the RMA. After the expiration of the Gap Shortfall Period, City may use Available Special Tax Revenues for any other purpose authorized for the District, as determined by the City in its sole discretion. The method described herein of funding Authorized Facilities from accumulated Available Special Tax Revenues is known as the "Pay-As-You-Go" method of funding.

(c) Personal to Developer. Regardless of who pays the cost for any Authorized Facilities, the reimbursement of the Gap Shortfall hereunder shall be personal to Developer, shall not run with the land, and shall not be assigned by Developer without the written consent of the City, which shall not be unreasonably withheld.

(d) Payment of Authorized Fees in Advance of Available Construction Proceeds. The Developer may be required pursuant to the conditions of approval or the fee ordinance to pay the Authorized Fees for an Improvement Area prior to the availability of the Available Construction Proceeds to pay such Authorized Fees. In the event such Authorized Fees are paid prior to the availability of such Available Construction Proceeds, the amounts paid to the City shall be deemed to be deposits (each a "Deposit") that are subject to refund by the City to Developer in the manner set forth in this Section 12. Any Deposits made to the City shall be deposited in a separate capital facilities account(s) and may be expended by the City in the ordinary course of business. The Developer acknowledges that the City may finance Authorized Fees with proceeds of tax-exempt bonds only if the City can meet certain requirements of federal tax law.

(e) Return of Deposits. If the Developer has made any Deposits, then following deposit of Available Construction Proceeds with the City for the corresponding Authorized Fees, the City shall return to the Developer from the capital account in which the Deposits were deposited an amount equal to the Deposits paid by the Developer, without interest or other earnings thereon. The City shall be so obligated to return an amount equal to such Deposits to the Developer only to the extent that an amount equivalent to the amount of the Deposits made by the Developer or merchant builder is deposited with the City from the Available Construction Proceeds. An amount equal to such Deposits may be returned to the Developer from time to time as additional Available Construction Proceeds become available.

(f) Deposits Allocated First. Available Construction Proceeds used to pay Authorized Fees shall be allocated first for return of all Deposits prior to being allocated to the payment of Authorized Fees not previously deposited by the Developer. For example, if the Developer has paid $10,000 in Deposits, and Available Construction Proceeds become available in the amount of $15,000, the City shall apply the first $10,000 of the Available Construction Proceeds to the payment of the Authorized Fees that were paid by the Deposits (and, thereafter, return the Deposits to the Developer) and use the remaining $5,000 of the Available Construction Proceeds to the payment of Authorized Fees not previously paid by the Deposits and identified in the payment request.

(g) Application of Deposits. Any Deposits that have not been returned to the Developer at the time it is determined that there will be no further Available Construction Proceeds available (now or in the future) shall be retained by the City and may be used (to the extent it has not already been so used) for the purposes for which the Authorized Fee was required, and the unrefunded Deposits shall constitute full and final payment for such Authorized Fees, without any increase of any kind.

(h) Expectations. The Developer may pay Authorized Fees (as Deposits) prior to the availability of Available Construction Proceeds to pay such Authorized Fees. Any Authorized Fees paid (as Deposits) by the Developer for an Improvement Area shall be made with the understanding that such Deposits will be returned from the Available Construction Proceeds if, and when, such Available Construction Proceeds become available. The payment of Deposits prior to the availability of the Available Construction Proceeds shall not be construed as a dedication or gift of the Authorized Fees, or a waiver of the return of the Deposits, it being the intention that the Authorized Fees be paid by the Available Construction Proceeds to the extent of the Available Construction Proceeds.

Section 13. Construction of Joint Community Facilities. The parties acknowledge that the Developer requested the City enter into a "JCFA" with the Cordova Recreation and Park District ("CRPD") and Sacramento County Water Agency ("SCWA") pursuant to Section 53316.2 of the Act, with respect to the payment of impact fees or improvements benefitting CRPD and SCWA respectively, authorized to be paid in whole or in part from the Special Taxes or proceeds of Bonds of the District. The City and Developer agree to comply with the JCFA requirements and to perform any and all covenants and agreements applicable to them under the JCFA.

Section 14. Construction of Other Facilities. Developer shall also proceed expeditiously with the design and construction of the other improvements and facilities, other than the Authorized Facilities, which are necessary to the development of the Specific Plan and the provision of municipal services within the District and to the residents therein. Such other public improvements and facilities shall be designed and constructed on a schedule which will not delay or interfere in any way with the design and construction of the Authorized Facilities. The provisions of this Section shall not supersede those of any other agreement between Developer and the City.

Section 15. <u>Indemnification; Insurance</u>.

(a) <u>Indemnity</u>. Developer shall defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the construction of the Authorized Facilities to be constructed by Developer for acquisition by the City, including, but not limited to, liability, costs, expense and claims arising under the procedures set forth in Section 6 of this Agreement. Developer shall also defend, indemnify and hold harmless the City, the District, and their officers, agents and employees from any and all liability, cost and expense in connection with the ownership of the Authorized Facilities to be constructed by Developer for acquisition by the City prior to the time the City accepts the Authorized Facilities, whether or not such Authorized Facilities are to be acquired with Bond proceeds. The indemnity obligations of Developer as set forth herein shall terminate upon the end of the warranty period provided for in section 11(c).

(b) <u>General Liability Insurance</u>. Developer shall procure and provide, until construction of all of the Authorized Facilities to be constructed by Developer is completed and acceptance thereof by the City has occurred, a broad form comprehensive general liability policy of insurance, in a form acceptable to the City, naming the City, the District and their officers, agents and employees as additional insureds, having a single aggregate liability limit as to all coverages provided thereby in the amount of $2,000,000. Before commencing the construction of any Authorized Facility, Developer shall provide the City with a certification of insurance and endorsement as to such insurance, in a form acceptable to the City, and Developer shall upon each renewal of such insurance policy provide the City with a new certificate of insurance with respect thereto.

(c) <u>Workers' Compensation Insurance</u>. Developer shall also furnish to the City, prior to commencing the construction of any Authorized Facility to be constructed by Developer for acquisition by the City, a certificate of insurance evidencing that Developer has procured and have in force a current policy of workers' compensation insurance in compliance with California law as to all workers to be employed by Developer in connection with the design and construction of the Authorized Facilities. Developer shall require each person, firm or corporation with whom it contracts in connection with the design and construction of the Authorized Facilities to provide and maintain such workers' compensation insurance and a broad form comprehensive general liability insurance policy in the amount hereinabove specified and in a form acceptable to the City. Developer shall provide to the City proof, in such form and at such intervals as set forth below, that each contractor with whom it contracts has procured and is maintaining such insurance.

(d) <u>Reimbursement for Insurance Premiums</u>. The premiums paid by Developer for the insurance required by this Section may be included in the Acquisition Price to be paid by the City for the Authorized Facilities to be constructed by Developer as an incidental cost.

Section 16. <u>Advances of Authorized Fees</u>. At any time Developer may request that City pay or prepay any Authorized Fees from Available Construction Proceeds, however acceptance of any Developer request to pay or prepay Authorized Fees shall be subject to the sole discretion of the City. To facilitate the tracking and administration of such fee advances, the City may require that such request be submitted in a specific format. The City does not expect to allow the use of Bond proceeds to prepay any other fees (other than Authorized Fees) unless such advance payment of fees serves a need of the City, as determined at the City's sole discretion.

In the event Authorized Fees are paid or Authorized Facilities are funded from Available Construction Proceeds, Developer shall be entitled to fee credits, pursuant to City policies on fee credits, for Authorized Facilities that are acquired or constructed by the City and that are also included in the City's fee programs.

If an Authorized Facility or component thereof has been acquired from the Developer using Available Construction Proceeds, any reimbursement to the City for such item which comes from other revenue sources and which is otherwise payable to the Developer will be paid to the District and will be used first to pay for other Authorized Facilities and, thereafter, to reduce outstanding Bonds. Other revenue sources include fee revenues paid by other development projects not owned by the Developer or direct reimbursements from other development projects. If only a portion of the Acquisition Price for an Authorized Facility is paid to Developer using Available Construction Proceeds, then any reimbursement for such Authorized Facility which comes from other revenue sources shall be paid first to Developer until the balance of the Acquisition Price is paid to Developer, and thereafter any additional reimbursement from other revenue sources shall be paid to the City as provided above.

City acquisition or construction of an Authorized Facility shall not prevent Developer from receiving refunds of fees paid by development within the District that would have been off-set by fee credits, but for the timing of completion of the Authorized Facility. In particular, the City's fee credits policy requires 20% of the anticipated fee credits to be reserved until the improvement generating such fee credits is accepted and a final accounting is completed. If the 80% amount allowed to be taken as fee credits is exhausted prior to completion of an Authorized Facility, City policy provides that some or all of the 20% amount reserved for fee credits will be paid by the City as a fee reimbursement, instead of being taken as fee credits, to the extent development within the District continues and fees for such improvement are paid prior to such completion. Payment of the Acquisition Price for such Authorized Facility shall not prevent City from providing any such fee refunds pursuant to City policy.

Section 17. Binding on Community Facilities District. The District is deemed to be a party to this Agreement to the extent permitted by California law, and all provisions hereof which apply to the City shall so apply to the District. The City Council of the City, acting for the District, shall perform all parts of this Agreement which require performance on the part of the District.

Section 18. Assignment. Developer may not assign this Agreement or any right or duty hereunder without the express written approval of the City. The City may condition any such approval on proof of the financial responsibility and experience of a proposed assignee to undertake and perform the duties and responsibilities of Developer under this Agreement. The City's approval of an assignment of this Agreement and the rights and duties of Developer hereunder shall not be unreasonably withheld or delayed.

Section 19. Prompt Action. All consents, approvals and determinations required of either the City or Developer pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld.

Section 20. General. This Agreement contains the entire agreement between the parties with respect to the matters herein provided for, and may be amended by a subsequent written agreement signed on behalf of both parties. This Agreement is for the exclusive benefit of the parties and shall not be construed to confer any rights or benefits upon any persons other than the City and Developer. This Agreement shall, however, inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall be construed and governed by the Constitution and laws of the State of California. Should either party to this Agreement commence a court action or proceeding against the other party with respect to this Agreement or the design and acquisition or construction of the Authorized Facilities, the party prevailing in such action or proceeding shall be entitled to receive from the losing party its attorney's fees, expert witness' fees, court costs, and other costs incurred by it in prosecuting or defending such action or proceeding. The captions of the sections of this Agreement are provided for convenience only, and shall not have any bearing on the interpretation of any section hereof. This Agreement may be executed in several counterparts, each of which shall be an original of the same Agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date first above written.

CITY OF RANCHO CORDOVA,
a municipal corporation

By: ________________________________
Kim Juran-Karageorgiou
Administrative Services Director

LENNAR HOMES OF CALIFORNIA, LLC
a California limited liability company

By: ________________________________

Name: _____________________________

Title: ______________________________

[Signature page to Funding, Construction and Acquisition Agreement dated as of ___________ 1, 2026]

EXHIBIT A

LIST OF AUTHORIZED FACILITIES
FOR THE COMMUNITY FACILITIES DISTRICT

The Facilities and Services shown below are to be finance by the City of Rancho Cordova The Preserve Community Facilities District No. 2025-1 (the "CFD").

Facilities

The Facilities which are proposed to be financed with the proceeds of the sales of bonds of the proposed CFD, or the payment of the fees to the appropriate jurisdiction with respect to such facilities proposed to be financed with the proceeds of the sale of bonds of the proposed CFD, are generally described as follows:

- Grantline Road & Raymer Way Traffic Signal

Impact, Development Agreement and Specific Plan Fees for Facilities

- City Transportation Impact Fee
- City Community Facilities Fee
- Sacramento County Regional Sanitation (Expansion) Fee
- Sacramento County Water Agency Zone 40 Fee

Other

- Any other facilities serving substantially the same purpose as the above described facilities.

- Any other facilities permitted under the Mello-Roos Community Facilities Act of 1982, including the facilities described in Section 53313.5 of the California Government Code, as amended from time to time, provided that such facilities satisfy at least one of the following criteria: 1) augment, improve or expand existing District facilities that are primarily for the benefit of the District, or 2) repair or rehabilitate existing District facilities.

The foregoing description of the type of Facilities eligible to be financed is general in nature and includes any appurtenant work and incidental expenses related to the Facilities. The final nature and location of the facilities will be determined upon the preparation of final plans and specifications for such facilities.

I

EXHIBIT B

Payment Request Form

City of Rancho Cordova
The Preserve Community Facilities District No. 2025-1

<u>Request for Payment</u>

The undersigned (the "**Developer**") hereby requests payment pursuant to the Funding, Construction and Acquisition Agreement dated ___________ 1, 2026 (the "**Agreement**"), between the City of Rancho Cordova and LENNAR HOMES OF CALIFORNIA, LLC ("**Developer**"), in the total amount of $____________. (Capitalized terms used herein unless otherwise defined herein shall have the meanings ascribed thereto in the Agreement.) The payment requested is for the portion of the Authorized Facility that has been completed by Developer (the "**Completed Work**") and is the subject of this request for payment, as more fully described in Schedule 1 attached hereto.

In connection with this request for payment, the undersigned hereby represents and warrants to City as follows:

1. The person executing this request on behalf of the Developer is duly authorized to do so and is knowledgeable as to the matters set forth herein.

2. The Completed Work described in **<u>Schedule 1</u>** hereto has been constructed in accordance with the approved plans therefor.

3. The true and correct actual cost of the Completed Work for which payment is requested is set forth in **<u>Schedule 1</u>**.

4. Attached hereto are invoices, receipts, worksheets and other evidence of actual cost that are in sufficient detail to allow City Inspectors and City consultants to verify the actual cost of the Completed Work for which payment is requested. The amount requested hereby [excludes a retention of 5% of the amounts invoiced] [includes an amount previously retained from payment] pursuant to the terms of a construction contract.

5. There has not been filed with or served upon the Developer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein that has not been released or will not be released simultaneously with the payment of such obligation, other than materialman's or mechanics' liens accruing by operation of law. Copies of lien releases for all Completed Work for which payment is requested hereunder are attached hereto.

6. The Developer is in compliance with the terms and provisions of the Agreement. Payment of the amount requested hereby should be made payable to:

____
and sent to: __________________________________
at the following address: ________________________
____

I(we) hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Developer:

LENNAR HOMES OF CALIFORNIA LLC,
a California limited liability company

By: ________________________________

Name: _____________________________

Title: ______________________________

(ATTACHMENT)

SCHEDULE 1
Description of Completed Work and Cost