Agenda

City Council Regular and Joint Meeting

City Council Chambers | 50 Natoma Street, Folsom CA 95630
March 23, 2021
6:30 PM

Welcome to Your City Council Meeting

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

Participation

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

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

Reasonable Accommodations

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

How to Watch

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

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

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

City Council Regular and Joint Meeting

Folsom City Council Chambers
50 Natoma Street, Folsom, CA
www.folsom.ca.us

Tuesday, March 23, 2021 6:30 PM

Mike Kozlowski, Mayor

Sarah Aquino, Vice Mayor | *YK Chalamcherla, Councilmember*
Kerri Howell, Councilmember | *Rosario Rodriguez, Councilmember*

REGULAR CITY COUNCIL AGENDA

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Folsom City Council and staff may participate in this meeting via teleconference.

Due to the coronavirus (COVID-19) public health emergency, the City of Folsom is allowing for remote public input during City Council meetings. Members of the public are encouraged to participate by emailing comments to CityClerkDept@folsom.ca.us. Emailed comments must be received no later than thirty minutes before the meeting and will be read aloud at the meeting during the agenda item. Please make your comments brief. Written comments submitted and read into the public record must adhere to the principles of the three-minute speaking time permitted for in-person public comment at City Council meetings. Members of the public wishing to participate in this meeting via teleconference may email CityClerkDept@folsom.ca.us no later than thirty minutes before the meeting to obtain call-in information. Each meeting may have different call-in information. Verbal comments via teleconference must adhere to the principles of the three-minute speaking time permitted for in-person public comment at City Council meetings.

Members of the public may continue to participate in the meeting in person at Folsom City Hall, 50 Natoma Street, Folsom, CA while maintaining appropriate social distancing and wearing face coverings.

CALL TO ORDER

ROLL CALL:

Councilmembers: Howell, Rodriguez, Aquino, Chalamcherla, Kozlowski

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

PLEDGE OF ALLEGIANCE

AGENDA UPDATE

BUSINESS FROM THE FLOOR:

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

SCHEDULED PRESENTATIONS:

1. Proclamation of the Mayor of the City of Folsom Proclaiming April 11-17, 2021 as National Public Safety Telecommunicators Week in the City of Folsom

2. Presentation of New City of Folsom Website

CONSENT CALENDAR:

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

3. Approval of March 9, 2021 Regular Meeting Minutes

4. Ordinance No. 1311 - An Ordinance of the City of Folsom Amending Certain Sections in Title 4 of the Folsom Municipal Code Regarding the Arts and Cultural Commission (Second Reading and Adoption)

5. Nomination of City of Folsom Representative to the Citizens Advisory Committee for Folsom Prison

6. 2020 General Plan Annual Progress Report, Including the Housing Element Annual Progress Report

7. Resolution No. 10597 - A Resolution Authorizing the City Manager to Execute A Long Term Communications Asset Exchange Agreement for Communication Duct with Zayo Group, LLC for Existing City of Folsom Conduit

8. Resolution No. 10601 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046)

9. Resolution No. 10602 – A Resolution Authorizing the City Manager to Execute an Agreement with the County of Sacramento to Participate in the Permanent Local Housing Allocation (PLHA) Funding Program and to Designate Sacramento County as the Fund Administrator

10. Resolution No. 10604 - A Resolution Authorizing the City Manager to Execute a Contract with the County of Sacramento in an Amount Not to Exceed $85,000 for Animal Services within the City of Folsom and Appropriation of Funds

11. Resolution No. 10605 - A Resolution Directing the Preparation of Engineer's Report for the Following Landscaping and Lighting Districts for Fiscal Year 2021-2022 American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs

12. Resolution No. 10606 - A Resolution Authorizing the City Manager to Execute a Contract Amendment with Terracare Associates for Landscape Maintenance Services in New Maintenance Areas (Contract No. 172-21 20-004)

OLD BUSINESS:

13. Resolution No. 10600 – A Resolution of the City Council Confirming Emergency Order DES-06-20 Issued by the Director of Emergency Services

14. Further Direction to Staff on Future Use Options for City-owned Property at 405 Natoma Station Drive

NEW BUSINESS:

15. Presentation on Use Options for the Retail Space in the Historic District and Direction to Staff

16. Presentation on the Dan Russell Rodeo Arena and Direction to Staff

17. Ordinance No. 1312 – An Ordinance of the City of Folsom Adding Chapter 12.24 to the Folsom Municipal Code Pertaining to Sidewalk Vendors (Introduction and First Reading)

CONVENE JOINT MEETING

JOINT CITY COUNCIL AGENDA

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

ROLL CALL: Council / Board Members: Howell, Rodriguez, Aquino, Chalamcherla, Kozlowski

CONSENT CALENDAR:

18. Approval of the December 8, 2020 Joint City Council / Successor Agency / Public Financing Authority / Folsom South of 50 Parking Authority / Folsom Ranch Financing Authority Meeting Minutes

19. Receive and File the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Monthly Investment Reports for the Month of December 2020

PUBLIC HEARING:

20. Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 and City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021

    i. Resolution No. 10603 – A Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series, 2021, the Execution of a First Supplemental Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

    ii. Resolution No. 007 - Folsom Ranch FA - A Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $15,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery thereof and of an Official

Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing

ADJOURNMENT

RECONVENE CITY COUNCIL MEETING

CITY MANAGER REPORTS:

COUNCIL COMMENTS:

ADJOURNMENT

The City Council's next regular meeting is scheduled for April 13, 2021.

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

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

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

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

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

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

Any documents produced by the City and distributed to the City Council regarding any item on this agenda will be made available at the City Clerk's Counter at City Hall located at 50 Natoma Street, Folsom,

California and at the Folsom Public Library located at 411 Stafford Street, Folsom, California during normal business hours.

PROCLAMATION

OF THE MAYOR OF THE CITY OF FOLSOM
PROCLAIMING April 11 – 17, 2021

as

NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK IN THE CITY OF FOLSOM

WHEREAS, telecommunicators week was created in 1981 by Patricia Anderson of the Contra Costa County Sheriff's Office, to raise public awareness of the hard work and dedication of public safety telecommunicators; and

WHEREAS, in 1991, Congress enacted a formal proclamation which was signed by President Bill Clinton designating the second full week of April as National Public Safety Telecommunicators Week; and

WHEREAS, Folsom Police dispatchers often serve as the first point of contact for our citizens in need; and

WHEREAS, Folsom Police dispatchers are the calm, nameless and faceless voices who always answer the phone in times of crisis and dispatch emergency personnel to help protect property and save lives; and

WHEREAS, in 2020, during the national Covid-19 pandemic, Folsom Police dispatchers answered a total of 94,058 telephone calls and dispatched first responders to more than 40,395 events; and

WHEREAS, in 2020, Folsom Police dispatchers answered 21,184 9-1-1 calls with 99.09% being answered in 15 seconds or less; and

WHEREAS, Folsom Police dispatchers continually exhibit compassion, professionalism, and understanding during the performance of their job.

NOW, THEREFORE, I, MICHAEL D. KOZLOWSKI Mayor of the City of Folsom on behalf of the Folsom City Council, do hereby proclaim the week of April 11 – 17, 2021 as ***NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK*** in the City of Folsom and extend our gratitude to the Folsom Police public safety telecommunicators for their dedicated service and commitment to keeping our community safe.

PROCLAIMED this 23rd day of March 2021.

ATTEST:

Michael D. Kozlowski, MAYOR

Christa Freemantle, CITY CLERK

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Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Scheduled Presentations
SUBJECT:	Presentation of New City of Folsom Website
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

No action is requested of the Folsom City Council at this time.

BACKGROUND / ISSUE

City of Folsom Communications Director Christine Brainerd and Communications Officer Chris Shepard to debut new City of Folsom website.

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City Council Regular Meeting

MINUTES

Tuesday, March 9, 2021 6:30 PM

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Folsom City Council and staff may participate in this meeting via teleconference.

CALL TO ORDER

The regular City Council meeting was called to order at 6:30 p.m. in City Council Chambers, 50 Natoma Street, Folsom, California, with Mayor Mike Kozlowski presiding.

ROLL CALL:

Councilmembers Present:	YK Chalamcherla, Councilmember Kerri Howell, Councilmember Rosario Rodriguez, Councilmember Sarah Aquino, Vice Mayor Mike Kozlowski, Mayor
Councilmembers Absent:	None
Participating Staff:	City Manager Elaine Andersen City Attorney Steve Wang City Clerk Christa Freemantle Finance Director/Chief Financial Officer Stacey Tamagni Parks and Recreation Director Lorraine Poggione

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA UPDATE

City Clerk Christa Freemantle advised that there was additional information for Item No. 8.

BUSINESS FROM THE FLOOR:

1. Sandra Munoz Braidman, Executive Director for Project Hope Center, addressed the City Council regarding a proposed Sunday Market at Folsom Historic Plaza.
2. Hari Gaqiratj addressed the City Council regarding traffic safety concerns at Folsom Ranch.

3. Siva Bollineni addressed the City Council regarding traffic safety concerns at Folsom Ranch.

SCHEDULED PRESENTATIONS:

1. Resolution of Commendation Honoring the Folsom Telegraph for Being the Oldest Business in Folsom

Mayor Mike Kozlowski presented the Resolution of Commendation to Bill Sullivan, Associate Publisher of Gold Country Media.

2. Proclamation of the Mayor of the City of Folsom Proclaiming March 2021 as American Red Cross Month in the City of Folsom

Councilmember Rosario Rodriguez presented the Resolution of Commendation to Eileen Reynolds, Chairperson of the Board of Directors for the American Red Cross, California Gold Country Region.

CONSENT CALENDAR:

3. Approval of February 23, 2021 Special and Regular Meeting Minutes

4. Resolution No. 10592 - A Resolution Authorizing the City Manager to Execute a Common Interest and Cost Share Agreement for Coordinated Participation on Bay-Delta Water Quality Control Plan Amendments

5. Resolution No. 10593 - A Resolution Authorizing the City Manager to Execute a Regional Water Authority Major Projects Management Services Program Agreement

6. Resolution No. 10598 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Professional Services Agreement with Avolve Software for ProjectDox Upgrade and Renewal of Annual Support Services

7. Resolution No. 10599 - A Resolution Authorizing Applications for Regional Early Action Planning (REAP) Grants Program Funds for Housing Related Planning Activities and Authorizing the City Manager to Execute Agreements to Accept Awarded Grant Funds

Motion by Councilmember Kerri Howell, second by Councilmember Rosario Rodriguez to approve the Consent Calendar.

Motion carried with the following roll call vote:

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

NEW BUSINESS:

8. Ordinance No. 1311 - An Ordinance of the City of Folsom Amending Certain Sections in Title 4 of the Folsom Municipal Code Regarding the Arts and Cultural Commission (Introduction and First Reading)

Vice Mayor Sarah Aquino thanked staff for their work to amend the ordinance.

Motion by Councilmember Kerri Howell, second by Councilmember Rosario Rodriguez to introduce and conduct the first reading of Ordinance No. 1311.

Motion carried with the following roll call vote:

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

9. Fiscal Year 2021-22 Budget Workshop

Finance Director/Chief Financial Officer Stacey Tamagni made a presentation and responded to questions from the City Council. City Manager Elaine Andersen provided additional clarification.

The following speaker addressed the City Council:

- Loretta Hettinger regarding Historic District parking

10. Future Use Options for City-Owned Property at 405 Natoma Station Drive and Direction to Staff

Parks and Recreation Director Lorraine Poggione made a presentation and responded to question from the City Council. City Manager Elaine Andersen provided additional clarification.

The following speaker addressed the City Council:

- Sandy Hilton regarding utilizing the facility at 405 Natoma Station Drive as a community center

The City Council discussed possible uses at 405 Natoma Station Drive and directed staff to move forward with using it for municipal parks and recreational services and programs. The City Council recommended that proposed uses be considered by the Parks and Recreation Commission for discussion.

CITY MANAGER REPORTS:

City Manager Elaine Andersen announced that new CDC guidance was released regarding vaccinated individuals. She spoke of the City's spring break camp registration opening and advised that Sacramento Regional Water Authority is hosting free educational webinars regarding smart water habits.

COUNCIL COMMENTS:

Councilmember Kerri Howell encouraged everyone to be safe and make sure they are visible when walking at night. She asked everyone to drive carefully.

Vice Mayor Sarah Aquino spoke of the recent meeting she attended of the Tourism and Economic Development Corporation Board and reported about the Harris Center facility.

Councilmember YK Chalamcherla discussed attending the Sacramento Cable Commission meeting and the City/FCUSD 2.x2 meeting. He encouraged residents to continuing sharing their thoughts and suggestions with the City Council.

Councilmember Rosario Rodriguez thanked Police Chief Rick Hillman for a tour of the Police Department. She talked about stolen bikes in Folsom and reminded residents to make note of their bike serial number so it can be traced back to them if it is found. She congratulated the Historic District on the new Zittel Amphitheater shade structure groundbreaking.

Mayor Mike Kozlowski concurred with the enthusiasm for the new Zittel Amphitheater shade structure. He discussed the last SACOG meeting regarding transportation issues. He spoke of working with regional representatives to urge the California Department of Public Health to support the safe return of students to school.

ADJOURNMENT

There being no further business to come before the Folsom City Council, Mayor Mike Kozlowski adjourned the meeting at 8:10 p.m.

SUBMITTED BY:

_____
Christa Freemantle, City Clerk

ATTEST:

_____
Mike Kozlowski, Mayor

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Ordinance No. 1311 - An Ordinance of the City of Folsom Amending Certain Sections in Title 4 of the Folsom Municipal Code Regarding the Arts and Cultural Commission (Second Reading and Adoption)
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully requests that the City Council adopt Ordinance No. 1311 - An Ordinance of the City of Folsom Amending Certain Sections in Title 4 of the Folsom Municipal Code Regarding the Arts and Cultural Commission.

BACKGROUND / ISSUE

The sole purpose of this Ordinance is to amend specific language in Title 4, Chapter 4.07 of the Folsom Municipal Code to change the name of the Arts and Cultural Commission to the Arts and Culture Commission.

During the January 12, 2021, City Council meeting, the Vice Mayor commented on the name of this commission and suggested that using the word *"Culture"* would be a more accurate reflection of the work that this commission performs and would create grammatical consistency within the name of the commission.

On March 9, 2021, City Council approved the introduction and first reading of Ordinance No. 1311 to move forward with adoption of this ordinance. No changes have been made to the ordinance since first reading.

POLICY / RULE
Section 2.12 of the City Charter, amendments to the Folsom Municipal Code require review and approval by the City Council.

ANALYSIS
As indicated in the background section of this report, the sole purpose of this Ordinance is to amend specific language in Title 4, Chapter 4.07 of the Folsom Municipal Code to change the name of the commission from the Arts and Cultural Commission to the Arts and Culture Commission. Furthermore, it will amend any language in the chapter to reflect the new name.

FINANCIAL IMPACT
None

ATTACHMENT
1. Ordinance No. 1311 - An Ordinance of the City of Folsom Amending Certain Sections in Title 4 of the Folsom Municipal Code Regarding the Arts and Culture Commission

Submitted,

_____
Lorraine Poggione,
Parks and Recreation Director

ORDINANCE NO. 1311

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING CERTAIN SECTIONS IN TITLE 4 OF THE FOLSOM MUNICIPAL CODE REGARDING THE ARTS AND CULTURE COMMISSION

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

SECTION 1 PURPOSE

The purpose of this ordinance is to amend certain Sections in Title 4, Chapter 4.07 of the Folsom Municipal Code, to change the name of the Arts and Cultural Commission to the Arts and Culture Commission.

SECTION 2 AMENDMENT TO CODE

The following Sections in Chapter 4.07 of the Folsom Municipal Code are hereby amended to read as follows:

4.07.010 Purpose.

The purpose of the arts and culture commission is to advise the mayor and city council on promoting, encouraging and increasing arts and cultural programs, projects and services for the community.

4.07.020 Creation of the arts and culture commission – Functions of the commission.

The City of Folsom arts and culture commission hereafter referred to as ("the commission") is hereby created and shall have the following functions:

A. The commission shall serve in an advisory capacity and make recommendations to the mayor, city council and city manager to promote, encourage and increase support for the arts and culture within the city.

B. Upon request of the city council or city manager, the commission shall assist with the development of special projects related to arts and cultural activities.

C. The commission shall promote, encourage and develop arts and cultural services for the community in accordance with a master plan for the arts as adopted by the city council.

D. The commission shall advise the mayor, city council and city manager on projects and programs designed to promote public art throughout the city.

E. The commission shall make recommendations to the city council or city manager on the expenditure of any funds that may become available for arts and cultural programs, grants, services, events or activities. Should any grant funds be made available by the city,

recommendations from the commission on funding requests shall be reviewed by an internal city grant review committee composed of the mayor, vice mayor, city manager, parks and recreation director, and finance director.

F. The commission shall appoint subcommittees, as necessary, to carry out the functions of the commission. Any appointee to a subcommittee that is not a member of the commission shall be made with approval of the city council.

4.07.030 Membership.

There shall be a Folsom arts and culture commission of 7 members. Each councilmember shall appoint 1 commission member whose term shall run concurrently with that of the appointed councilmember. Two additional members shall be appointed at large by the city council for 2-year terms by a majority vote of the city council.

4.07.035 Eligibility.

A person is not eligible to hold office as a Folsom arts and culture commissioner unless he or she is, at the time of the appointment, a resident and registered voter of the city. If during his or her term of office, a member of the Folsom arts and culture commission moves his or her residence outside the city limits, or ceases to be a registered voter of the city, such member's office shall become immediately vacant.

4.07.040 Terms of membership – Vacancies and replacement.

A. The city council may remove any member of the commission at any time by a majority vote of all councilmembers. No public hearing shall be required prior to removal of any member of the commission and no cause for removal need be shown.

B. If a vacancy occurs on the Folsom arts and culture commission for a commission position appointed by a city council member, such appointing city council member shall fill the vacancy for the remainder of the term. If a vacancy occurs on the Folsom arts and culture commission for an at-large commission position appointed by the city council, then such position shall be filled by the city council for the remainder of the at-large term. This section shall apply to vacancies resulting from death, resignation, removal, disqualification or any other cause.

C. A commission member is subject to disqualification and removal from the commission if he or she has 3 unexcused absences from any regularly scheduled meetings.

4.07.070 Agendas – Order of business – Voting.

A. Agendas for meetings of the commission shall be prepared by the secretary of the commission. Items may be placed on an agenda by contacting the chairperson, parks and recreation director or his/her representative, or the secretary. Agendas shall be approved by the chairperson prior to the start of the meeting. Citizens or interested parties may address the commission by having their specific item(s) placed on an agenda or by addressing the

commission during the business from the floor portion of the meeting. Agendas shall be published as required by state law.

B. At the regular meetings of the commission, the following shall be the order of business:

1. Roll call;

2. Review of minutes (or summary);

3. Agenda items of the Folsom arts and culture commission;

4. Business from the floor;

5. Adjournment.

C. On all matters acted upon by the commission, the voting shall be a roll-call vote of the members present. The "ayes" and "noes" of the members shall be recorded in the minutes or summary by the commission secretary. All actions of the commission shall require an affirmative vote of the majority of the commission present and eligible to vote at the particular meeting where action is to take place.

D. All rules of order shall be determined in accordance with "Robert's Rules of Order, Revised."

E. The commission may adjourn any regular or special meeting to a time and place specified in the order of adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be transacted.

SECTION 3 SCOPE

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

SECTION 4 SEVERABILITY

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

SECTION 5 EFFECTIVE DATE

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

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on March 9, 2021, and the second reading occurred at the regular meeting of the City Council on March 23, 2021.

On a motion by Council Member _____ seconded by Council Member _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 23rd day of March 2021 by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Nomination of City of Folsom Representative to the Citizens Advisory Committee for Folsom Prison
FROM:	City Clerk's Department

RECOMMENDATION

Staff recommends that the City Council nominate William Hutto to serve as a citizen representative to the Citizens' Advisory Committee for Folsom Prison for a two-year term ending in March 2023.

BACKGROUND / ISSUE

California Penal Code mandates the formation of a citizens' advisory committee for each state prison. The committee consists of members appointed by the prison warden, including representatives nominated for appointment by the local assembly member, local senator, local city council, local county board of supervisors, local chief of police, and local county sheriff. The purpose of the committee is to improve the public's understanding of correction programs and suggest ways to improve and participate in inmate programming.

The City of Folsom participates on this committee with one representative from the Folsom Police Department and two citizen representatives who are nominated by the Folsom City Council and then appointed by the Warden of Folsom State Prison.

The two citizen representatives serve in staggered terms. William Hutto is one of the two current incumbent representatives on the Committee. His term expired in February, and he has expressed an interest in being re-appointed to another two-year term. The second citizen representative seat is currently occupied by Folsom resident Sandra Braidman and her term will expire in January 2022. City staff advertised the vacant position in the Folsom

Telegraph and on the city's webpage. William Hutto submitted the only application for the position.

POLICY / RULE

California Penal Code section 5056 establishes the membership structure of the committee and states, in part, that two persons shall be appointed to the committee for a two-year term by the prison warden from nominations submitted by the city council of the city containing or nearest to the institution.

ANALYSIS

One application has been received from Folsom resident William Hutto expressing interest in serving on the committee. Staff is requesting the City Council nominate a representative. Once the nomination is made by the City Council, it will be forwarded to the Prison Warden for final appointment.

ATTACHMENT:

Application from William Hutto

Respectfully submitted,

Christa Freemantle, CMC
City Clerk

Folsom Commission and Committee APPLICATION

FOLSOM CITY CLERK'S DEPT
8 MAR '21 AM 9:38

Thank you for your interest in serving on a Folsom commission or committee

Before You Begin:
- Please read this form and instructions carefully.
- Complete all pages and sign the application.
- Applications remain active for six months after submittal.

Return completed applications to:
City Clerk's Department, Folsom City Hall, 50 Natoma Street, Folsom, CA 95630

Applicant Information: (All information is required)

Name: William Hutto

Residence Address: [redacted]

Email: [redacted]

Phone: [redacted]

Employer and Occupation: Retired

Currently Serving on a Commission/Committee? If yes, please specify: CAC for FSP & CSP-S

Folsom Residency / Registered Voter Verification: Commission and Committee members must be residents and registered voters of Folsom.

Registered to vote? Indicate Yes/ No Yes

Financial Disclosure / Ethics Training:

I understand that commission and committee members must file statements disclosing financial information. Indicate Yes/ No: Yes

I understand that commission and committee members must complete ethics and harassment training. Indicate Yes/ No: Yes

Truth and Accuracy: I certify that the information contained on this form is true and accurate:

Signature: Willi Hutto Date: March 1, 2021

Important Public Records Information: The city may receive requests from the public to review documents such as this form and the city is obligated to release these public records, including all information contained on the form.

FOLSOM COMMISSION AND COMMITTEE APPLICATION

Applicant Name: William Hutto

Choice of Commission or Committee:
(If you are interested in multiple commissions, please rank them numerically according to your preference)

_____ Arts and Cultural Commission

_____ Historic District Commission*

_____ Landscaping and Lighting District Advisory Committee*

_____ Library Commission

_____ Parks and Recreation Commission

_____ Planning Commission

_____ Traffic Safety Committee*

CAC for Folsom State Prison/Cal Utility Commission

Other: CAC for Folsom State Prison/Cal State Prison-SAC

***Application Supplement Required:**
Supplemental information is required for the Historic District Commission, Landscape and Lighting District Advisory Committee, and the Traffic Safety Committee. These boards have special qualification requirements for certain seats.

Historic District Commission:
Please identify which seat you qualify for:

☐ representative who is actively involved with historic preservation;
☐ representative who is a resident of the Historic District
☐ representative who owns a business within the Sutter Street Subarea
☐ Planning Commissioners
☐ representative from a Historic District business outside the Sutter Street Subarea
☐ architect, landscape architect, or other design professional with expertise in historic preservation

Landscaping and Lighting District Advisory Committee:
Please advise which L&L District you live in:

District of residence : _____

Traffic Safety Committee:
Please identify which seat you qualify for:

☐ representatives representing a wide cross section of interests
☐ representative who has demonstrated an interest in or a concern for pedestrian and bicycle safety

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FOLSOM COMMISSION AND COMMITTEE APPLICATION

Applicant Name: William Hutto

Informational Questions: (you must answer all four questions, for all commissions or committees you are applying for):

1. Why do you want to serve on this commission or committee:

I have served on this CAC for the past 4 years and would like to continue. I started my career as a Correctional Officer at Folsom State Prison (FSP) and retired from the California Department of Corrections & Rehabili tation (CDCR) as a Captain. I understand the Operational needs and impacts for both the City of Folsom and the Prisons located in our city.

2. What do you think is(are) the top issue(s) facing this commission or committee:

The top issue for myself as a represtative of the City of Folsom is to ensure that we have up to date information and knowledge of any operational plans/changes from the State of California CDCR for the local prisons (FSP & Calif State Prison-Sacramento). Having up to date information allows the Folsom City Counsel and other City Executives to review any plans/ changes that may impact our city so that informed discussions and decisions can be made.

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FOLSOM COMMISSION AND COMMITTEE APPLICATION

Applicant Name: William Hutto

3. Briefly describe how your experiences qualify you to serve on the commission or committee:

I have served on this committee for the past 4 years and feel that I have the knowledge to identify any CDCR impacts for our city. If impacts are identified I am able to inform the City Counsel or City Manager and provide recommendations for resolution.

4. Which commission or committee meetings have you attended?

I have attended all but 2 meetings in the last 4 years of my assignment to this committee.

END OF APPLICATION FORM

Return completed applications to:
City Clerk's Department, Folsom City Hall, 50 Natoma Street, Folsom, CA 95630

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	2020 General Plan Annual Progress Report, including the Housing Element Annual Progress Report
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully requests that the City Council receive and accept the 2020 General Plan Annual Progress Report and Housing Element Annual Progress Report and direct staff to forward copies to the Governor's Office of Planning and Research and Department of Housing and Community Development accordingly.

BACKGROUND / ISSUE

The purpose of this General Plan Annual Progress Report (APR) is to update the City Council on the status of implementing programs contained within the City's recently adopted 2035 Folsom General Plan, including the current Housing Element adopted in 2013.

State law requires all counties and general law cities to submit an annual report on the status of the jurisdiction's General Plan as it pertains to all general plan elements. Since, the City of Folsom is a charter city, the City is not currently required to submit a General Plan APR to the State. Nevertheless, the Community Development Department has elected to begin annually preparing a General Plan APR in order to track the City's progress towards achieving the City's stated General Plan goals and objectives. Furthermore, annual submission of the General Plan APR to the State allows the City to be eligible to apply for certain State funding made available by California Department of Housing and Community Development (HCD), such as the Infill Infrastructure Grant aimed at providing gap funding for qualified infrastructure improvements associated with residential or mixed-use infill development.

Additionally, State law (California Government Code §65400) requires all cities (including charter cities) and all counties to submit a Housing Element Annual Progress Report (APR) to the HCD and the Governor's Office of Planning and Research (OPR) to report progress that the jurisdiction has made toward implementing the Housing Element of their general plan. Provisions of Assembly Bill 879 and Senate Bill 35 of the State's 2017 Housing Package added new data requirements for the Housing Element Annual Progress Reports (APRs). These additions are listed below:

- Housing Development Applications and Approvals
- Housing Production in progress (via entitlement, building permit, or certificate of occupancy)
- Sites Identified or Rezoned (if applicable) to Accommodate Regional Housing Needs Allocation (RHNA) related to "No Net Loss" provisions passed by AB 166

Prior to submittal to the State, the annual report must be presented to the City Council for review and acceptance. The 2020 General Plan APR (Attachment 1) includes a summary of General Plan Amendments processed and actions or activities relating to implementation of each of the City's General Plan Elements. The Housing Element portion of the report consists of standardized State-produced tables that quantify the number of dwelling units entitled and constructed during the 12-month reporting period and the status of Housing Element programs.

POLICY / RULE

State Housing Element Law (Government Code Sections 65580 *et seq.*) requires local government plans to meet the existing and projected housing needs of all economic segments of the community. Government Code Section 65400 requires an annual review at a public meeting to report on the progress of the programs in the Housing Element. The City's Housing Element, which was adopted by the City Council on October 22, 2013, provides the local legislative framework for meeting the State Housing Element Law requirements.

ANALYSIS

The General Plan APR assists OPR in identifying statewide trends in local land use decision making. Furthermore, the report assists the City in evaluating how the goals and policies of the general plan are being implemented through various programs, planning activities and land development projects (both public and private). While OPR provides general guidance on the preparation of APRs, local jurisdictions are encouraged to develop their General Plan APR in a manner that is useful to the specific jurisdiction.

The attached General Plan APR summarizes the City's General Plan implementation progress for 2020. The report is not an exhaustive inventory of Folsom's general plan implementation efforts, but rather a focused account of relevant activities of citywide significance, including land development projects requiring discretionary review, long-rang planning efforts, City capital improvement projects and other action items that specifically address implementation of the general plan.

The Housing Element APR is attached to the General Plan APR and utilizes building permits issued as the basis for counting progress toward RHNA. In addition, the APR describes the City's accomplishments toward achieving its share of the identified housing needs (RHNA) and includes a status report on implementation of the City's housing related policies, ordinances, and programs to facilitate efforts to remove constraints to the production of affordable housing.

ATTACHMENT

1. 2020 General Plan Annual Progress Report

Submitted,

Pam Johns, Community Development Director

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FOLSOM
GENERAL PLAN
2035

2020 General Plan Annual Progress Report

City of Folsom

March 2021

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CHAPTER 1 – INTRODUCTION AND SUMMARY

A. Purpose of the Annual Progress Report (APR)

The primary purpose of this Annual Progress Report (APR) is to summarize the activities that took place between January 1, 2020 and December 31, 2020 to implement the City of Folsom's 2035 General Plan. This report will be provided to the City Council for their review and acceptance. In addition, the APR will be submitted to the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD).

B. Background

The City of Folsom adopted a comprehensive update to the General Plan on August 28, 2018. The Folsom 2035 General Plan is the result of over 6 years of public input from stakeholders, the community, City Commissioners and the City Council. The updated plan replaced and reformatted the previous General Plan that was adopted in 1988 and includes key planning concepts such as developing urban centers offering an urban lifestyle in a suburban community, moving toward mixed use on the East Bidwell corridor, providing opportunities for transit-oriented development, and following retail trends to provide for new shopping and converting old retail centers to productive use. Other key planning concepts embraced in the Folsom 2035 General Plan are complete streets including all modes of transportation and a focus on healthy lifestyles.

C. Purpose of the General Plan

The General Plan is the foundational land use document for the City of Folsom and includes goals, policies and programs on a wide range of topics. Every city and county in California must have a general plan, which is the local government's long-term framework or "constitution" for future development. The general plan represents the community's view of Folsom's future and expresses the community's development goals. The Folsom 2035 General Plan establishes the framework for land use decisions in the City of Folsom over the next 20 plus years and includes goals, policies, and programs on a wide range of topics. All new land use and development, as well as modifications to existing use and development must be consistent with the City's General Plan.

D. Status of Adopted Elements

The general plan is made up of eight elements, of which seven are mandated by the State. Except for the Housing Element, all other elements of the City of Folsom General Plan were adopted as a single document on August 28, 2018. State requirements for housing elements are more detailed and specific than for the other general plan elements, and housing elements are required to be updated on a fixed schedule set by the State. For these reasons the City of Folsom Housing Element is contained in a separate document which was adopted by the City Council October 22, 2013. and certified by the State HCD on December 3, 2013. The current Housing Element covers an eight-year period from 2013 to 2021.

The seven State-mandated elements are: Land Use, Circulation, Housing, Conservation, Open Space, Noise, and Safety (California Government Code Section 65302). Communities may include other elements that address issues of particular local concern, such as economic development or urban

design. Communities can also organize their general plan anyway they choose, as long as the required issue areas are addressed. The following table shows how the elements of the Folsom 2035 General Plan are organized to meet the mandatory requirements of State law:

ELEMENTS OF THE FOLSOM 2035 GENERAL PLAN								
Folsom 2035 General Plan Elements	General Plan Elements Required by State Law							Optional Elements Allowed by State Law
	Land Use	Circulation	Housing	Conservation	Noise	Open Space	Safety	
Land Use	■							
Mobility		■						
Economic Prosperity								■
Housing			■					
Natural and Cultural Resources					■			
Public Facilities and Services								■
Parks and Recreation						■		
Safety and Noise					■		■	

Source: Folsom General Plan 2035 -Adopted August 28, 2018

CHAPTER 2 - IMPLEMENTATION OF THE GENERAL PLAN

To help ensure that appropriate actions are taken to implement the 2035 General Plan, the Plan includes a set of implementation programs. The implementation programs identify specific actions to be taken by the City to implement the general plan policies.

A. Amendments to the General Plan

General Plan Amendments may be proposed and acted upon at any time during the year and one action may include multiple amendments. General Plan amendments are subject to environmental review, public notice and hearing requirements and must not create inconsistencies with other parts of the plan. Some of the amendments will be policy changes, while others will be changes to the General Plan Land Use Diagram.

2020 General Plan Amendments

Toll Brothers: General Plan Amendment, Specific Plan Amendment, Small-Lot Vesting Tentative Map and Design Planned Development Permit – The City Council approved a General Plan Amendment on March 10, 2020 to modify land use designations in the Folsom Plan Area. The land use designations associated with the 314 acre site include SFHD, MLD, MMD, OS, and P.

709 Natoma Street: General Plan Amendment – The City Council approved a General Plan Amendment on June 23, 2020 to change the land use designation from SFHD (Single-Family High Density) to CC (Community Commercial) in order to correct General Plan inconsistencies that resulted in the single parcel having two incompatible land uses (SFHD/CC).

2019 General Plan Amendments

Canyon Terrace Apartments Expansion and Remodel: General Plan Amendment and Design Review – The City Council approved a General Plan Amendment on July 9, 2019 to change the land use designation from MLD (Multi-Family Low Density) to MHD (Multi-Family High Density) in order to accommodate the increased residential density associated with the project expansion.

B. General Plan Program Implementation Highlights for 2019

The following are highlights of the implementation program progress made in calendar year 2019 organized by Element.

Land Use Element:

LU-1. Update the Zoning Ordinance – On July 14, 2020, the City Council adopted an update to the City's Accessory Dwelling Unit Ordinance to ensure its compliance with State law. In addition, the Community Development Department (CDD) continued public outreach efforts to encourage public involvement in the comprehensive Zoning Code Update, which is scheduled to be completed in fall of 2021. The primary goals of the update include: Implement 2035 General Plan land use policies; ensure consistency with state and federal law; be intuitive, graphic and user-friendly; create a transparent, predictable and consistent process; promote high quality design; respond to community concerns; promote infill, mixed-use, and transit-oriented development in Transit Priority Areas and mixed-use overlay areas; and standardize and simplify development review.

LU-6. Adopt Green Building - In January of 2020, the City of Folsom adopted the 2019 California Green Code (CALGreen) at the Mandatory level. The City of Folsom continues to encourage new construction projects to adopt and incorporate green building features.

Mobility Element:

M-2. Intelligent Transportation Systems (ITS) Master Plan - In 2020 the Public Works Department continued to implement the ITS Master Plan in conjunction with SACOG Regional ITS Master Plan. Installation of 16 "smart" traffic controllers, 9 CCTVs at critical intersections and fiber optic was installed at various locations to close the communication gaps. Cellular connections were added to signals South of 50. Worked with Police Department to allow dispatch live access to the CCTV network.

M-5 Pedestrian Master Plan and M-6 Bikeway Master Plan -The Public Works and Parks and Recreation successfully obtained grant funding to consolidate the Pedestrian Master Plan and Bike Master Plan into an Active Transportation Plan (ATP) in 2020. The ATP will guide the planning, development, and maintenance of existing and future pedestrian and bicycle networks. In addition, the ATP will identify and prioritize improvements to the existing network of walkways, bikeways, and multi-use trails to make it easier, safer, and more convenient for residents to walk and bike in Folsom. The consultant for the project was selected and the project is underway. Public outreach with key stakeholders and community members will begin in Spring of 2021, with a draft plan developed in Summer 2021.

M-8 Bicycle and Pedestrian Improvements - The City continues to require bicycle and pedestrian improvements as conditions of approval for new development on roadways and intersections serving projects. In 2020, the focus was on crosswalks enhancements throughout the city to increase safety and encourage driver compliance to yielding to pedestrian in crosswalks. New bike detection sensors were installed along Folsom Blvd. to improve access and safety and new bike lanes were added at Blue Ravine Road and Prairie City Road. In addition, the City began working on acceptance of the first trail segment in the FPA-Russell Ranch for 1.5 miles of Class I trail along Alder Creek Parkway and Grand Prairie Road.

Housing Element: ***See Chapter 3***

Natural and Cultural Resources Element:

NCR-3. – Creek Week – Creek Week was cancelled in 2020 as a result of the Covid-19 pandemic.

Public Facilities and Services Element:

PFS-6. Water Management Programs – In 2020, the City's Water Management Division completed 223 water audits, conducted 5 community outreach events reaching approximately 190 people, and staff attended 17 educational events. Due to the Covid-19 pandemic, there were significantly less customers interactions in 2020, which lead to a reduced number of in-person audits completed and educational sessions offered compared to 2019. In addition, three projects in the Folsom Plan Area (White Rock Springs Ranch Backbone, Mangini Ranch 1B, and Mangini Basin 19) were subject to irrigation audits in 2020.

PFS-9. Fire Service Delivery Plan – The Fire Service Delivery Plan (now known as the "Fire Department Strategic Plan") was completed in 2020 and is posted on the City's website.

PFS-10. City Energy Use Procedures - In 2020, the city hired a new Facilities Supervisor and began to explore an HVAC Control System for City Hall and implementing appropriate load standards to be more efficient.

PFS-13. Streetlight Retrofit - In 2020, the Public Works Department converted 25 streetlights to LED along major corridors and the Municipal Landscape Services Division retrofitted approximately 300 streetlights from 100W HPS to 66W LED in various landscape and lighting districts.
PFS-18. Neighborhood Cleanup Program - In 2019, the Solid Waste Division of the Public Works Department completed over 10,500 bulky waste pickups and collected nearly 2,000 tons of waste.

PFS-21. M.O.W.E.R. Program – The City of Folsom continues to provide education on composting and grasscycling to the public. In 2020 the Solid Waste Department held two one public workshops attended by 11 Folsom residents. The second scheduled workshop was cancelled due to the Covid-19 pandemic.

PFS-25. Zero Net Energy Development - In January of 2020, the City of Folsom adopted the 2019 California Energy Code which has incorporated the State of California's energy efficiency goal to have 100% of new homes in California achieve ZNE. In addition, this cycle of the California Energy Code has increased? energy efficiency of commercial buildings and has targeted ZNE for commercial construction in 2030.

Parks and Recreation Element:

PR-4. Recreation Activity Guide - In 2020, one Winter/Spring Recreation Activity Guides was printed and mailed to Folsom residents. The Summer and Fall Activity Guides were hosted virtually and were updated frequently.

Safety and Noise Element:

SN-2 Emergency Operation Plan - The Fire Department completed the Emergency Operations Plan in 2020 and it is posted on the City's website.

SN- 5 Community Wildfire Protection Plan - The Fire Department updated the Community Wildfire Protection Plan and incorporated it into the City Emergency Operations Plan as an Appendix.

CHAPTER 3 - IMPLEMENTATION OF THE HOUSING ELEMENT

In accordance with State law (California Government Code §65400), the City is required to report certain housing information, including the City's progress in meeting its share of regional housing needs, actions taken towards completion of housing element programs and the city's efforts to remove governmental constraints to the development of housing.

The State of California Department of Housing and Community Development requires that the Housing Element Annual Progress Report consists of six Excel spreadsheets, which are attached as Appendix B.

Housing Element Implementation

The 2020 APR provides the number of housing units for which the City issued building permits in 2020, both in the aggregate and by affordability levels, according to state-defined income levels. In 2020, building permits were issued for the production of 586 residential dwelling consisting of 489 above moderate single-family dwelling units, 11 moderate and above moderate multi-family units, 29 low-income multifamily units, 42 very low-income multifamily units and 15 (moderate, low- and very low income) accessory dwelling units (ADUs).

With regards to development applications, the City received a total of 54 housing development applications in 2020, which included 45 custom home design review applications. The total proposed housing units associated with these housing development applications is 1,409 units.

The City has demonstrated solid progress in implementing the programs in its 2013-2021 Housing Element. Below is a list of Housing Element implementation highlights.

Program H-2.B. Economic Development Treatment Capacity Bank - The City continued to use EDTCB sewer credits to reduce the cost for SRCSD connection fees and continues to reserve a portion of these credits for housing projects affordable to low-, very low-and extremely low-income households. On June 13, 2017 the City Council approved Resolution No. 9947 authorizing 90 sewer credits for the 100% affordable Parkway Apartment project. On September 26, 2017 the City Council approved Resolution

No. 10005 authorizing 75 sewer credits for the Bidwell Pointe mixed-use, mixed-income project. On April 14, 2020, the City Council approved Resolution No. 10410 authorizing up to 60 sewer credits for the Bidwell Place project.

Program H-3 A. Local Funding for Affordable Housing Development - In 2020, three affordable housing projects (Bidwell Place, Sage Senior Apartments and Bidwell Street Studios) received project approval. Bidwell Place and Sage Senior Apartments received affordable housing loan commitments from the City and the developer of Bidwell Street Studios, and the City partnered together to secure a State Homekey grant in the amount of $2.5 million to convert the Folsom Lodge Motel into 24 extremely low-income studio apartments for individual who are experiencing homelessness or at risk of homelessness. It is also worth noting that both Bidwell Place and Bidwell Studios were approved through streamlined processes.

Program H-3.B. City Grant for Very Low Income Project – In December of 2016, the Folsom City Council approved Resolution No. 9807 to provide a Housing Trust Fund Grant in the amount of $780,000 to the Broadstone Apartment project for the purpose of providing 6 extremely low income household units.

Program H-3.F. Tax-Exempt Bond Financing - In September 2015, the Governor signed into law Senate Bill 107, which authorizes the City's housing successor agency to designate the use of, and commit 100% of bond proceeds that were issued for affordable housing purposes prior to June 28, 2011. As a result, in 2017 the City was able to approve housing loans for two affordable housing projects in 2017 (Bidwell Pointe Apartments and Parkway Apartments) and two affordable housing projects in 2020 (Bidwell Place and Sage Senior Apartments).

Program H-4.B. Mobile Home Rehabilitation Program - Mobile homes are an important source of affordable housing in Folsom and the Mobile Home Rehabilitation Program helps support investment in the existing affordable housing stock. In 2020, the City provided 3 major grants totaling $14,200 to assist three very low-income senior households. Two grants were for re-piping projects and one grant was for a bathtub conversion project.

Program H-5.B. Seniors Helping Seniors Program – In addition to Major Grants, the Seniors Helping Seniors Program provides assistance for minor home repairs to extremely low-, very low-, and low-income seniors in Folsom. In 2020, the Seniors Helping Seniors program provided over $135,596 in funding to assist 99 eligible senior households with home repairs.

Program H-7.D. Facilitate Transit-Oriented Development - As part of the adopted 2018 General Plan, the City identified Sacramento Area Council of Governments (SACOG) Transit Priority Areas in the City and established transit-oriented land use goals. As part of the Zoning Code update, the City will consider zoning code amendments that facilitate mixed-use and high-density residential TOD opportunities. In 2020, the City participated in the SACOG Green Means Go nomination process. As a result, several areas in the City, including the Transit Priority Areas, will be eligible to apply for future Green Means Go grant funding opportunities.

CHAPTER 4 – 2019 PROJECTS AND ACCOMPLISHMENTS

In addition to implementation of specific programs, the City of Folsom implemented a number of General Plan policies and goals through a variety of actions in 2020. The following sections provide an overview of some of these actions.

A. Major Development Applications

The following development applications were reviewed by the Planning Commission and/or City Council during 2020.

Toll Brothers Subdivision

On March 10, 2020 the City Council approve a General Plan Amendment, Specific Plan Amendment, Small-Lot Vesting Tentative May, Planned Development Permit, Development Agreement Amendments, and Inclusionary Housing Plan for development of a 1,225 unit residential project located within the central portion of the Folsom Plan Area at the northwest corner of the intersection of East Bidwell Street and White Rock Road.

Bidwell Place Design Review

On May 6, 2020 the Planning Commission approved a Multi-family Design Review application for 75 multi-family 100% affordable rental units at 403 E. Bidwell Street, which is within the 2018 General Plan East Bidwell Mixed Use Overlay.

Mangini Ranch Phase 2, Villages 4 and 8 Design Review

On May 6, 2020 the Planning Commission approved a Residential Design Review application for 109 traditional single-family residential units located within Phase 2, Villages 4 and 8 of the previously approved Mangini Ranch Subdivision project.

Creekstone Subdivision Phase 1 Small-Lot Tentative Subdivision Map and Planned Development Permit

On May 26, 2020, the City Council approved a Subdivision Small-Lot Tentative Subdivision Map, a Planned Development Permit, and Inclusionary Housing Plan for the development of 71 small-lot single-family residential units located within of the previously approved Mangini Ranch Phase 1 Subdivision project.

White Rock Springs Ranch Villages 8 and 9 Residential Design Review

On June 17, 2020, the Planning Commission approved a Residential Design Review application for 86 traditional single-family residential units located within Villages 8 and 9 of the previously approved White Rock Springs Ranch Subdivision project.

Mangini Ranch Phase 2, Village 7 Planned Development Permit Modification and Residential Design Review

On June 17, 2020, the Planning Commission approved a Planned Development Permit Modification and a Residential Design Review application for 68 traditional single-family residential units located within the previously approved Mangini Ranch Phase 2 Subdivision project.

Rockcress Subdivision Small-lot Vesting Tentative Subdivision Map and Residential Design Review

On July 1, 2020, the Planning Commission approved a Planned Development Permit Modification and a Residential Design Review application for 118 small-lot single-family residential units on a 14.2 acre site located at the northeast corner of East Bidwell Street and Savannah Parkway within the Folsom Plan Area.

Avenida Senior Living Community Conditional Use Permit and Planned Development

On July 15, 2020 the Planning Commission approved a Conditional Use Permit and Planned Development Permit for development of a 154-unit age-restricted apartment community on a 6.9 acre site located at the northeast corner of Serpa Way and Healthy Way within the Broadstone Unit No. 3 Specific Plan Area.

Kidney Dialysis Treatment Center Design Review

On July 15, 2020 the Planning Commission approved a Design Review application for the development of an 11,716 square-foot single-story medical building on a 4.28-acre site located near the southwest corner of the intersection of Iron Point Road and Rowberry Drive within the Folsom Corporate Center.

Scholar Way Senior Housing Planned Development Permit

On November 18, 2020 the Planning Commission approved a Planned Development Permit for development of a 110-unit 100% affordable senior apartment community on a 4.6-acre site located at the northeast corner of the intersection of East Bidwell Street and Scholar Way.

White Rock Springs Ranch Villages 4-7 Residential Design Review

On December 2, 2020, the Planning Commission approved a Residential Design Review application for 135 traditional single-family residential units located within Villages 4 through 7 of the previously approved White Rock Springs Ranch Subdivision project.

Bidwell Street Studios Support Housing Project

On December 8, 2020, the City Council approved Resolution No. 10573 authorizing the City Manager to accept a Homekey Grant award of $2.5 million dollars from the State of California Department of Housing and Community Development for the conversion of the Folsom Lodge Motel located at 501 E. Bidwell Street into a 24-unit 100% affordable supportive housing community.

B. Notable Projects and Accomplishments

During 2020, there were a number of notable projects and accomplishments related to the City's General Plan goals and policies which the City expended substantial efforts on. The following provides brief summaries of some of these accomplishments and is not intended to be exhaustive.

Parks and Recreation Awards- The Parks and Recreation Department received the American Public Works Association (APWA) Design Award for the Oak Parkway Trail undercrossing Project in September of 2020 and the Sierra Chapter American Society of Landscape Architects "Parks and Open Space" Award in December of 2020 for the Broder Family Homestead Park.

Highway 50/Empire Ranch Road Interchange: The Public Works Department initiated the preliminary engineering and environmental clearance documentation and technical studies for the Empire Ranch Road Interchange in 2020. The interchange will include a 4-lane overpass with roundabouts at the intersections of the Highway 50 ramp connections to both westbound and eastbound Highway 50, and bicycle and pedestrian facilities. A new interchange is needed at this location to connect Empire Ranch Road to Highway 50 and to the new development south of 50. This project will reduce congestion, improve connectivity and safety, and reduce travel time and delay for commuter, recreational, and freight traffic. The Final Design Phase will begin early 2021 and expected to be completed by the end of 2024, with construction following in 2025.

East Bidwell Street Widening and Sidewalk Project - The Public Works Department E. Bidwell Street widening project adds an additional southbound lane and a new sidewalk between Creekside Drive and Woodsmoke Way. The project removes critical gaps in the City's pedestrian system and improves traffic flow along this major arterial.

Capital Southeast Connector JPA - On October 27, 2020, the City Council approved a construction agreement for a segment of the Capital Southeast Connector project and construction of this initial segment (Prairie City Road to East Bidwell Street) has commenced. When completed the Connector will be a four-lane, limited-access expressway and a parallel bicycle/pedestrian trail. This a is major milestone for the long-planned project that will serve as a commute alternative to Highways 50 and 99, relieve traffic congestion, promote economic development, preserve Sacramento County open spaces and improve roadway safety.

Blue Ravine Road//Prairie City Road Intersection Improvement Project - The Public Works Department completed the construction of a second northbound left turn lane to reduce peak hour congestion at the Blue Ravine Road/Prairie City Road intersection.

Non-potable Supply Project - The Environmental and Water Resources Department began the planning an evaluation of non-potable water supplies delivered to the City through remediated groundwater from Aerojet's groundwater extraction and treatment (GET) facilities.

Sacramento Regional Groundwater Bank Project – The Environmental and Water Resources Department participated with the Regional Water Authority and neighboring water agencies to begin planning and environmental work on a Sacramento Regional Groundwater Bank. Green Valley Road project includes four travel lanes, class 2 bike lanes, and a painted median/turn lane. The project will improve traffic flow, level of service at nearby traffic signals, and air quality by reducing commute times. The project should be completed by summer 2020.

Tree Maintenance – The Municipal Landscape Services Division started a tree maintenance program to routinely inspect and prune City trees on a 5-year basis in Landscape and Lighting Districts that have funds to support the program.

Broder Family Homestead Park - The City of Folsom opened the new Broder Family Homestead Park to the public during the summer. This five-acre park, located at 1215 Harvest Loop (off E. Natoma Street), was generously gifted to the city by Vera Broder-Silberstein. The park includes a vineyard and orchard, covered picnic area, kiddie corral play area with farm animal sculptures, walks and pathways, and other amenities.

ProjectDox – The City of Folsom rapidly set up an interim electronic permit submittal system (ePermit Center) in response to the COVID-19 pandemic to allow for remote permit submittal and implementation of our ultimate electronic plan check system (ProjectDox). Continued implementation of this new electronic plan check software and services will improve the city's building permit plan review process. Electronic plan check services will result in a more modern, efficient and cost-effective process for reviewing building permit applications and will help contribute to a decrease in GHG emissions. Implementation of the first phase of the new software is expected to commence by summer 2020.

Tree Preservation Ordinance– On January 28, 2020 the City Council adopted an update to the City's Tree Preservation Ordinance. to update the existing Ordinance was completed and circulated for public review in late 2019. The update addressed specific gaps and ambiguities and incorporated current best management practices so that the regulations are clear, easy to follow and help preserve and maintain healthy trees in Folsom.

Local Business Support During Covic-19 Pandemic – The Community Development Department worked with local businesses to pivot and adapt to changing COVID conditions and business requirements with streamlined, no cost permits (e.g., curbside pickup, outdoor seating) and waiving temporary signage and home **occupation** requirements.

300 Persifer Street as Surplus Land - On September 22, 2020, the City Council adopted Resolution No. 10531 to declare 300 Persifer Street as surplus land for the intended purpose of creating new for sale affordable housing.

Housing Element Update – The City launched the 2021-2029 Housing Element update in March of 2020. As part of this Housing Element update process, the City implemented a number of engagement tools to connect virtually (as a result of Covid-19) with community members and stakeholders to receive input on the City's housing needs and strategies to ensure housing for all residents. The feedback received from a City Council study session on July 28, 2020 and the Housing Element public engagement process, along with new state mandates, is being used to guide new proposed policies and programs included in this 2021 Housing Element Update, which is planned for adoption in May 2021.

APPENDIX A

GENERAL PLAN ANNUAL IMPLEMENTATION REPORT

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Action Number	Implementation Action	Timeframe	Status of Implementation
Land Use Element			
LU-1	**Update the Zoning Ordinance** Develop a priority list for how sections of the Folsom Zoning Ordinance and applicable guidelines will be updated consistent with the General Plan. The City shall review and update the Folsom Zoning Ordinance and applicable guidelines, consistent with the policies and diagrams of the General Plan. The update shall include developing appropriate standards to encourage mixed use within the East Bidwell Overlay area and transit-oriented development around light rail stations, including restrictions on automobile-oriented uses within one-quarter mile of light rail stations. The City shall review and update the Historic District Design and Development Guidelines.	2018-2020/ Ongoing	During 2020, the Community Development Department (CDD) updated the City's Accessory Dwelling Unit Ordinance to ensure its compliance with State law. In addition, CDD continued public outreach efforts to encourage public involvement in the comprehensive Zoning Code Update, which is scheduled to be completed in fall of 2021. The primary goals of the update include the following: Implement 2035 General Plan land use policies; ensure consistency with State and federal law; be intuitive, graphic, and user-friendly; create a transparent, predictable, and consistent process; promote high quality design; respond to community concerns; promote infill, mixed-use, and transit-oriented development in Transit Priority Areas and mixed-use overlay areas; and standardize and simplify development review.
LU-2	**Vacant and Underutilized Sites** Develop and maintain a citywide database of vacant and underutilized sites to monitor the city's growth and change. The City shall prepare an annual report to the Planning Commission and City Council on the number of vacant sites and underutilized sites that were developed during the previous year.	2018-2020/ Annual	The Community Development Department has developed a citywide database of vacant and underutilized land and broken it into separate categories for commercial and residential land.
LU-3	**Corporation Yard Special Study** Develop and adopt a study of the current City of Folsom corporation yard to determine appropriate uses and projects after the City relocates the corporation yard.	2021-2025	No action taken in 2020.
LU-4	**Property Owner Outreach on Overlay Designations** Reach out to property owners within the East Bidwell Mixed Use Overlay and Transit-Oriented Development Overlay areas to explain the options available to property owners and developers in this area, and provide technical	2018-2020/ Ongoing	The property owner outreach effort was started by Community Development Department staff in March 2019 as part of the zoning code update process to educate property owners about the East Bidwell and TOD overlay areas. Additional outreach

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Action Number	Implementation Action	Timeframe	Status of Implementation
LU-4 Cont.	assistance, as appropriate, to facilitate development within these areas.		efforts occurred in 2020 as part of the 2021-2029 Housing Element update process.
LU-5	**River District Master Plan** Prepare a River District Master Plan for Folsom's riverfront area that is based on widespread community engagement as well as coordination with the California Department of Parks and Recreation.	2018-2020/ 2021-2025	On October 8, 2019, the Greater Folsom Partnership gave a presentation to City Council regarding the River District Visioning Community Outreach Report.
LU-6	**Adopt Green Building** Encourage new residential and non-residential construction projects to adopt and incorporate green building features included in the CALGreen Tier 1 checklist in project designs; and, encourage projects to seek LEED rating and certification that would meet equivalent CALGreen Tier 1 standards or better. Consider future amendments to City code to adopt CALGreen Tier 1 requirements consistent with State building code. For projects subject to CEQA seeking to streamline GHG analysis consistent with the General Plan, CALGreen Tier 1 compliance would be required.	Ongoing	In January of 2020 the City of Folsom adopted the 2019 California Green Code (CALGreen) at the Mandatory level. The City of Folsom continues to encourage new construction projects to adopt and incorporate green building features. In 2018, the Community Development Department prepared a GHG Reduction Strategy Consistency Checklist. The Checklist is required only for projects subject to CEQA review. The Checklist streamlines GHG analysis and contains measures that are required to be implemented on a project-by-project basis to ensure that the specified emissions targets identified in the General Plan are achieved. Implementation of these measures would ensure that new development is consistent with the General Plan's assumptions for achieving the identified GHG reduction targets.
LU-7	**Encourage Zero Net Energy** Encourage Zero Net Energy (ZNE) building design for new residential and non-residential construction projects. Consider future amendments to City code to adopt ZNE requirements consistent with the State building code. For projects subject to CEQA seeking to streamline GHG analysis consistent with the general plan, achievement of ZNE would be required consistent with provisions in the State building code under California Code of Regulations, Title 24, Part 6.	Ongoing	In January of 2020, the City of Folsom adopted the 2019 California Energy Code which incorporated the State of California's energy efficiency goal to have 100% of new homes in California achieve ZNE. In addition, this cycle of the California Energy Code stepped up energy efficiency of commercial buildings and has targeted ZNE for commercial construction in 2030.

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Action Number	Implementation Action	Timeframe	Status of Implementation
Mobility Element			
M-1	**Transportation Demand Management** Adopt a citywide Transportation Demand Management (TDM) program that encourages residents to reduce the amount of trips taken with single-occupancy vehicles. The program shall be designed to achieve an overall 15 percent vehicle mile traveled (VMT) reduction over 2014 levels and a 20 percent reduction in City-employee commute VMT. The City shall coordinate with employers to develop a menu of incentives and encourage participation in TDM programs.	2021-2025	No action taken in 2020.
M-2	**Intelligent Transportation Systems (ITS) Master Plan** Adopt and periodically update an ITS Master Plan to prioritize the deployment of technology designed to maximize the efficiency of the City's traffic signal systems. Implement the ITS Master Plan that may include the following: • Installing closed-circuit television (CCTV) cameras at designated traffic signals as defined in the ITS Master Plan. • Collaborating with neighboring jurisdictions to develop ITS standards and specifications; participate in the Highway 50 Fiberoptic Interconnection Group (50-FIG). • Deploying Dynamic Message Signs (DMS) at major decision points and key traveler information locations. • Developing and maintain a Traffic Operations Center to facilitate the sharing of traffic information between City staff, the public, and neighboring agencies. • Creating an ITS Operations and Maintenance Plan, including steps for replacing legacy equipment and systems	2026-2040	The Public Works Department continued to implement the ITS Master Plan in 2020 in conjunction with SACOG Regional ITS Master Plan. Installation of 16 "smart" traffic controllers, 9 CCTVs at critical intersections and fiber optic was installed at various locations to close communication gaps. In addition, cellular connections were added to signals South of 50. The Public Works Department also worked with Police Department to allow dispatch live access to the CCTV network.

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Action Number	Implementation Action	Timeframe	Status of Implementation
M-3	**Electric Vehicle Charge Stations in Public Places** Develop and implement a citywide strategy to install electric vehicle charging stations in public places where people shop, dine, recreate, and gather.	2021-2025	No action taken in 2020.
M-4	**Electric Vehicle Charge Stations at City Facilities** Explore options to install electric vehicle quick charge stations at City facilities.	2021-2025	No action taken in 2020.
M-5	**Pedestrian Master Plan** Review and update its pedestrian master plan every five years to ensure it remains current and continues to provide sound guidance in creating links between Folsom's destinations.	2021-2025/ 2026-2040	The Public Works and Parks and Recreation successfully obtained grant funding to consolidate the Pedestrian Master Plan and Bike Master Plan into an **Active Transportation Plan** in 2020. The consultant for the project was selected and the project is underway. Public outreach will begin in Spring of 2021, with a draft plan developed in summer 2021.
M-6	**Bikeway Master Plan** Review and update its bikeway master plan every five years to ensure it remains current and continues to provide sound guidance in creating links between Folsom's destinations	2021-2025/ 2026-2040	The Public Works and Parks and Recreation successfully obtained grant funding to consolidate the Pedestrian Master Plan and Bike Master Plan into an **Active Transportation Plan** in 2020. The consultant for the project was selected and the project is underway. Public outreach will begin in Spring of 2021, with a draft plan developed in summer 2021.
M-7	**Bicycle Safety Education** Continue to implement a bicycle-safety education program for cyclists and motorists.	Ongoing	In 2020, the Parks and Recreation Department developed a video series (hosted on the City's website) that explains trail etiquette between cyclists and pedestrians. In addition, periodic trail etiquette articles are included in the City's e-newsletter and bi-monthly printed newsletter.
M-8	**Bicycle and Pedestrian Improvements** Identify regional, State, and Federal funding sources to support bicycle and pedestrian	Ongoing	The City continues to require bicycle and pedestrian improvements as conditions of approval for new development on roadways and intersections serving projects. In 2020, the focus was on crosswalks enhancements

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Action Number	Implementation Action	Timeframe	Status of Implementation
M-8 ***Cont.***	facilities and programs to improve roadways and intersections by 2035. Actions include: • Require bicycle and pedestrian improvements as conditions of approval for new development on roadways and intersections serving the project. Improvements may include, but are not limited to: on-street bike lanes, traffic calming improvements such as marked crosswalks, raised intersections, median islands, tight corner radii, roundabouts, on-street parking, planter strips with street trees, chicanes, chokers, any other improvement that focuses on reducing traffic speeds and increasing bicycle and pedestrian safety. *For projects subject to CEQA seeking to streamline GHG analysis consistent with the General Plan, incorporation of applicable bicycle and pedestrian improvements into project designs or conditions of approval would be required.* • Based on the most recent citywide inventory of roadways and pedestrian/bicycle facilities, identify areas of greatest need, to focus improvements on first. Areas to prioritize include roadways or intersections with a lack of safety features, street where disruption in sidewalks or bicycle lanes occurs, areas of highest vehicle traffic near commercial centers and transit facilities, where increased use of pedestrian/bicycle facilities would be most used.		throughout the city to increase safety and encourage driver compliance to yielding to pedestrian in crosswalks. New bike detection sensors were installed along Folsom Blvd. to improve access and safety and new bike lanes were added at Blue Ravine and Prairie City Road. In addition, the City began working on acceptance of the first trail segment in the FPA-Russell Ranch for 1.5 miles of Class I trail along Alder Creek Parkway and Grand Prairie Road.

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Action Number	Implementation Action	Timeframe	Status of Implementation
M-9	**Safe Routes to School** Coordinate with the Folsom Cordova Unified School District to pursue Safe Routes to School grants to fund programs and projects that ensure Folsom children can walk or bike to school safely.	Ongoing	No action taken in 2020.
M-10	**Capital Southeast Connector** Coordinate with other members of the Capital Southeast Connector Joint Powers Authority (JPA) to ensure the connector is constructed. The City shall continue to assign a Folsom representative to the JPA board.	Ongoing	City staff continued to coordinate with JPA and County staff to finalize the design of the initial project phase, right of way acquisition, and environmental approval. In 2020, the Public Works Department secured project funding and initiated construction of this initial phase – Connector Segment D3a (Prairie City Road to East Bidwell Street).
M-11	**Parking Standards** Review and update its parking standards as necessary to reduce the amount of land devoted to parking and encourage shared parking arrangements, particularly in mixed-use and transit-oriented developments.	2018-2020	The City will be updating its parking requirements as part of the Zoning Code update which is scheduled to be completed in fall of 2021. The City is proposing to reduce parking requirements within the TOD overlay areas.
M-12	**Commercial Truck Routes** Review and update its commercial truck routes map to ensure it meets the economic needs of the community and includes STAA routes.	2018-2020	No action taken in 2020.
M-13	**Quarry Truck Management Plan** Maintain and implement a Quarry Truck Management Plan.	Annual	No action taken in 2020.
Economic Element			
EP-1	**Industry Cluster Analysis** Coordinate with the Folsom Chamber of Commerce to conduct an analysis of the industry clusters that exist in Folsom and the emerging or potential clusters in Folsom.	2018-2020	No action taken in 2020.

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Action Number	Implementation Action	Timeframe	Status of Implementation
EP-2	**Customer Service Survey** Develop and implement a customer service survey to better understand the customer service relationship between the City and business community.	2018-2020	No action taken in 2020.
EP-3	**Folsom Accelerated Small Tenant Improvement Review (FASTIR)** Continue to maintain and implement a program to help tenants obtain building permits in a timely manner, with a goal of providing building permits within one to two days.	2018-2020	The FASTIR program has been active since July 2010. In 2020, the pandemic reduced the demand for opening new tenant spaces resulting in a sharp decrease in the use of the FASTIR program. In addition, the process changed with the launch of ePermit Center and ProjectDox which has limited the face-to-face meetings. In 2020, the total number of projects taken though the program was limited to 5. These projects were typically resolved and ready to issue the permit in about 5 business days.
EP-4	**Inventory of Developable Sites** Develop and maintain an inventory of developable sites to encourage the development of key new industries.	Ongoing	The Community Development Department has developed a citywide database of vacant and underutilized land and broken it into separate categories for commercial and residential land.
EP-5	**Folsom Tourism Bureau** Coordinate with the Folsom Tourism Bureau on strategies to attract visitors to Folsom. The City shall invite representatives from the Folsom Tourism Bureau to regularly brief the Folsom City Council on programs and strategies.	Ongoing	The City coordinates regularly with the Folsom Tourism Bureau on partnership opportunities to attract visitors to Folsom.
Natural and Cultural Element			
NCR-1	**Urban Forest Plan** Develop and maintain an Urban Forest Plan.	2021-2025	No action taken in 2020.
NCR-2	**Maintain GHG Emissions Inventory** Review and update the City's GHG emissions inventory for municipal and communitywide GHG emissions every five years at a minimum.	2021-2025/ 2026-2040	No action taken in 2020.
NCR-3	**Creek Week** Sponsor a citywide volunteer creek clean-up day during "Creek Week."	Annual	Creek Week was cancelled in 2020 as a result of Covid-19.

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Action Number	Implementation Action	Timeframe	Status of Implementation
NCR-4	**Cultural Resources Inventory** Maintain and implement a cultural resource inventory to identify, evaluate, register, and protect Folsom's cultural resources.	Ongoing	The City continues to maintain and implement a cultural resource inventory to protect Folsom's cultural resources.
NCR-5	**Historic Preservation Master Plan** Maintain and implement the Historic Preservation Master Plan.	Ongoing	The City continues to maintain and implement the Historic Preservation Master Plan.
NCR-6	**Lighting Design Standards** Establish consistent lighting standards for outdoor lighting of city development to reduce high-intensity nighttime lighting and glare. These standards shall be consistent with the Folsom Plan Area Specific Plan Community Design Guidelines. Additional standards shall be considered, including the use of automatic shutoffs or motion sensors for lighting features to further reduce excess nighttime light. To reduce impacts associated with light and glare, the City will require the following lighting standards: • Shield or screen lighting fixtures to direct the light downward and prevent light spill on adjacent properties. • Place and shield or screen flood and area lighting needed for construction activities and/or security so as not to disturb adjacent residential areas and passing motorists. • For public street, building, parking, and landscape lighting in residential neighborhoods, prohibit the use of light fixtures that are of unusually high intensity or brightness (e.g., harsh mercury vapor, low-pressure sodium, or fluorescent bulbs) or that blink or flash. For public parks and sports facilities, the City will use the best light and glare	2021-2025	The Parks and Recreation Department has developed outdoor sports field lighting system standards that require high quality on-field performance, environmental sensitivity to the surrounding area, energy efficiency, spill and glare control and field management solutions including remote monitoring and management of sports field lighting. In addition, the Parks and Recreation Department has developed lighting standards for park facilities, including parking-lot lighting. All lighting systems are required to be LED, capable of going into energy conservation mode (reduced power use) and include spill and glare control.

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Action Number	Implementation Action	Timeframe	Status of Implementation
NCR-6 *Cont.*	control technology feasible, along with sensitive site design. Use appropriate building materials (such as low-glare glass, low-glare building glaze or finish, neutral, earth-toned colored paint and roofing materials), shielded or screened lighting, and appropriate signage in the office/commercial areas to prevent light and glare from adversely affecting motorists on nearby roadways.		
NCR-7	**Management of Inadvertently Discovered Cultural Resources** Develop a program for the management of inadvertently discovered cultural resources. The program will consist of, but will not necessarily be limited to the following standards: The City will require, through permit or tentative map conditions or contractual obligations, that in the event of any inadvertent discovery of archaeological resources, all such finds will be subject to PRC 21083.2 and CEQA Guidelines 15064.5. Procedures for inadvertent discovery are listed below. In the event of the inadvertent discovery of previously unknown archaeological sites during excavation or construction, all construction affecting the site shall cease and the contractor shall contact the City. • All work within 100 feet of the find will be halted until a professional archaeologist can evaluate the significance of the find in accordance with NRHP and CRHR criteria. If any find is determined to be significant by the archaeologist, representatives of the City will meet with the archaeologist to determine the appropriate course of action. If necessary, a Treatment Plan will be prepared by an archeologist, outlining recovery of the resource,	2018-2020	The Community Development Department requires (as a condition of project tentative map approval) that projects conduct construction worker awareness training, conduct on-site monitoring if required, stop work if cultural resources are discovered, assess the significance of the find, and perform treatment or avoidance as required. No cultural resources were inadvertently discovered through any City construction project or maintenance activities.

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Action Number	Implementation Action	Timeframe	Status of Implementation
NCR-7 *Cont.*	analysis, and reporting of the find. The Treatment Plan will be submitted to the City for review and approval prior to resuming construction.		
NCR-8	**Management of Paleontological Resources** Develop a program for the management of paleontological resources. The program will consist of, but will not necessarily be limited to, the following standards and requirements: Prior to approval of a discretionary project, it shall be determined through literature review and records research, the paleontological sensitivity of the geologic units affected by the project. If paleontological resources may be present, conditions will be added to the project approval to monitor for and salvage paleontological resources during ground-disturbing activities.	018-2020	The Community Development Department requires (as a condition of project tentative map approval) that projects conduct construction worker awareness training, stop work if paleontological resources are discovered, assess the significance of the find, and prepare and implement a recovery plan as required. No paleontological resources were discovered through any City construction projects or maintenance activities.
Public Facilities and Services Element			
PFS-1	**Capital Improvement Plan** Update the Capital Improvement Plan (CIP) biannually to ensure the implementation and adequacy of the plan.	2018-2020/ 2021-2025/ 2026-2040	The City's Capital Improvement Plan was updated in conjunction with the annual FY 2020-21 Budgeting process.
PFS-2	**Arts and Culture Master Plan** Review and update an Arts and Culture Master Plan every five years. As part of the Plan, prepare guidelines for plaques, signs, and other displays in public spaces to increase awareness of such cultural and historic sites and events.	2018-2020/ 2021-2025/ 2026-2040	The Arts and Culture Master Plan was updated and approved on March 8, 2018 that determines the vision, value, and goals in providing art and cultural services to the city. The master plan is on a schedule to update every 10 years with the next update to occur before 2028.
PFS-3	**Public Art Guidelines** Review and update every five years guidelines regarding permanent artwork in public spaces.	2018-2020/ 2021-2025/ 2026-2040	The Parks and Recreation Department currently has guidelines for public art that are being used for any proposed permanent artwork in the city. These guidelines were reviewed and updated in 2018. The next review and update is scheduled to occur before 2023.

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Action Number	Implementation Action	Timeframe	Status of Implementation
PFS-4	**Water Master Plan** Continue to review and update the City's Water Master Plan at least every five years consistent with the land use patterns and densities/intensities provided for in the General Plan.	2021-2025/ 2026-2040	The Water Master Plan was updated in 2017 and approved by City Council on November 11, 2017 by Resolution No. 10028. The next update will occur sometime in 2022.
PFS-5	**Urban Water Management Plan** Review and update the Urban Water Management Plan at least every five years, as required by the Urban Water Management Planning Act.	2021-2025/ 2026-2040	The Urban Water Management Plan (UWMP) was updated in 2016 and approved by City Council on June 14, 2016 by Resolution No. 9774. The next update is currently in process and due by July 1, 2021.
PFS-6	**Water Management Programs** Maintain its water management programs, including its commercial water audits, large landscape irrigation audits, rebates, and education.	Ongoing	Audits In 2020, three projects in the Folsom Plan Area (White Rock Springs Ranch Backbone, Mangini Ranch 1B, and Mangini Basin 19) were subject to irrigation audits. All three of these projects will ultimately be deeded over to the city to own and maintain. Rebates and Education The City offers water conservation rebates for irrigation efficiency upgrades and high efficiency toilets. In 2020, the Water Management Division completed 223 water audits, conducted 5 community outreach events reaching about 190 people, and staff attended 17 educational events. Due to the Covid-19 pandemic, there were significantly less customers interactions in 2020, which lead to a reduced number of in-person audits completed and educational sessions offered compared to 2019.

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Action Number	Implementation Action	Timeframe	Status of Implementation
PFS-7	**Sanitary Sewer Management Plan** Review and update Sanitary Sewer Management Plan at least every two years as required by State Water Resources Control Board's General Waste Discharge Requirement Order.	2018-2020/ 2021-2025/ 2026-2040	The Sanitary Sewer Management Plan was updated on July 23, 2019 by Resolution No. 10312. The next update will occur sometime in 2024.
PFS-8	**Maintenance Permits** Obtain State and Federal permits for maintaining all floodways and detention basins and keep these facilities free of flood obstructions.	Ongoing	The City has an active Routine Maintenance Agreement (1600-2014-0197-R2) with California Department of Fish and Wildlife for the express purpose of conducting routine maintenance activities within the City of Folsom and its natural watercourses and tributaries, including detention basins. In 2020, four routine maintenance projects were conducted within the City utilizing the City's Routine Maintenance Agreement. The projects consisted of removing excessive vegetation including blackberry bushes and obstructions including beaver dams from several drainage channels to ensure adequate capacity for flood conveyance. Additional work included detention basin maintenance and vegetation management at three basins with Folsom.
PFS-9	**Fire Service Delivery Plan** Review and update every three years the Fire Service Delivery Plan to define the future fire protection service needs of the city.	Ongoing	The Fire Service Delivery Plan (now known as the "Fire Department Strategic Plan") was completed in 2020 and is posted on the City's website
PFS-10	**City Energy Use Procedures** Develop energy use/plug load procedures for City facilities and engage employees in the implementation process.	Ongoing	In 2020, the city hired a new Facilities Supervisor and began to explore an HVAC Control System for City Hall and implementing appropriate load standards to be more efficient.
PFS-11	**Evaluate Automating Energy Use** Systematically evaluate effectiveness of existing systems to automate energy use and implement energy conservation measures such as automatic HVAC system shutdowns, additional room lighting sensors, automatic computer shutdowns, or any other identified energy reduction opportunities.	Ongoing	No action taken in 2020 but looking for future opportunities in 2021.

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Action Number	Implementation Action	Timeframe	Status of Implementation
PFS-12	**Evaluate Energy Use** Evaluate facilities energy use to identify key areas where energy upgrades are needed and consider lighting retrofits, building weatherization, and mechanical/HVAC upgrades	Ongoing	The City continues to implement LED retrofits and upgrades at city facilities. In 2020, energy efficient upgrades were installed at City Hall and 405 Natoma Station Drive. Upgrades at City Hall included the conversion of the parking lot lights to LED.
PFS-13	**Streetlight Retrofit** Continue to retrofit streetlights with light-emitting diode (LED) fixtures for energy efficiency and reduced maintenance	Ongoing	In 2020, the Municipal Landscape Services Division retrofitted approximately 300 streetlights from 100W HPS to 66W LED in various landscape and lighting districts. In addition, the Public Works Department converted 25 streetlights to LED along major corridors.
PFS-14	**PFS-14. Energy Efficient Fleet** Continue purchasing alternative fuel/technology vehicles when replacing vehicles in existing fleet. Use high-performance renewable diesel in 100 percent of existing (2014) and future diesel on-road vehicles and convert entire on-road gasoline vehicles to electric by 2035	Ongoing	In 2020, the Parks and Recreation Department purchased a new fuel- efficient van to add to the fleet for field trips and transportation.
PFS-15	**Reduce VMT in City Operations** Take actions to reduce vehicle miles traveled related to city operations. Potential actions may include: • Install timer locks on all City owned restroom facilities – reducing the vehicle travel needed to manually lock/unlock these facilities. • Revise City Design Review process so employees only need to post a notice at the site once. Allow online credit card payments for certain Community Development Permits - reducing applicant need to drive to City Hall.	Ongoing	The City of Folsom continues to take actions to reduce VMT related to city operations. In 2020, the Community Development Department implemented electronic plan check through the use of ProjectDox. This enables applicants to submit plans electronically to the City for review instead of requiring them to print them out and deliver them to City Hall. This should reduce not only VMT, but also the cost and time involved in the development review process.

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Action Number	Implementation Action	Timeframe	Status of Implementation
PFS-16	**PACE Program** Continue to assist in implementing the Property Assessed Clean Energy (PACE) programs to facilitate energy conservation financing in Folsom.	2018-2020	The City of Folsom continues to assist in implementing Property Assessed Clean Energy (PACE) programs to facilitate energy conservation financing in Folsom. There are currently several PACE programs available to Folsom homeowners and businesses, including: mPOWER, 3E, CounterPointe, OnPACE and Ygrene.
PFS-17	**Partnerships for Energy Conservation** Work with regional partners and local energy utilities (e.g., Sacramento Municipal Utility District [SMUD] and Pacific Gas & Electric Company [PG&E]) to promote, develop, maintain, and implement energy conservation and efficiency programs. These could include residential and commercial programs that provide rebates and financing for energy efficiency upgrades to existing homes and commercial buildings, SMUD's Greenergy and carbon off-set program, photovoltaic system retrofits, and other applicable programs.	Ongoing	No action taken in 2020.
PFS-18	**Neighborhood Cleanup Program** Collect bulky waste (e.g., lumber, furniture, tires) from Folsom residents to maintain a clean, attractive city.	Ongoing	The City of Folsom continues to provide bulky waste collection to Folsom residents. In 2020, the Solid Waste Department completed over 10,500 bulky waste pickups and collected nearly 2,000 tons of waste.
PFS-19	**Recycling Containers** Expand the number of recycling containers at City facilities and properties to capture more recyclables that are currently going to the landfill.	2018-2020	No action taken in 2020.
PFS-20	**Reduce Waste in City Facilities** Reduce waste diverted to the landfill by expanding the use of automatic hand dryers in bathrooms, as well as setting printer defaults to double-sided printing.	2018-2020	The City of Folsom continues to implement measures to reduce waste diverted to the landfill. In 2020, the Parks and Recreation Department launched a Virtual Recreation Guide on the Parks and Recreation webpage to replace the printed copies that were previously mailed out 3 times a year to over 20,000 households. In addition, the Community Development Department implemented electronic plan check through

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Action Number	Implementation Action	Timeframe	Status of Implementation
PFS-20 ***Cont.***			the use of ProjectDox, which reduces the amount paper printed and diverted to landfills.
PFS-21	**M.O.W.E.R. Program** Provide education on composting and grass cycling to the public through the Minimizing Organic Waste with Education and Recycling (M.O.W.E.R.) program.	Ongoing	The City of Folsom continues to provide education on composting and grass cycling to the public. In 2020 the Solid Waste Department held two one public workshops attended by 11 Folsom residents. The second scheduled workshop was cancelled due to the Covid-19 pandemic.
PFS-22	**Renewable Energy in City-Operated Buildings** Strive to supplement 25 percent of City-owned building energy demand through on-site or off-site renewable energy sources. On-site sources may include solar panels or other types of renewable energy systems on rooftops or parking areas, and on-site energy storage. Off-site sources could include combinations of equivalent renewable energy generation systems, power purchase agreements, or other off-site programs offered by energy utilities (e.g., SMUD's Greenergy or SolarShares programs).	Ongoing	No action taken in 2020.
PFS-23	**High-Efficiency or Alternatively-Powered Water Heater Replacement Program** Provide educational material and information on the City's website, as well as through the permit and building department, on the various high-efficiency and alternatively-powered water heat replacement options available to current homeowners considering water heater replacement; develop appropriate financial incentives, working with energy utilities or other partners; and, streamline the permitting process. Replacement water heaters could include high-efficiency natural gas (i.e., tankless), or other alternatively-powered water heating systems that reduce or eliminate natural gas usage such as solar water heating systems, tankless or storage electric water heaters, and electric heat pump systems.	Ongoing	The City is in the process of launching a new website in 2021. The information will be included on the update. High-efficiency and alternatively powered water heat replacement options available to homeowners considering water heater replacement will be included on the new website.

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Action Number	Implementation Action	Timeframe	Status of Implementation
PFS-24	**Energy Efficiency and Renewable Energy Retrofits and Programs** Strive to increase energy efficiency and renewable energy use in existing buildings through participation in available programs. Actions include: • Establish a dedicated City program with a clear intent to provide support and promote available green building and energy retrofit programs for existing buildings. • Incentivize solar installation on all existing buildings that undergo major remodels or renovations, and provide permit streamlining for solar retrofit projects. • Provide rebates or incentives to existing SMUD customers for enrolling in the existing Greenergy program. • Provide education to property owners on low-interest financing and/or assist property owners in purchasing solar photovoltaics through low-interest loans or property tax assessments. Continue to work with SMUD and other private sector funding sources to increase solar leases or power purchase agreements (PPAs).	Ongoing	The City continues to limit the Building Permit fee for PV solar retrofit projects as determined by State legislation in addition to providing a reduced permit processing time. Furthermore, the City expedites both solar PV and electric vehicle charging stations.
PFS-25	**Zero Net Energy Development** Adopt an ordinance to require ZNE for all new residential construction by 2020 and commercial construction by 2030, in coordination with State actions to phase in ZNE requirements through future triennial building code updates.	2018-2020/ 2026-2040	In January of 2020, the City of Folsom adopted the 2019 California Energy Code which has incorporated the State of California's energy efficiency goal to have 100% of new homes in California achieve ZNE. In addition, this cycle of the California Energy Code has stepped up energy efficiency of commercial buildings and has targeted ZNE for commercial construction in 2030.

General Plan Implementation; January 1 - December 31, 2020
Appendix A

Action Number	Implementation Action	Timeframe	Status of Implementation
PFS-26	**Renewable Diesel** Revise the City of Folsom's Standard Construction Specifications to require that all construction contractors use high-performance renewable diesel for both private and City construction. Phase in targets such that high-performance renewable diesel would comprise 50 percent of construction equipment diesel usage for projects covered under the specifications through 2030, and 100 percent of construction equipment diesel usage in projects covered under the specifications by 2035. *For projects subject to CEQA seeking to streamline GHG analysis consistent with the General Plan, the use of high-performance renewable diesel would be required consistent with the above targets.*	2026-2040	In 2020, the City revised Folsom's Standard Construction Specifications to require all construction contractors use high-performance renewable diesel for both private and City construction such that high-performance renewable diesel must comprise 50 percent of construction equipment diesel usage for projects covered under the specifications through 2030.
PFS-27	**Reduce Water Consumption in New Development** Encourage water efficiency measures for new residential construction to reduce indoor and outdoor water use. Actions include: promote the use of higher efficiency measures, including: use of low-water irrigation systems, and installation of water-efficient appliances and plumbing fixtures. Measures and targets can be borrowed from the latest version of the Guide to the California Green Building Standards Code (International Code Council) *For projects subject to CEQA seeking to streamline GHG analysis consistent with the general plan, compliance with CALGreen Tier 1 Water Efficiency and Conservation measures would be required.*	Ongoing	The Community Development Department requires (as a condition of approval) that all new residential developments only install water-efficient fixtures and appliances and that landscape plans comply and implement water efficient requirements as adopted by the State of California (Assembly Bill 1881) (State Model Water Efficient Landscape Ordinance). CDD.

General Plan Implementation; January 1 - December 31, 2020
Appendix A

Action Number	Implementation Action	Timeframe	Status of Implementation
Parks and Recreation Element			
PR-1	**Parks and Rec Master Plan** Review and update every five years the Parks and Recreation Master Plan to carry out the goals of the General Plan and ensure that the parkland resources and recreation programs are sufficient to maintain Folsom's high quality of life.	2021-2025/ 2026-2040	The Parks and Recreation Master Plan was last updated in 2015. This update incorporated the Folsom Plan Area (FPA) for the proposed parks and park development programming in the FPA. In 2019, the Parks and Recreation Department initiated an update to the Needs Assessment. The Needs Assessment Update will be completed in 2021 and will be followed by an update to the Implementation Plan. The updated Implementation Plan will reevaluate the status of park development, the estimated cost of developing remaining parks and recommendations on the prioritization of undeveloped parks.
PR-2	**Alternative Funding Sources** Examine the feasibility of establishing alternative sources of funding for the acquisition, development, and renovation of parklands and financing for expanded recreation programs.	2021-2025	In 2019, the Parks and Recreation Department identified a significant funding gap for future park development and renovation. The Needs Assessment Update (planned for completion in 2021) will inform future funding priorities for the completion of unfinished parks and development of new parks.
PR-3	**Governmental Coordination** Coordinate with County, State, Federal, and regional agencies to achieve the goals and policies of the Parks and Recreation Element, including improved public access to the riverfront area for recreation.	Ongoing	In 2019, initial discussions began toward improving public access to the riverfront area. Non-governmental group have approached the City, expressing their desire to help toward this improved access.
PR-4	**Recreation Activity Guide** Maintain and implement an activity guide for recreation programs, leagues, and special events at a minimum of two times per year.	Ongoing	In 2020, one Winter/Spring Recreation Activity Guides was printed and mailed to Folsom residents. The Summer and Fall Activity Guides were hosted on the City's website and were updated frequently.

General Plan Implementation; January 1 - December 31, 2020
Appendix A

Action Number	Implementation Action	Timeframe	Status of Implementation
Safety and Noise Element			
SN-1	**Adopt a Noise Reduction Program** Adopt a citywide noise reduction program to reduce traffic noise levels along roadways where significant increases in traffic noise levels are expected to occur. The program shall include, but shall not be limited to, the following specific elements for noise abatement consideration where reasonable and feasible: • Noise barrier retrofits; • Truck usage restrictions; • Reduction of speed limits; • Use of quieter paving materials; • Building façade sound insulation; • Traffic calming; • Additional enforcement of speed limits and exhaust noise laws; and Signal timing.	2021-2025	In 2020, the Public Works Department completed a citywide update of posted speed limits and continued to adjust signal timing based on changes in traffic conditions.
SN-2	**Emergency Operations Plan** Review and update every five years the emergency operations plan, which addresses medical care, escape routes, mutual aid agreements, temporary housing and communications.	2018-2020/ 2021-2025	The Fire Department completed the Emergency Operations Plan in 2020 and it is posted on the City's website.
SN-3	**Community Emergency Response Team** Support the Community Emergency Response Team (CERT) program to prepare residents in the event of a disaster.	Ongoing	Community Emergency Response Team training academies are provided by the Fire Department on an annual basis during the months of March and April. A total of 10 residents completed training in 2020. It is expected that approximately 10 residents will be trained in 2021.
SN-4	**Multi-Hazard Mitigation Plan** Review and update every five years the on-going hazard assessment as part of the Sacramento County Multi-Hazard Mitigation Plan.	Ongoing	The City is actively working with Sacramento County on an updated Multi-Jurisdictional Local Hazard Mitigation Plan. The current plan is dated December 2016, and the updated plan is anticipated to be complete by December 2021.

General Plan Implementation; January 1 - December 31, 2020
Appendix A

Action Number	Implementation Action	Timeframe	Status of Implementation
SN-5	**Community Wildfire Preparedness Plan** Review and update every five years the Community Wildfire Preparedness Plan (CWPP) to help reduce the risk of catastrophic wildfires in the community.	Ongoing	The Fire Department updated the Community Wildfire Protection Plan and incorporated it into the City Emergency Operations Plan as an Appendix. In addition, the Parks and Recreation Department continues implementation of the Defensible Space and Vegetation Management Plan to address ladder fuel and open space management by focusing on the use of sustainable sources such as goats/sheep for weed abatement and staggered work zones to spread out the impact of traditional means of ladder fuel work. The Plan is an on-going collaboration with City Fire Department and Cal Fire.
SN-6	**Hazardous Materials** Maintain a hazardous materials program that ensures residents and businesses dispose of hazardous materials properly. The program should allow residents and businesses to schedule pick up of their hazardous materials by the City and educate residents on what the City considers hazardous waste.	Ongoing	The City of Folsom continues to provide education and collection of household hazardous materials to Folsom residents and businesses. The Solid Waste Department completes approximately 4,000 appointments each year.
SN-7	**Reduce Aircraft Noise** Continue to collaborate with Sacramento County to reduce noise levels from air traffic in Folsom.	Ongoing	The City of Folsom continues to collaborate with Sacramento County to reduce noise levels from air traffic in Folsom.

APPENDIX B

HOUSING ELEMENT ANNUAL PROGRESS REPORT

EXHIBIT 1: HOUSING ELEMENT IMPLEMENTATION TABLE

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Folsom
Reporting Year	January 1, 2020 through December 31, 2020

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H-1.A. Adequate Sites Monitoring	The City shall annually update its vacant land inventory, including an updated inventory of potential infill sites (smaller vacant and underutilized parcels) and make the updated inventory available on the City website. The City shall also conduct an annual review of the composition of the housing stock, the types of dwellings units under construction or expected to be under construction during the following year, and the anticipated mix, based on development proposals approved or under review by the City, of the housing to be developed during the remainder of the period covered by the Housing Element.	10/31/2020	Annually - The City continues to update the residential vacant land inventory. The 2020 Vacant Land Inventory is currently available as part of the City's 2021-2029 Draft Housing Element which is posted on the Housing Element website at www.folsomhousingelement.com.
H-1.B. Facilitate Appropriate Sites for Affordable Housing	The City shall encourage property owners and affordable housing developers to target and market the availability of sites with the best potential for development by facilitating meetings between willing property owners of large sites and willing affordable housing developers, when sufficient housing subsidy resources are available. To assist the development of housing for lower income households on larger sites, the City shall strive to streamline the approval process for land divisions, lot line adjustments, and/or specific plans resulting in parcel sizes that enable affordable housing development, and process fee deferrals related to the subdivision for projects affordable to lower income households.	10/31/2020	Ongoing - The City continues to work with affordable housing developers and property owners in order to assist the development of housing affordable to lower income households. In 2017, two multi-family affordable apartment projects (Parkway Apartments and Bidwell Pointe) received project approval and loan commitments from the City. In 2020, three additional affordable housing projects (Bidwell Place, Sage Senior Apartments and Bidwell Street Studios) received project approval. Bidwell Place and Sage Senior Apartments received affordable housing loan commitments and the City and developer of Bidwell Street Studios partnered together to secure a Homekey grant in the amount of $2.5 million. It is also worth noting that both Bidwell Place and Bidwell Studios were approved through streamlined processes.
H-1.C. Residential Mobile home Zone	The City shall amend the boundaries of the Residential Mobile home (RMH) zones to be consistent with areas designated as Single-Family High Density/Mobile Home Park (SFHD) in the General Plan Land Use Diagram. Additionally, the City shall amend the language in the Zoning Code to remove references to the "Trailer and Trailer Parks" Zone.	10/31/2020	Planned for completion as part of the Zoning Code update, which is currently underway.
H-2.A. Development Impact and Permit Fees	The City shall undertake a review of its development impact and permit fees related to multi-family development, second units, and other affordable housing to reconfirm the relationship between required services and fees paid. As part of this study, the City shall review the financial needs of affordable housing projects, determine whether or not City fees can be reduced to facilitate affordable housing development, and identify options for the City to offset the foregone revenues from other sources.	10/31/2016	The City continues to review it's development impact fees. In 2015 the City completed a Nexus Study for residential impact fees associated with the Folsom Plan Area Specific Plan. Currently, the City does not charge impact fees to second units. In addition, the City allows a 50% reduction in City impact fees for multi-family project studio apartment units.
H-2.B. Economic Development Treatment Capacity Bank	The City shall continue to make use of the Economic Development Treatment Capacity Bank (EDTCB) established by the Sacramento Regional County Sanitation District (SRCSD), which allocates excess wastewater treatment capacity connection fee credits among jurisdictions in the district to reduce the costs for SRCSD sewer connection fees. The City shall reserve a portion of the credits for housing projects affordable to low-, very low-, and extremely low-income households.	10/31/2014	Ongoing - The City continued to use EDTCB sewer credits to reduce the cost for SRCSD connection fees in 2020 for housing projects affordable to low-, very low- and extremely low-income households. On June 13, 2017 the City Council approved Resolution No. 9947 authorizing 90 sewer credits for the 100% affordable Parkway Apartment project. On September 26, 2017 the City Council approved Resolution No. 10005 authorizing 75 sewer credits for the Bidwell Pointe mixed-use, mixed income project. On, April 14, 2020 the City Council approved Resolution No. 10410 authorizing up to 60 sewer credits for the Bidwell Place project.
H-2.C. Development Standards	Following adoption of the updated General Plan, the City shall review and revise, as appropriate, its infrastructure and other development standards to ensure that they are consistent with the General Plan and allow for a full variety of housing types, and do not unfairly burden residential developers while maintaining appropriate fire, health, and safety standards.	10/31/2021	Planned for completion by October of 2021.
H-2.D. Review and Update Guidelines for Multifamily Housing	Following adoption of the 2035 General Plan, the City shall review and update the Design Guidelines for Multifamily Development to ensure consistency between the policies in the General Plan and development standards in the Municipal Code and those in the Design Guidelines. Additionally, the City shall create a single document that consolidates all of the development and design standards for multi-family housing.	10/31/2021	The City plans to adopt objective design standards for multifamily development, as part of the comprehensive zoning code update. Upon adoption of the zoning code, the City plans to rescind the Design Guidelines for Multifamily Development.

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of h housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H-2.E. Monitor Inclusionary Housing Ordinance	The City shall monitor the impact of the Inclusionary Housing Ordinance on the feasibility of market-rate housing, its ability to assist in the development of affordable units, and whether or not the program acts as a constraint on the development of all housing types. The City shall meet with local housing developers to discuss the impacts of the inclusionary housing ordinance and the effectiveness in providing for affordable housing units. As necessary, the City shall update its findings to the City Council in conjunction with the annual report to HCD (see Program H-8.C). The City may revise, amend, or repeal the Ordinance if it finds the Inclusionary Housing Ordinance is a constraint on all housing types or is not meeting its desired objectives (see Program H-3.E).	10/31/2020	Ongoing - The City continues to monitor the impact of the Inclusionary Housing Ordinance (IHO) on the feasibility of market-rate housing and its ability to assist in the development of affordable units. In 2015, the City reassessed the IHO as it pertains to accessory dwelling units and their effectiveness in providing affordable housing to low and very low-income households and it was determined that although accessory dwelling units are important in providing affordable housing to moderate and low-income households, their effectiveness as an inclusionary housing alternative is limited due to lack of affordability requirement, enforcement and monitoring concerns. Hence on September 28, 2015 the City Council adopted Ordinance No. 1243 to remove accessory dwelling units as an alternative to on-site construction of inclusionary housing. As of December 2020, a total of $ 6,899,347 has been collected from inclusionary housing in-lieu fees. It is important to note that a portion of these funds are reserved for the construction or substantial rehabilitation of affordable multi-family residential units.
H-2.F. Educate the Community About Affordable Housing	The City shall conduct an educational campaign to educate the community about the needs, realities and benefits of affordable housing, and provide outreach to attract and support non-profit affordable housing developers in the city. The City shall prepare educational materials and participate in workshops on the issue of affordable housing. The City shall encourage participation by non-profit and for-profit affordable housing developers and local housing advocates. The City shall publicize events to neighborhood groups, community organizations, and other civic groups.	6/30/2015	Ongoing - The City continues to include affordable housing educational material on the City's website and participates in affordable housing workshops. The City is participated in the Sac Valley Fair Housing Collaborative, which prepared a regional Analysis of Impediments (AI).
H-2.H. Monitor and Evaluate the PD Permit Process	The City shall monitor the Planned Development (PD) process to track the impacts of the PD process on the costs, timing, and certainty of residential development and ensure that the process does not act as a constraint on the production of multi-family housing. The City shall work with the development community to conduct an evaluation of the PD permit process.	6/20/2019	Ongoing - The City continues to monitor the Planned Development process to ensure that the process does not act as a constraint on the production of multi-family housing.
H-2.G. Exemptions of Transit Priority Projects from Environmental Review	The City shall implement the provisions of SB 375 streamlining the CEQA process for Transit Priority Projects and projects which conform to the Sustainable Communities Strategy and meet specific criteria set forth in SB 375.	10/31/2021	Ongoing - To date, the City has not received any projects eligible for CEQA streaming under the provisions of SB 375.
H-3.A. Local Funding for Affordable Housing Development	As available, the City shall allocate funds from the Housing Trust Fund toward the development of affordable housing units for low-, very low-, and extremely low- income households. The City shall also encourage qualified housing developers to pursue new construction and acquisition/rehabilitation of affordable housing in the city.	10/31/2021	Ongoing - The City will continue to use the Housing Trust Fund toward the development of affordable housing units for low-, very-low, and extremely low households. As of December 2019, the Housing Trust Fund had an unrestricted cash balance of $1,145,724.00 which may be allocated to a future affordable housing project. In 2020, three affordable housing projects (Bidwell Place, Sage Senior Apartments and Bidwell Street Studios) received project approval. Bidwell Place and Sage Senior Apartments received affordable housing loan commitments from the City and the developer of Bidwell Street Studios partnered with the City to secure a State Homekey grant in the amount of $2.5 million to convert the Folsom Lodge Motel into 24 extremely-low income studio apartments for individual who are experiencing homelessness or at risk of homelessness. It is also worth noting that both Bidwell Place and Bidwell Studios were approved through streamlined processes.
H-3.B. City Grant for Very Low Income Project	The City shall make a grant(s) available until May 1, 2018, in the total amount of $15,000, to a developer or developers for the production of multi-family rental units affordable to very low-income households in Folsom and deed restricted for a period not less than 30 years.	5/1/2018	Completed – On December 13, 2016 Folsom City Council approved Resolution No. 9807 to provide a Housing Trust Fund Grant in the amount of $780,000 to the Broadstone Apartment project for the purpose of providing 6 extremely low-income household units.
H-3.C. Non-Residential Affordable Housing Impact Fee Study	The City shall gradually phase-in an inflationary adjustment from the current Housing Trust Fund Fee to $1.35 per gross square foot, effective January 1, 2014, and then to $1.50 per gross square foot, effective January 1, 2015. The funds generated by the increase shall be used for the development of affordable multifamily rental housing.	6/30/2015	Completed - On May 14, 2013 the City Council approved Resolution No. 9146 to adjust the Housing Trust Fund Fee to $1.35 per gross square foot, effective January 1, 2014, and then to $1.50 per gross square foot, effective January 1, 2015. On July 14, 2015 the City Council adopted Resolution No. 9599 to enact the annual inflationary adjustment for City Impact Fees, including the Housing Trust Fund Fee. On January 1, 2020 the adjusted (for inflation) Housing Trust Fund fee increased to $1.70 per gross square foot. This fee was further increased to $1.73 per gross square foot on January 1, 2021 per Resolution No. 10478.
H-3.D. Act as Successor Agency for Redevelopment Agency	The City shall act as the Successor Agency and carry out the responsibilities and obligations of the former redevelopment agency until July 2016 when all oversight boards within the county will be replaced by one consolidated oversight board.	7/31/2016	Ongoing - The City continues to act as the Successor Agency to carry out the responsibilities and obligations of the former redevelopment agency.
H-3.E. Inclusionary Housing Ordinance	The City shall continue to implement the Inclusionary Housing Ordinance, but may revise, amend, or repeal the Ordinance based on the ongoing monitoring program (see Program H-2.E).	10/31/2021	Ongoing - The City continues to implement the Inclusionary Housing Ordinance.
H-3.F. Tax-Exempt Bond Financing	The City shall continue to petition for the authority to issue tax-exempt bonds for affordable housing by lobbying the legislature to pass legislation (such as AB 981) to allow the City to designate the use of, and commit, indebtedness obligation proceeds that were issued for affordable housing projects prior to June 28, 2011	10/31/2015	Completed – In September 2015, the Governor signed into law Senate Bill 107, which authorizes the City's housing successor agency to designate the use of, and commit 100% of bond proceeds that were issued for affordable housing purposes prior to June 28, 2011. As a result, the City was able to approve affordable housing loans for two affordable housing projects in 2017 (Bidwell Pointe and Parkway Apartments) and two affordable housing projects in 2020 (Bidwell Place and Sage Senior Apartments).

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of h housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H-3.G. Participate in Sacramento County CDBG Program	The City shall continue to coordinate with the Sacramento Housing and Redevelopment Agency (SHRA) to receive Community Development Block Grant (CDBG) to support housing rehabilitation programs. The City shall consider participating in other programs through SHRA. The City shall consider contracting with SHRA, or another entity, for technical assistance in carrying out certain functions, such as monitoring the number of affordable units that have been produced and will be produced in the City.	10/31/2021	Ongoing - The City continues to maintain a close working relationship with SHRA and currently participates in the CDBG and HOME Programs with SHRA. The CDBG funds are utilized to subsidize minor and major grants for the City of Folsom's Senior Helping Senior Program.
H-3.H. Housing Choice Vouchers	The City shall continue to participate in the Housing Choice Voucher Program, administered by the Sacramento Housing and Redevelopment Agency (SHRA), with a goal of providing rental assistance to lower-income residents. The City shall work with SHRA to maintain, or if possible, increase the current number of vouchers for Folsom residents.	10/31/2021	Ongoing - The City continues to participate with SHRA for administration of Housing Choice Vouchers. In 2020, Folsom had 111 families using vouchers.
H-3.I. Mortgage Credit Certificate Program	The City shall continue to participate in the Mortgage Credit Certificate Program, administered by the Sacramento Housing and Redevelopment Agency (SHRA), to assist low-income first-time homebuyers purchase a home, subject to availability of Program funds. The City shall publicize the program on the City website and prepare written materials.	10/31/2021	Ongoing - The City continues to participate in the Mortgage Credit Certificate (MCC) Program administered by SHRA. Since, 1990, 79 Folsom households have been issued a MCC.
H-3.J. Additional State, Federal, and Regional Funding	The City shall work to secure additional funding from State, Federal, and regional sources that can be used to help increase the supply of affordable housing in Folsom. Such programs may include but are not limited to: The Transit Oriented Development (TOD) Loan Fund, currently (2013) being developed by the Sacramento Housing and Redevelopment Agency; The HOME program that has local funds distributed by the Sacramento Housing and Redevelopment Agency (SHRA); and the state Multifamily Housing Program (MHP), sponsored by the Department of Housing and Community Development (HCD).	10/31/2021	Ongoing - The City, particularly the Community Development Department, continues to work to secure additional funding from state and federal sources that can be used to increase the supply of affordable housing in the City of Folsom. In 2020, the city staff coordinated with Sacramento County to ensure that the City receives a portion of the County's future Permanent Local Housing Allocation, which will amount to $161,538 a year, for a total of $807,692 over a five-year period. Furthermore, in 2020, the City submitted a joint application with Hirani Family Foundation and Sacramento Commercial Properties, Inc for a $2.5 million Homekey grant for the Bidwell Street Studios project. The Homekey funding grant awarded in December of 2020 and will assist in creating 24 new permanent supportive housing units and one manager unit. Additionally, these 24 permanent supportive units will contribute towards meeting the City's Regional Housing Needs Allocation goals and will be counted toward the extremely low-income household category.
H-3.K. Housing Program Workshops	The City shall conduct annual workshop(s) with for-profit and non-profit housing developers, local and regional funding agencies, and other organizations interested in affordable housing to review currently available programs, including housing rehabilitation programs, Seniors Helping Seniors, and the First Time Homebuyer Program. The City shall advertise the workshops by mailing fliers, sending emails, and phone calls to local housing stakeholders.	12/31/2019	Annually - In 2020, City staff and the City's Housing Element consultant team met with for-profit and non-profit housing developers and housing advocates to review the effectiveness of the City's current housing programs and discuss new program opportunities to further the City's housing goals.
H-4.A. Rehabilitation of Substandard Units	Rehabilitation of Substandard Units the City shall apply annually, or as frequently as is needed based on housing rehabilitation demand, for funding under the Community Development Block Grant Program the California Housing Rehabilitation Program, and other State and Federal funding programs. In addition, the City shall provide information to, and assist owners of, rental properties in applying for funding under available state and federal housing rehabilitation funding programs.	12/31/2021	Annually - The City has not received any requests from 2013 to present for rental rehabilitation funding or for assistance applying to other resources for funding.
H-4.B. Mobile Home Rehabilitation Program	The City shall continue to assist low- income mobile homeowners with mobile home repairs by providing grants to fund health, safety, and emergency repairs of mobile homes, subject to availability of grant funds.	10/31/2021	Ongoing - The City utilizes CDBG funds to provide grants under the Seniors Helping Seniors Program to assist with mobile home rehabilitation. In 2020, the City provided three major grants for a total of $14,200 were provided to a mobile homeowners. Two of the grants were for re-piping and one grant was for a bathtub conversion.
H-4.C. Mobile Home Repair and Replacement Loan Forgiveness Program	The City shall continue to provide forgiveness on Community Development Block Grant (CDBG) loans for improvements to manufactured housing units experiencing economic hardship, as defined by, and subject to, HUD guidelines.	10/31/2021	Ongoing - Since the program's inception in 2011, the City has forgiven eleven Mobile Home Repair and Replacement loans due to financial hardship.
H-4.D. Housing Conditions Database	The City shall maintain current information on the condition of dwelling units by preparing and periodically updating a housing conditions database. The City shall develop a standard survey instrument (e.g., windshield survey). Additionally, the City shall consider expanding the survey area outside the current limits of the Historic District Area	6/30/2015	The City has developed a windshield survey and is in the process of using this survey to prepare a housing conditions database.
H-4.E. Monitoring Assisted Housing Developments	The City shall continue to encourage the rehabilitation of substandard residential properties by homeowners and landlords, using the Code Enforcement program when necessary, to improve overall housing quality and conditions in the city	12/31/2019	Annually - The City continues to monitor the affordability status of publicly assisted housing developments in the City.
H-4.F. Preservation of Historic Residences	The City shall preserve historically and architecturally significant buildings by undertaking the following actions: 1. Evaluate the potential impact of proposed development projects or rehabilitation activities on historic properties; 2. Continue to designate certain areas as historic districts and consider adopting guidelines for historic structures; and 3. Exempt property owners from specific historic preservation requirements, to the extent that it has the authority to do so, if such requirements would conflict with access for persons with disabilities, energy conservation, seismic safety retrofitting, or if the strict application of requirements would impose an unreasonable hardship on the property owner.	10/21/2021	Ongoing - With an active and vibrant Historic District and a Historic District Commission, the City remains committed to preserving historical residences within the City.

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H-4.G. Code Enforcement	The City shall continue to encourage the rehabilitation of substandard residential properties by homeowners and landlords, using the Code Enforcement program when necessary, to improve overall housing quality and conditions in the city.	10/31/2021	Ongoing - The City continues to encourage rehabilitation of substandard residential properties in the City of Folsom.
H-5.A. Fee Reductions for Senior Housing	The City shall coordinate with the Folsom Cordova Unified School District to explore reductions in school impact fees for senior housing.	6/30/2015	Completed – The City contacted the Folsom Cordova Unified School District (FCUSD) in March of 2015 to explore reductions in school impact fees for senior housing and was informed that a policy for fee reductions is already in place whereby senior citizen housing developments (as described in Section 51.3 of the California Civil Code) are charged the FCUSD commercial development impact fee, as opposed to the much higher FCUSD.
H-5.B. Seniors Helping Seniors Program	The City shall continue to provide financial assistance for minor home repairs to low-income seniors through the Seniors Helping Seniors Program, subject to availability of Program funds. The City shall send a qualified senior tradesman to perform minor repairs, free of charge, to qualifying senior homeowners.	10/31/2021	Ongoing - The City continues to provide financial assistance for minor home repairs to low-income seniors through the Seniors Helping Seniors Program. In 2020, $135,596.00 of financial assistance was provided through this program and 99 eligible senior households were served.
H-5.C. Emergency Shelter Facility Development	The City shall continue to encourage and provide technical assistance to local organizations and community groups to help develop emergency shelter facilities in Folsom. The City shall facilitate the public outreach necessary to help in the removal of any neighborhood barriers for any applications for an emergency shelter.	10/31/2021	Ongoing - The City continues to provide technical assistance to local organizations and community groups to help develop emergency shelter facilities in Folsom.
H-5.D. Child Care Services to Assist Single Parents with Children	The city shall review its Zoning Code to ensure the City requirements do not overly restrict the location of childcare facilities.	6/30/2015	Completed - On March 24, 2015 the City Council passed Ordinance No. 1219 to amend the Folsom Municipal Code by adding a separate chapter (Chapter 5.100) to the code that established a streamlined process for permitting and regulating the operation of Large Family Day Care Homes in single-family residential zones in the City. The result of Ordinance No. 1219 is that it established an expedient and cost-effective administrative process.
H-5.E. Public Information for Reasonable Accommodation	The City shall continue to make information available in written form and on the City's website on reasonable accommodation for persons with disabilities. The City shall continue to designate an ADA Coordinator and contract with an outside consultant to provide information and research if necessary.	10/31/2021	Ongoing - The City continues to make information available in written form and on the City's website on reasonable accommodation for persons with disabilities. The City shall continue to designate an ADA Coordinator and contract with an outside consultant to provide information and research when necessary.
H-6.A. Fair Housing Program	The City shall continue to make information regarding State and Federal fair housing requirements available at a designated office in City Hall. In addition, the City shall make copies of the information available for the public on the City's website and at the Folsom Public Library. The City will also assist individuals with complaints in contacting either the Code Enforcement Division or one of the following appropriate agencies to file a complaint: Sacramento Housing and Redevelopment Agency; State of California's Landlord/Tenant Dispute line or Mobile home Park Ombudsman; Sacramento Regional Human Rights/Fair Housing Commission; Sacramento County Health Department; and California Department of Fair Housing and Employment.	10/31/2021	Ongoing. The City continues to make information regarding fair housing available on its website, as well as continues to assist individuals with complaints in contacting the appropriate agency. City staff refers individuals with complaints to the Sacramento Renters Helpline and other appropriate agencies. SHRA uses a portion of its CDBG funding (which includes Folsom) to subsidize the Renters Helpline fair housing activities, including landlord/tenant mediation and complaint investigation.
H-7.A. Energy Conservation Assistance	The City shall continue to include weatherization and energy conservation as eligible activities under CDBG programs that it administers. In addition, the City shall seek new resources to assist homeowners increase energy efficiency (e.g., upgrading older ductwork, HVAC systems, windows, and insulation). The City shall provide information and refer eligible property owners to other available programs, such as those available through PG&E and SMUD.	10/31/2021	Ongoing - Weatherization improvements, including such activities as higher efficiency window replacements and HVAC replacements, are primarily completed through the City's Seniors Helping Seniors Program. The City's website provides information to homeowners about the PACE Programs that operate in Folsom, as well as providing links to PG&E and SMUD programs.
H-7.B. Public Education on Energy Efficiency	The City shall prepare and distribute handouts to the public and post information on the City's website on ways to improve energy efficiency in existing homes and in new construction.	6/30/2015	Completed - In August of 2014, the City added an Energy Efficiency section to the City's website that contains useful energy efficiency information and identifies numerous energy efficiency resources. In addition, the City periodically sends out handbills in utility billing statements to the public regarding both water and energy efficiency measures.
H-7.C. Study Feasibility of a Local Assessment District	The City shall conduct a study on the feasibility of creating a local assessment district or other financing mechanism to fund voluntary actions by homeowners (and owners of commercial/mixed-use properties) during new construction or retrofit to undertake energy efficiency measures, install solar rooftop panels, install "cool" roofs, and take other measures to reduce greenhouse gas emissions.	6/30/2015	Completed - On December 10, 2013 the City Council approved Resolution No. 9248 to establish a Community Facilities District to finance the acquisition, installation, and improvement of energy efficiency, water conservation and renewable energy improvements to existing residential and commercial buildings. The first PACE program, mPOWER, was implemented on March 17, 2014. Since 2014, several additional PACE providers have been approved for Folsom.
H-7.D. Facilitate Transit-Oriented Development	The City shall identify opportunities for transit-oriented development (TOD) in the city, consider Zoning Code amendments to facilitate mixed-use and high-density residential TOD opportunities, and explore funding opportunities.	6/30/2016	Completed and Ongoing - As part of the recently adopted General Plan, the City identified SACOG Transit Priority Areas in the City and established transit-oriented land use goals. As part of the Zoning Code update, the City will consider zoning code amendments that facilitate mixed-use and high density residential TOD opportunities. In 2020, the City participated in the Sacramento Area Council of Governments Green Means Go nomination process. As a result, several areas in the City, including the Transit Priority Areas will be eligible to apply for future Green Means Go grant funding opportunities.
H-8.A. Affordability Monitoring	The City shall explore the possibility of documenting the sales price and rental rates for all residential units within the city for the purpose of evaluating potential assistance for affordable housing.	12/31/2018	Annually - The City has not yet found it possible to document the sales price and rental rates for existing residential units; however, the City currently documents the sales price of new for-sale single-family residential units in developments subject to an Inclusionary Housing Agreement with the City and all rental rates of multi-family residential developments that are deed restricted.

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H-8.B. Housing Program Staff	The City shall continue to designate staff responsibilities to coordinate housing- related programs and policy initiatives in the City and act as the centralized information/referral source for residents requiring housing assistance. The City shall strive to ensure that adequate resources are available to continue improving housing program coordination. The designated staff person shall be responsible for the annual monitoring of housing programs and producing the Housing Element Annual Progress Report to the California Department of Housing and Community Development (HCD), as well as the Housing Trust Fund Annual Report.	10/31/2021	Ongoing - The City continues to designate Community Development Department staff to coordinate housing-related programs and policy initiatives in the City.
H-8.C. Annual Implementation Reporting	The City shall review and report annually to the City Council and to the Department of Housing and Community Development (HCD) on the implementation of Housing Element programs and the City's effectiveness in meeting the programs' objectives.	12/31/2018	Annually - The City continues to review and report annually to the City Council and to the Department of Housing and Community Development (HCD) on the implementation of Housing Element programs and the City's effectiveness in meeting the programs' objectives.

EXHIBIT 2: REGIONAL HOUSING NEEDS ALLOCATION TABLE

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

		1	2									3	4
Income Level		RHNA Allocation by Income Level	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	1218					6	14		42		64	1154
	Non-Deed Restricted								1	1			
Low	Deed Restricted	854						86		29		124	730
	Non-Deed Restricted								3	6			
Moderate	Deed Restricted	862								1		813	49
	Non-Deed Restricted		28	68	54	74	358	221	3	6			
Above Moderate		1699	302	205	180	99	138	449	726	501	2600	0	1699
Total RHNA		4633											
Total Units			330	273	234	173	502	770	733	586	3601	1933	3632

Note: units serving extremely low-income households are included in the very low-income permitted units totals

Cells in grey contain auto-calculation formulas

EXHIBIT 3: SUMMARY OF ENTITLED UNITS AND SUBMITTED APPLICATIONS

Jurisdiction	FOLSOM	
Reporting Year	2020	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	42
	Non-Deed Restricted	1
Low	Deed Restricted	29
	Non-Deed Restricted	6
Moderate	Deed Restricted	1
	Non-Deed Restricted	6
Above Moderate		501
Total Units		586

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Housing Applications Summary	
Total Housing Applications Submitted:	54
Number of Proposed Units in All Applications Received:	1,409
Total Housing Units Approved:	320
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10597 - A Resolution Authorizing the City Manager to Execute A Long Term Communications Asset Exchange Agreement for Communication Duct with Zayo Group, LLC for Existing City of Folsom Conduit
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10597 - A Resolution Authorizing the City Manager to Execute A Long Term Asset Exchange Communications Agreement for Communication Duct with Zayo Group, LLC for Existing City of Folsom Conduit.

BACKGROUND / ISSUE

The Traffic Division uses and maintains underground traffic signal interconnect conduit throughout the City, housing a number of fiber optic cables for traffic signal communication and operations. In some cases, the conduit has additional capacity that is not currently used for City purposes. Zayo Group, LLC (Zayo) approached the City, while they were working on a project to connect fiber optics to all of the schools in the City of Folsom within the Folsom Cordova School District, inquiring if the City would be interested in developing an agreement to trade duct space. Zayo proposed an offer to swap duct space where Zayo would construct and install new fiber optic conduit in locations where the City has gaps in its communications network, in exchange for the existing City owned, under utilized conduits.

The Agreement will allow Zayo to utilize a portion of the City's available fiber optic conduit space in exchange for the construction and installation of new fiber optic conduit in portions of the City where a communications gap exists.

POLICY / RULE

Per the Folsom Municipal Code, the City Council is the sole authority to ratify agreements on behalf of the City of Folsom.

ANALYSIS

The Public Works Traffic and Information Services (IS) Divisions have worked with Zayo on the routes, locations of pull boxes, and installation timeframes. The proposed locations of the installation of new fiber optic conduit and cables will help complete the City's communication network. This agreement would secure fiber optics to City facilities along Folsom-Auburn Road, Blue Ravine Road, Golf Links Drive, and Clarksville Road as shown in Exhibit "A".

FINANCIAL IMPACT

There could be a cost savings of approximately $1,200 per month in fees for the City. These savings will be captured for the future connection of fiber optics to the Andy Morin Sports Complex and Fire Station #37, which is currently being leased to the City by AT&T at a rate of approximately $600 per month per facility.

The City will be responsible for the maintenance and repair of City-owned fiber optic cable in the event it becomes damaged due to fault of the City.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. Resolution No. 10597 - A Resolution Authorizing the City Manager to Execute A Long Term Communications Asset Exchange Agreement for Communication Duct with Zayo Group, LLC for Existing City of Folsom Conduit

2. Exhibit A – Duct and Fiber Provided by Zayo Group, LLC

3. Exhibit B – Duct Provided by the City of Folsom

Submitted,

Dave Nugen, PUBLIC WORKS DIRECTOR

Attachment 1

Resolution No. 10597

RESOLUTION NO. 10597

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LONG TERM COMMUNICATIONS ASSET EXCHANGE AGREEMENT FOR COMMUNICATION DUCT WITH ZAYO GROUP, LLC FOR EXISTING CITY OF FOLSOM CONDUIT

WHEREAS, the City of Folsom owns and operates conduit that may house fiber optic cable within an existing network of underground ducting; and

WHEREAS, Zayo Group, LLC (Zayo) has requested an agreement to share 42,952 feet of the existing and available duct space within the City of Folsom right-of-way locations; and

WHEREAS, Zayo will exchange said duct space per the terms (as defined within the agreement0 for an initial term of 20 years; and

WHEREAS, Zayo will install and provide right of use to the City of Folsom at no cost, approximately 37,774 feet of fiber optic cable within newly constructed duct space that will connect specified locations; and

WHEREAS, Zayo will, at its own expense, install fiber optic cable within and along the duct space, and Zayo may install, at its own expense, a separate cable within and along the duct space for Zayo's own use; and

WHEREAS, the City of Folsom will grant the installation of a fiber optic cable within the City of Folsom's duct space and grant the installation of any required splice and slack loop storage vaults within the City of Folsom's right-of-way for Zayo's own use and maintenance purposes; and

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

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Folsom hereby authorizes the City Manager to execute a Long Term Communications Asset Exchange Agreement for Communication Duct with Zayo Group, LLC for Existing City of Folsom.

PASSED AND ADOPTED this 23rd day of March 2021, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

Exhibit A – Duct and Fiber Provided by Zayo Group, LLC

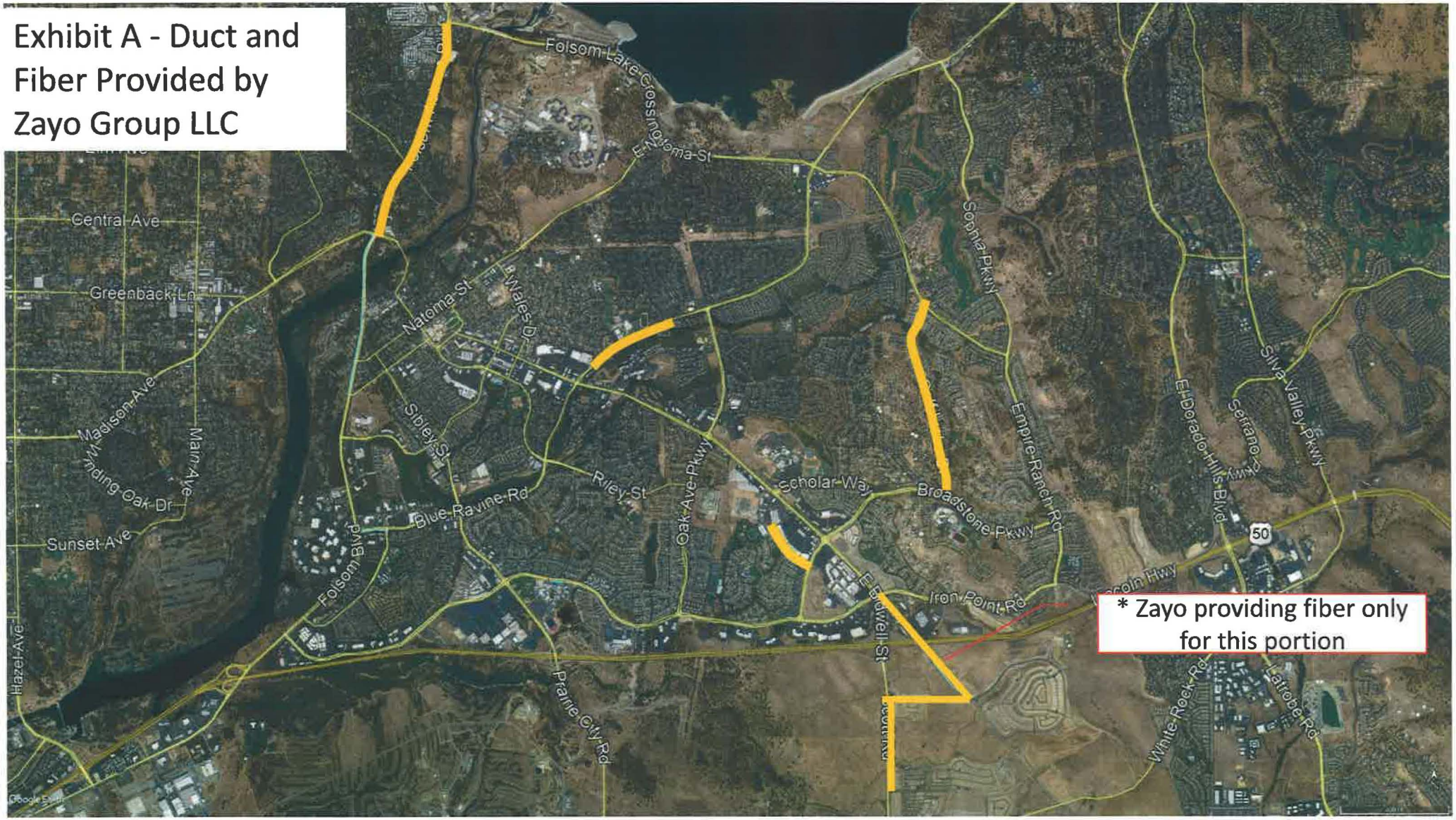
Exhibit A - Duct and Fiber Provided by Zayo Group LLC
Folsom Lake Crossing
E Natoma St
Central Ave
Greenback Ln
Natoma St
E Wales Dr
Sopna Pkwy
Empire Ranch Rd
Silva Valley Pkwy
El Dorado Hills Blvd
Serrano Pkwy
Madison Ave
Main Ave
Sibley St
Riley St
Oak Ave Pkwy
Scholar Way
Broadstone Pkwy
Blue Ravine Rd
Sunset Ave
Folsom Blvd
Iron Point Rd
E Bidwell St
Prairie City Rd
Hazel Ave
White Rock Rd
Latrobe Rd
50
* Zayo providing fiber only for this portion

Attachment 3

Exhibit B – Duct Provided by the City of Folsom

Exhibit B - Duct Provided by the City of Folsom

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Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10601 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046)
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10601 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046).

BACKGROUND / ISSUE

The planned Capital Southeast Connector is a 34-mile limited access roadway spanning from U.S. 50 at Silva Valley Parkway interchange in El Dorado County to Interstate 5 at the Hood-Franklin Interchange in Elk Grove. The Connector is planned to be constructed in segments as funding and priorities allow. Segment D3 includes the length of the Connector that borders the City of Folsom and Sacramento County from Prairie City Road to the El Dorado County Line. Segment E1 is the El Dorado County Segment that Segment D3 ties into.

Segment D3 has been further segmented into two additional segments: D3(A) and D3(B). Segment D3(A) will upgrade existing White Rock Road to a four-lane expressway beginning near the intersection of Prairie City Road and continuing through the intersection of East Bidwell Street. The project involves constructing four lanes between these two major intersections, including a bridge over Alder Creek. The bridge also serves as a "wildlife crossing," as contemplated in the South Sacramento Habitat Conservation Plan.

The project is a complete reconstruction that will create a new alignment of White Rock Road adjacent and immediately south of the existing White Rock Road. The existing White Rock Road will remain open to traffic during construction. The project was initially designed to include a Class 1 Bike Trail and interconnection between Traffic Signals. These two items of work had been removed from the project due to funding constraints.

The City of Folsom is leading the construction of this project on behalf of the Capital Southeast Connector Joint Powers Authority (JPA) and in collaboration with Sacramento County.

The City has secured State Transportation Block Grant Program (STBG) and SB1 funding from Sacramento Area Council of Governments (SACOG) in partnership with the Capital Southeast Connector JPA. A request for authorization to proceed with construction was submitted to Caltrans on May 15, 2020. The Authorization to Proceed (E-76) was received on June 25, 2020 and the subsequent Supplemental Agreement was received on August 8, 2020.

Upon receiving the Authorization to Proceed (E-76) the City advertised for construction and utilized CIPlist.com to publicly advertise and provide bid materials on July 13, 2020. Bids were received on September 9, 2020 with Goodfellow Brothers, LLC (Goodfellow) being awarded the construction contract. After award of the contract, it was determined by both City staff and Goodfellow that adjustments to the profile could be made to minimize the amount of import borrow and provide rough grading economical for the previously deleted Class 1 Bike Trail. Due to the economy of scale by including the rough grading for the Class 1 Bike Trail in the D3(A) segment, there will be a cost savings, by at least a factor of 2, if construction of the bike trail grading is performed now instead of in future phases. Additionally, reducing the import borrow quantity will save 7,000 truck trips to the project, which will minimize public inconvenience on the existing White Rock Road.

Staff will continue to submit for grant funding to complete the entire Southeast Connector Segment D3 that will include the construction of the Class 1 Bike Trail and Interconnect.

POLICY / RULE

Section 2.36.080, Award of Contracts of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services and construction with an estimated value of $62,657 or greater shall be awarded by City Council.

ANALYSIS

This project was publicly advertised on July 13, 2020 and bids were opened publicly on September 9, 2020 at 2:00 p.m. in the City Council Chamber.

Six bids were received with Goodfellow Brothers, LLC being the lowest responsive responsible bid as follows:

Contractor	Ranking	Bid Amount
Goodfellow Brothers, LLC	Lowest Responsive Responsible Bid	$22,368,765.00

The Lowest Responsive Responsible Bid Proposal provided by Goodfellow Brothers, LLC was reviewed by staff and found to be in good order.

FINANCIAL IMPACT

The Capital Southeast Connector Segment D3(A) is eligible to receive funds from FAST Act funding based on a SACOG Regional Surface Transportation Program Grant and SB-1 Funding. Funding for construction and construction engineering is shown below:

Fund	Fund Type	Amount
FAST Act	Surface Transportation Block Grant to match SB-1 Funding 1 to 1 at $10,000,000	$15,000,000
SB1	Competitive	$10,000,000
Local Transportation Fund (446)	To match Surface Transportation Block Grant of $15,000,000 at 11.47%	$1,720,500
Local Transportation Fund (446)	To Cover Balance of Project Funding	$1,195,147
	Project Budget for Construction	$27,915,396

The FAST Act funding requires a local match of 11.47%. The Transportation Fund (Fund 446) will be utilized to meet the required match of $1,720,500. The SB1 funding requires a $100% match, of which $10,000,000 of the FAST Act funding will be utilized as the match.

The agreement with Goodfellow previously approved is in the amount of $22,368,765 with a budgeted contingency of $2,236,876.50 (10%) for a total contract budget amount of $24,605,641.50.

The contract costs for construction and construction management have been previously approved by City Council in separate resolutions as follows:

Company	Description	Cost
Goodfellow Brothers, LLC	Construction	$22,368,765.00
	10% Contingency for Construction	$2,236,876.50
Salaber Associates, Inc.	Construction Engineering, Inspection and Materials Testing	$2,992,848.00
Dokken Engineering, Inc.	Design Support and Environmental Services	$317,157.28
	Project Budget for Construction	$27,915,647.78

Contract Change Order No. 2 will utilize the existing Contingency in the amount of $445,000. No adjustments to the project budget will be required.

ENVIRONMENTAL REVIEW

In 2016 the Capital Southeast Connector JPA approved a California Environmental Quality Act (CEQA) Tiered Initial Study with Mitigated Negative Declaration for the Capital Southeast Connector Segment D3/E1.

Caltrans approved the National Environmental Policy Act (NEPA) Categorical Exclusion for Segment D3/E1.

The project is not located in an environmentally sensitive area and would not result in potential impacts to the environment, including traffic, noise, air quality and water quality.

ATTACHMENT

1. Resolution No. 10601 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046)

Submitted,

Dave Nugen, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 10601

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT CHANGE ORDER WITH GOODFELLOW BROTHERS, LLC (CONTRACT NO. 174-21 20-060) FOR THE CAPITAL SOUTHEAST CONNECTOR SEGMENT D3(A), PROJECT NO. PW1607, FEDERAL PROJECT NO. 5288(046)

WHEREAS, the Capital Southeast Connector Project is the Sacramento region's largest single transportation project; and

WHEREAS, the City of Folsom is a Member Jurisdiction of the Capital Southeast Connector Joint Powers Authority and will implement the Project; and

WHEREAS, the Capital Southeast Connector Project has, to date, been funded primarily through a Sacramento County sales-tax measure approved in 2004 by 75 percent of voters; and

WHEREAS, the Capital Southeast Connector Project has established a program development budget that requires the use of Federal and State funds to advance the project towards timely construction; and

WHEREAS, the City of Folsom desires to construct the Capital Southeast Connector Project Segment D3(A) along the City's border to four lanes with two eight foot shoulders; and

WHEREAS, the City of Folsom received Surface Transportation Block Grant Program funding, and is eligible for federal reimbursement, up to $15,000,000; and

WHEREAS, the City of Folsom received SB-1 funding, and is eligible for state reimbursement up to $10,000,000; and

WHEREAS, this project was publicly advertised on July 13, 2020 with six bids received on September 9, 2020 with Goodfellow Brothers, LLC being the lowest responsive responsible bidder; and

WHEREAS, the City of Folsom entered into a contract with Goodfellow Brothers, LLC for construction of the Capital Southeast Connector Segment D3(A); and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute a Contract Change Order with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046), in the amount of $445,000.

PASSED AND ADOPTED this 23rd day of March 2021, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10602 – A Resolution Authorizing the City Manager to Execute an Agreement with the County of Sacramento to Participate in the Permanent Local Housing Allocation (PLHA) Funding Program and to Designate Sacramento County as the Fund Administrator
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to approve Resolution No 10602 - A Resolution Authorizing the City Manager to Execute an Agreement with the County of Sacramento to Participate in the Permanent Local Housing Allocation (PLHA) Funding Program and to Designate Sacramento County as the Fund Administrator.

BACKGROUND / ISSUE

In 2017, the State adopted the Housing Legislation Package, which consisted of 15 bills aimed at addressing the State's housing crisis. One of the 15 bills, Senate Bill 2 (SB 2), the Building Jobs and Homes Act, which took effect January 1, 2018, established a fee on real estate transaction documents to support homeless programs, and to be used as a permanent source of funding for affordable housing. The principal goal of this program is to make funding available to eligible local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The actual amount of funding will vary each year based on real estate financing activity in the State, which affects the amount of revenue generated for the program. Part of this funding also includes Senate Bill 2 – Year 2 Permanent Local Housing Allocation (PLHA) Funds. Sacramento County has applied for these funds, but is obligated to provide PLHA funds to Folsom, Isleton and Galt as Community Development Block Grant (CDBG) agreement or entitlement cities. Folsom's PLHA funds are included in the Sacramento County PLHA allocation and Sacramento County will distribute the funds as part of its grant obligation.

Sacramento County submitted the Grant applicant to the Department of Housing and Community Development (HCD) on June 27, 2020. The final step prior to funding allocation is for each City to provide the State with a legally binding resolution indicating the cities agree to use the funds for eligible PLHA activities.

The PLHA application guidelines and eligible activities require Sacramento County to identify how the PLHA funds will be allocated in the first five years. Sacramento County's Five-Year Plan has been developed in consultation with the Department of Human Assistance, Planning and Environmental Review, and Sacramento Housing and Redevelopment Agency (SHRA). City staff have been in communication with County staff regarding the fund allocation and distribution formula.

HCD will distribute PLHA funds in accordance with the federal CBDG formula. HCD's Final PLHA Guidelines recommend that counties provide a proportional share of PLHA to local governments that are agreement cities.

Sacramento County expects to receive a total of $16,320,000 over the five-year period. While the County will receive a distribution in the first year, the cities of Folsom, Isleton and Galt will receive their five-year distribution divided equally into four years starting in the second year through the fifth year as shown in the table below. The distribution formula is an average of two formulas used by Housing and Urban Development (HUD) in calculating CDBG allocations. Folsom would receive 4.95 percent, Isleton 0.85 percent and Galt 3.52 percent. While the percentages are fixed, the amount will vary depending on the amount of money the funding source receives. Estimates of Folsom distribution based on Sacramento County's pending award of $16,324,956 is approximately $807,692 over the four-year period starting next year (2022) as show in the table below.

Agency	First Year (FY21/22)	Second Year (FY22/23)	Third Year (FY23/24)	Fourth Year (FY24/25)	Fifth Year (FY25/26)	Total Estimated PLHA Funding
Sac Co	$2,720,000	$3,401,000	$3,401,000	$3,401,000	$3,401,000	$16.3M
Folsom		$201,923	$201,923	$201,923	$201,923	$807,692

POLICY / RULE

The Permanent Local Housing Allocation (PLHA) Funds Program requires cities receiving fund allocation through County agencies to provide the State (Housing and Community Development) with a legally binding resolution agreeing to use the funds exclusively for PLHA eligible activities.

ANALYSIS

PLHA funding will provide additional resources for housing related projects and programs that assist in addressing unmet housing needs in Folsom. Specifically, eligible activities for PLHA funds include:

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very-low-, low-, or moderate-income households, including necessary operating subsidies.

2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120-percent of AMI, or 150-percentof AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than30 days.

3. Matching portions of funds placed into Local or Regional Housing Trust Funds.

4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.

5. Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.

6. Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
    a. This activity may include sub-awards to administrative entities as defined in HSC Section 50490(a)(1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.
    b. Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8225(b)(8). An applicant allocated funds for the new construction, rehabilitation, and preservation of permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).

7. Accessibility modifications in lower-income owner-occupied housing.

8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

9. Homeownership opportunities, including, but not limited to, down payment assistance.

10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing projects, or matching funds invested by a county in an affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing project.

Similar to other City housing fund approvals, future requests to utilize PLHA funds for eligible activities will be presented to the City Council for consideration and decision.

FINANCIAL IMPACT

There is no General Fund fiscal impact associated with the PLHA fund allocation.

ENVIRONMENTAL REVIEW

The project does not constitute a project under the California Environmental Quality Act (CEQA) pursuant to Government Code 65651(b)(2) and is therefore exempt from (CEQA) analysis.

ATTACHMENT

Resolution No. 10602 – A Resolution Authorizing the City Manager to Execute an Agreement with the County of Sacramento to Participate in the Permanent Local Housing Allocation (PLHA) Funding Program and to Designate Sacramento County as the Fund Administrator

Submitted,

Pam Johns, Community Development Direct

RESOLUTION NO. 10602

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE COUNTY OF SACRAMENTO TO PARTICIPATE IN THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDING PROGRAM AND TO DESIGNATE SACRAMENTO COUNTY AS THE FUND ADMINISTRATOR

WHEREAS, the State of California Department of Housing and Community Development ("State") is authorized to provide up to $195 million dollars to Cities and Counties for assistance under the SB 2 Permanent Local Housing Allocation Funding Program ("PLHA Program") Entitlement Jurisdiction Component of the Building Homes and Jobs Trust Fund; and

WHEREAS, Sacramento County and the City of Folsom have completed the requisite application process as each desire to participate in the PLHA Program and receive their share of the formula allocation Program funds under this Program; and

WHEREAS, in order to obtain State approval of the PLHA application(s), the State requires the applying municipality to administer the receipt of formula allocation Program funds; and

WHEREAS, Sacramento County agrees to administer the receipt of formula allocation Program funds on behalf of the City of Folsom and act as the applicant to the State for the funding.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the City Manager is authorized to execute an agreement with the County of Sacramento to participate in the SB 2 Permanent Local Housing Allocation Funding Program and to designate Sacramento County as the Fund Administrator on behalf of the City of Folsom.

PASSED AND ADOPTED this 23rd day of March 2021, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10604 – A Resolution Authorizing the City Manager to Execute a Contract with the County of Sacramento in an Amount not to Exceed $85,000 for Animal Services Within the City of Folsom and Appropriation of Funds
FROM:	Police Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council adopt Resolution No. 10604 - A Resolution Authorizing the City Manager to Execute a Contract with the County of Sacramento in an Amount not to Exceed $85,000 for Animal Services Within the City of Folsom and Appropriation of Funds.

BACKGROUND / ISSUE

Currently, the City only has one full time Animal Control Officer (ACO). This officer is scheduled to be out on leave for approximately 6 months starting at the end of March 2021. Their absence will leave the City with limited to no means of handling animal control calls for service. The County of Sacramento has furnished animal control services to our City in the past and is willing to provide a full time Animal Control Officer for the duration of the time our officer is on leave.

POLICY / RULE

Article 1 (Commencing with Section 51300) of Chapter 1 of Part 2 of Division 1 of Title 5 of the Government Code authorizes the City and County to enter a contract under which the County provides animal control services to the City. Folsom Municipal Code section 2.36.080 requires City Council approval of contracts exceeding the City Manager's signing authority. This contract exceeds that dollar amount.

ANALYSIS

The City of Folsom and the Folsom Police Department are committed to providing animal services to our citizens. Folsom Police officers are not as proficient in animal regulations as the Animal Control Officers from Sacramento County. The City of Folsom needs qualified

animal control services while our ACO is on leave. Enacting this contract will be the most efficient use of staff and funding.

The County of Sacramento is willing to provide such services on a time and materials basis pursuant to terms and conditions set forth in a contract form agreeable to the City Attorney.

The Chief of Police requests approval to encumber $85,000 for the purpose of retaining Animal Control Services from the County of Sacramento while our Animal Control Officer is on leave.

FINANCIAL IMPACT

The cost of this contract shall not exceed $85,000. The Police Department Fiscal Year 2020-21 Budget did not include an appropriation for this agreement. Staff is requesting an appropriation of $42,500 to be appropriated to the police department Fiscal Year 2020/21 budget in the General Fund (Fund 010). The remaining contract amount will be included in the Police Department Fiscal Year 2021-22 Budget to provide animal control services by the County of Sacramento.

ATTACHMENT

Resolution No. 10604 - A Resolution Authorizing the City Manager to Execute a Contract with the County of Sacramento in an Amount not to Exceed $85,000 for Animal Services Within the City of Folsom and Appropriation of Funds

Submitted,

_____

Richard Hillman, Chief of Police

RESOLUTION NO. 10604

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE COUNTY OF SACRAMENTO IN AN AMOUNT NOT TO EXCEED $85,000 FOR ANIMAL SERVICES WITHIN THE CITY OF FOLSOM AND APPROPRIATION OF FUNDS

WHEREAS, the County of Sacramento has furnished animal control services to the City of Folsom in the past pursuant to a contractual relationship under which the City paid for such services on a per capita basis, and

WHEREAS, the County is willing to provide animal control services to the City on a time and materials basis under the terms and conditions set forth in a contract; and

WHEREAS, Article 1 (commencing with Section 51300) of Chapter 1 of Part 2 of Division 1 of Title 5 of the Government Code authorizes the City and the County to enter a contract under which the County provides animal control services to the City; and

WHEREAS, an appropriation will be required in the amount $42,500 in FY 2020/21 and $42,500 in FY 2021-22 in the Police Department Budget; and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a contract with the County of Sacramento in an amount not to exceed $85,000 for Animal Services within the City of Folsom.

BE IT FURTHER RESOLVED that the Finance Director is hereby authorized to appropriate an additional $42,500 to the Police Department Budget in the General Fund (Fund 010) in Fiscal Year 2020-21 and the Police Department Budget will include an appropriation in Fiscal Year 2021-22 for the remaining $42,500. The Fiscal Year 2020-21 appropriation will utilize current fund balance in the General Fund for this appropriation.

PASSED AND ADOPTED this 23rd day of March 2021, by the following roll-call vote:

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

Michael D. Kozlowski. MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10605 – A Resolution Directing the Preparation of Engineer's Report for the following Landscaping and Lighting Districts for Fiscal Year 2021-2022 American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council adopt Resolution No. 10605 – A Resolution Directing the Preparation of Engineer's Report for the following Landscaping and Lighting Districts for Fiscal Year 2021-2022 American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs.

BACKGROUND / ISSUE

The City of Folsom has twenty-nine existing Landscaping and Lighting Districts. Each year, as part of the annual assessment process, an Engineer's Report must be prepared in accordance with the requirement of Article 4 of Chapter 1 of Part 2 of Division 15 of the *Streets and Highways Code* and the *Landscaping and Lighting Act of 1972.*

The Engineer's Report for Fiscal Year 2021-2022 will address all twenty-nine districts in one report and will be submitted for final approval to the City Council.

POLICY / RULE

Section 22622 of the *Streets and Highways Code* requires the City Council to adopt a resolution directing the preparation of the Engineer's Report as part of the annual assessment process for landscaping and lighting districts.

ANALYSIS

The Engineer's Report for the twenty-nine Landscaping and Lighting Districts for Fiscal Year 2020-2021 will be prepared by SCI Consulting Group. The Preliminary Engineer's Report is expected to be submitted for City Council review and approval on May 11, 2021 and the final Engineer's Report and public hearing is scheduled for July 13, 2021.

Included within the report for each district will be the following:

A. Plans and specifications for the maintenance of the improvements (on file in the Parks and Recreation Department)

B. Estimate of the cost of maintaining the improvements

C. Diagrams of the assessment districts

D. Assessment of the estimated costs for maintaining the improvements

FINANCIAL IMPACT

Each Landscaping and Lighting District levies and collects funds to cover operating and maintenance costs. The Fiscal Year 2021-2022 budget for the Landscaping and Lighting Districts includes funding for the preparation of the engineer's report. There is no fiscal impact to the City of Folsom General Fund.

ENVIRONMENTAL REVIEW

N/A (This does not apply as there is no environmental review aspect to the engineer's report.)

ATTACHMENT

Resolution No. 10605 – A Resolution Directing the Preparation of Engineer's Report for the following Landscaping and Lighting Districts for Fiscal Year 2021-2022 American River Canyon North, American River Canyon North No. 2, American River Canyon North No. 3, Blue Ravine Oaks, Blue Ravine Oaks No. 2, Briggs Ranch, Broadstone, Broadstone No. 4, Broadstone Unit No. 3, Cobble Ridge, Cobble Hills Ridge II/Reflections II, Folsom Heights, Folsom Heights No. 2, Hannaford Cross, Lake Natoma Shores, Los Cerros, Natoma Station, Natoma Valley, Prairie Oaks Ranch, Prospect Ridge, Sierra Estates, Silverbrook, Steeplechase, The Residences at American River Canyon, The Residences at American River Canyon II, Willow Creek Estates East, Willow Creek Estates East No. 2, Willow Creek Estates South, and Willow Springs

Submitted,

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Lorraine Poggione, Parks & Recreation Director

RESOLUTION NO. 10605

A RESOLUTION DIRECTING THE PREPARATION OF ENGINEER'S REPORT FOR THE FOLLOWING LANDSCAPING AND LIGHTING DISTRICTS FOR FISCAL YEAR 2021-2022 AMERICAN RIVER CANYON NORTH, AMERICAN RIVER CANYON NORTH NO. 2, AMERICAN RIVER CANYON NORTH NO. 3, BLUE RAVINE OAKS, BLUE RAVINE OAKS NO. 2, BRIGGS RANCH, BROADSTONE, BROADSTONE NO. 4, BROADSTONE UNIT NO. 3, COBBLE RIDGE, COBBLE HILLS RIDGE II/REFLECTIONS II, FOLSOM HEIGHTS, FOLSOM HEIGHTS NO. 2, HANNAFORD CROSS, LAKE NATOMA SHORES, LOS CERROS, NATOMA STATION, NATOMA VALLEY, PRAIRIE OAKS RANCH, PROSPECT RIDGE, SIERRA ESTATES, SILVERBROOK, STEEPLECHASE, THE RESIDENCES AT AMERICAN RIVER CANYON, THE RESIDENCES AT AMERICAN RIVER CANYON II, WILLOW CREEK ESTATES EAST, WILLOW CREEK ESTATES EAST NO. 2, WILLOW CREEK ESTATES SOUTH, AND WILLOW SPRINGS

WHEREAS, the City Council of the City of Folsom, has established twenty-nine Landscaping and Lighting Assessment Districts described as follows:

American River Canyon North
American River Canyon North No. 2
American River Canyon North No. 3
Blue Ravine Oaks
Blue Ravine Oaks No. 2
Briggs Ranch
Broadstone
Broadstone No. 4
Broadstone Unit No.3
Cobble Ridge
Cobble Hills Ridge II/Reflections II
Folsom Heights
Folsom Heights No. 2
Hannaford Cross
Lake Natoma Shores
Los Cerros
Natoma Station
Natoma Valley
Prairie Oaks Ranch
Prospect Ridge
Sierra Estates
Silverbrook
Steeplechase
The Residences at American River Canyon
The Residences at American River Canyon II
Willow Creek Estates East
Willow Creek Estates East No. 2
Willow Creek Estates South
Willow Springs

WHEREAS, pursuant to the Landscape and Lighting Act of 1972 ("Act"), Division 15, Part 2 of the *Streets and Highway Code*, the assessment is for the maintenance of public areas including, but not limited to, landscaped areas, street corridors, project entryways, certain parks, parkways, medians, statuary, residential village entryways, sound walls, fences, project signage, streetscapes, landscape, lighting maintenance and lighting, water and utility bills; and

WHEREAS, the City Council of the City of Folsom has determined that said territories will be specifically benefited by the maintenance and servicing of said landscape and appurtenant improvements; and

WHEREAS, Sections 22620 through 22631 of the Act provide for annual assessments after the formation of said districts; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to have the City's engineer prepare the Engineer's Report and file the same with the Clerk for submission to the City Council, and that SCI Consulting Group is hereby designated as Engineer of Work for purposes of these proceedings and is hereby ordered to prepare an Engineer's Report in accordance with Article 4 of Chapter 1 of the Act and Article XIIID of the California Constitution. Upon completion, the Engineer shall file the Engineer's Report with the Clerk of the Council for submission to the Council.

PASSED AND ADOPTED this 23rd day of March 2021, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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Folsom City Council
Staff Report

MEETING DATE:	2/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10606 – A Resolution Authorizing the City Manager to Execute a Contract Amendment with Terracare Associates for Landscape Maintenance Services in New Maintenance Areas and Appropriation of Funds (Contract File No. 172-21 20-004)
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to approve Resolution No. 10606 - A Resolution Authorizing the City Manager to Execute a Contract Amendment with Terracare Associates for Landscape Maintenance Services in New Maintenance Areas and Appropriation of Funds.

BACKGROUND / ISSUE

The City entered into a 2-year maintenance contract with Terracare Associates in January of 2020 (Contract File No. 172-21 20-004). Since that time, the City has accepted several new maintenance areas both north of Highway 50 and in the Folsom Plan Area (FPA). Due to this, staff needs to amend the current contract to incorporate these new areas, as well as appropriate funds for the associated maintenance cost.

POLICY / RULE

In accordance with Chapter 2.36.80 of the Folsom Municipal Code, contracts for supplies, equipment, services, and construction with an estimated value of $62,657 or greater shall be awarded by City Council.

ANALYSIS

Due to ongoing development, the Municipal Landscape Services Division (MLS) needs to amend its current landscape maintenance contract to incorporate newly accepted City landscape areas. Some of these areas were not accounted for in the current budget (Fiscal Year

2020-21), as staff did not foresee the improvements being completed and turned over to the City this fiscal year. Due to favorable building conditions, the developers completed all requirements for dedication sooner than projected. Part of this amendment would allocate additional funds to cover scheduled maintenance for the remainder of the current fiscal year, as well as include the agreed upon rate and scope for the rest of the duration of the current contract, which expires December 31, 2021. The City has worked with Terracare Associates and has established a per acre rate for streetscapes in the FPA that ranges from $700-$850 per acre depending on plant material, access, topography, and frequency of maintenance. This methodology will be implemented for all new areas accepted through the end of the current contract and will be incorporated into the specifications for the upcoming maintenance bid process. The contract amendment would be an increase $221,820 for the 2021 calendar year. The portion for January through June 2021 will require an additional appropriation.

FINANCIAL IMPACT

Outside of one new district north of Highway 50, Prospect Ridge L&L, all additional areas impacted by this amendment are located within CFD #18 (Fund 288) or CFD #19 (Fund 289). The amount for CFD #18 is $103,650 and CFD #19 is $7,260 through June 30, 2021. Both CFD #18 and CFD #19 will require an additional appropriation in the current fiscal year for this amendment. There are sufficient funds available for the additional appropriation amounts in each fund identified.

ATTACHMENT

Resolution No. 10606 - A Resolution Authorizing the City Manager to Execute a Contract Amendment with Terracare Associates for Landscape Maintenance Services in New Maintenance Areas and Appropriation of Funds (Contract File No. 172-21 20-004)

Submitted,

_____

Lorraine Poggione, Parks & Recreation Director

RESOLUTION NO. 10606

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH TERRACARE ASSOCIATES FOR LANDSCAPE MAINTENANCE SERVICES IN NEW MAINTENANCE AREAS AND APPROPRIATION OF FUNDS (CONTRACT FILE NO. 172-21 20-004)

WHEREAS, the City of Folsom currently provides the maintenance and servicing of Landscaping and Lighting, and Community Facilities Districts throughout the City and contracts with the private sector to provide maintenance services for said Landscaping and Lighting, and Community Facilities Districts; and

WHEREAS, the current maintenance services agreement does not include landscape maintenance services for newly accepted areas within the Folsom Plan Area (FPA) and the Prospect Ridge Landscaping & Lighting District; and

WHEREAS, the City of Folsom desires to amend the Maintenance Services Agreement with Terracare Associates to include certain additional municipal landscape maintenance services; and

WHEREAS, the contract amendment will be in the amount of $221,820 for calendar year 2021; and

WHEREAS, an additional appropriation in fiscal Year 2020-21 will be required in the amount of $103,650 in CFD #18 (Fund 288) and $7,260 in CFD #19 (Fund 289) for the contract amendment.; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a contract amendment to the Maintenance Services Agreement, in a form acceptable to the City Attorney, with Terracare Associates to continue additional landscape maintenance services in the amount of $221,820 services and $25,660 for unscheduled/irrigation services for the period of January 1, 2021 through December 31, 2021.

BE IT FURTHER RESOLVED that the City Council of the City of Folsom authorizes the Finance Director to appropriate an additional $103,650 to CFD #18 (Fund 288) and $$7,265 to CFD #19 (Fund 289) for Fiscal Year 2020-21. The remainder will be included during the budget process.

PASSED AND ADOPTED this 23rd day of March 2021 by the following roll-call vote:

AYES: Councilmember(s)

NOES: Councilmember(s)

ABSENT: Councilmember(s)

ABSTAIN: Councilmember(s)

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Old Business
SUBJECT:	Resolution No. 10600 – A Resolution of the City Council Confirming Emergency Order DES-06-20 Issued by the Director of Emergency Services
FROM:	City Attorney's Office

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council pass and adopt the following Resolution:

Resolution No. 10600 – A Resolution of the City Council Confirming Emergency Order DES-06-20 Issued by the Director of Emergency Services

BACKGROUND / ISSUE

The rapid spread of the novel coronavirus 2019 (COVID-19) throughout the country has caused many states, including the State of California, to declare a state of emergency. Part of the reasons for the emergency declarations is due to the lack of a vaccine and effective medical treatment to help patients recover from COVID-19, which has resulted in severe illnesses, health complications and deaths worldwide.

The Governor of the State of California declared a state of emergency on March 4, 2020. The Sacramento County Board of Supervisors ratified the declaration of a state of emergency by the County Health Officer on March 10, 2020. The Folsom City Council declared the existence of a local emergency on March 16, 2020.

POLICY / RULE

Rules and regulations issued by the City's Director of Emergency Services must be confirmed by the City Council at the earliest practicable time. Folsom Municipal Code Section 2.28.040(E)(1).

ANALYSIS

On the basis of the City Council declaration of a local emergency, the City's Director of Emergency Services (City Manager) is empowered to make and issue rules and regulations on matters reasonably related to the protection of life, environment and property as affected by such emergency, and that such emergency rules and regulations must be confirmed by the City Council at the earliest practicable opportunity.

Following the City Council's proclamation of a local emergency, the City's Director of Emergency Services issued Emergency Order DES-01-20 on March 20, 2020 (confirmed by the City Council on March 27, 2020), Emergency Order DES-02-20 on April 1, 2020 (confirmed by the City Council on April 14, 2020), Emergency Order DES-03-20 on April 10, 2020 (confirmed by the City Council on April 28, 2020), Emergency Order DES-04-20 on May 1, 2020 (confirmed by the City Council on May 12, 2020), and Emergency Order DES-05-20 (Amended) on July 2, 2020 (confirmed by the City Council on July 14, 2020).

In the interest of protecting life and property of those affected by the COVID-19 emergency, the City's Director of Emergency Services issued a further Emergency Order, DES-06-20, on March 8, 2021.

Emergency Order DES-06-20 is being presented to the City Council for confirmation consistent with Section 2.28.040(E)(1) of the Folsom Municipal Code.

FINANCIAL IMPACT

Costs and expenses associated with emergency response actions are budgeted in the City's General Fund, which may be reimbursable under the State and Federal emergency proclamations.

ENVIRONMENTAL REVIEW

This action is not considered a project under Section 15061(b)(3) of the California Environmental Quality Act Guidelines, and as such is exempt from environmental review.

ATTACHMENTS

1. Resolution No. 10600 – A Resolution of the City Council Confirming Emergency Order DES-06-20 Issued by the Director of Emergency Services

2. Emergency Order DES-06-20

Respectfully submitted,

Steven Wang, City Attorney

ATTACHMENT 1

RESOLUTION NO. 10600

A RESOLUTION OF THE CITY COUNCIL CONFIRMING EMERGENCY ORDER DES-06-20 ISSUED BY THE DIRECTOR OF EMERGENCY SERVICES

WHEREAS, the Governor of the State of California proclaimed on March 4, 2020 a State of Emergency to exist in California as a result of the threat from the rapid spread of a respiratory illness caused by novel coronavirus 2019 (COVID-19); and

WHEREAS, Sacramento County has confirmed community transmission of COVID-19, with multiple cases of diagnosed patients, and cautioned that the rapid transmission of COVID-19 poses an ongoing risk and likelihood of additional patients in Sacramento County; and

WHEREAS, on March 10, 2020 the Sacramento County Board of Supervisors ratified the County Public Health Officer's Proclamation of Local Public Health Emergency in Sacramento County due to the threat to public health and safety from COVID-19; and

WHEREAS, on March 16, 2020, the City Council adopted Resolution No. 10408 and proclaimed the existence of a local emergency in the City of Folsom; and

WHEREAS, following the City Council proclamation of a local emergency, and based on the authority in Section 2.28.040 of the Folsom Municipal Code, the City's Director of Emergency Services issued Emergency Order DES-01-20 on March 20, 2020 (confirmed by the City Council on March 27, 2020), Emergency Order DES-02-20 on April 1, 2020 (confirmed by the City Council on April 14, 2020), Emergency Order DES-03-20 on April 10, 2020 (confirmed by the City Council on April 28, 2020), Emergency Order DES-04-20 on May 1, 2020 (confirmed by the City Council on May 12, 2020), and Emergency Order DES-05-20 (Amended) on July 2, 2020 (confirmed by the City Council on July 14, 2020); and

WHEREAS, during the COVID-19 public health emergency, Sacramento County Health Officer Order dated March 3, 2021 allows removal of homeless encampments on public property that pose a public safety hazard as designed by local orders; and

WHEREAS, consistent with, and pursuant to, Sacramento County Health Officer Order dated March 3, 2021, the City's Director of Emergency Services issued further rules and regulations in Emergency Order DES-06-20 on March 8, 2021 for the purpose of protecting the public's health, life and safety by preventing the start and spread of wildfire to surrounding residential homes and structures; and

WHEREAS, rules and regulations issued by the City's Director of Emergency Services shall be confirmed by the City Council as early as practicable under the circumstances of the emergency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that Emergency Order DES-06-20 is hereby confirmed, and all actions taken in furtherance thereto are hereby ratified and approved.

PASSED AND ADOPTED this 23rd day of March, 2021, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

EMERGENCY ORDER
DES-06-20

Pursuant to the Proclamation of a State of Emergency by California Governor Gavin Newsom on March 4, 2020 in response to the rapid spread of the novel coronavirus (COVID-19), the Governor's Executive Orders (including but not limited to N-33-20), the City's Proclamation of a Local Emergency dated March 16, 2020, the most recent Order of the Sacramento County Health Officer dated March 3, 2021, and Government Code Section 8634, I hereby issue the following Order:

1. The open space areas in the City of Folsom identified in Exhibit A attached hereto are subject to weed abatement and ladder-fuel clearing for the purpose of protecting the public's health, life and safety by preventing the start and spread of wildfire to surrounding residential homes and structures, based on the following:

A. Sacramento County Health Officer Order dated March 3, 2021 allows removal of homeless encampments on public property that pose a public safety hazard as designed by local orders.

B. The City has a vast number of open space areas that require annual and periodic weed abatement and ladder-fuel clearing to prevent the start and spread of wildfire to surrounding residential homes and structures, and some individuals experiencing homelessness live unsheltered in those open space areas.

C. Combustible materials such as butane canisters, propane, lighter fluid, matches, lighters, charcoal, wood briquettes, smoking materials, candles, heat lamps, heaters, paper, paper boxes and containers have been found, observed, and discarded in homeless encampments in the City's open space areas.

D. Over the past year, the Folsom Fire Department responded to at least seven open space vegetation fires in the City associated with, or directly attributed to, homeless encampments. All these fires had significant potential for spreading, property destruction and potential loss of life due to dense vegetation, terrain, and closeness to residential neighborhoods, and some required multi-jurisdictional responses to aggressively attack, contain, and extinguish with large and coordinated firefighting efforts.

E. Wildfires pose a significant life and safety danger to residents and homeless individuals alike, thus for purpose of protecting the public's health, life, and safety, weed abatement

and ladder fuel reduction in the City's open space areas are necessary and require temporary cleaning and clearing of the homeless encampments in those areas.

2. Temporary abatement of homeless encampments under this Emergency Order shall follow the City's standard noticing protocol to individuals experiencing homelessness in the identified areas so that homeless individuals can collect and safeguard their personal belongings, and the items they no longer need or want can be discarded in City-supplied refuse containers.

Failure of any person to comply with this Order and any order issued by a law enforcement officer pursuant to this Order constitutes an imminent threat to public health.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the City of Folsom, its departments, officers, employees, or any other person.

If any provision of this Order to the application thereof to any person or circumstances is held to be invalid, the remainder of the Order, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of this Order are severable.

This Order shall be filed in the City Clerk's Office and given widespread publicity and notice.

IT IS SO ORDERED:
DES-06-20

Date: March 8, 2021

By: _____
Elaine Andersen
City Manager
Director of Emergency Services

EXHIBIT A

[SEE ATTACHED]

City Ladder Fuel
3.1.2021
Legend
Phase 1
Phase 2
Phase 3
Folsom Lake Crossing
Oak Ave
Elm Ave
Central Ave
Greenback Ln
Pershing Ave
Madison Ave
Main Ave
Sunset Ave
Folsom Auburn Rd
American River
E Natoma St
Natoma St
Glenn Dr
Blue Ravine Rd
Riley St
Oak Ave Pkwy
Scholar Way
Broadstone Pkwy
Empire Ranch Rd
Golf Links Dr
Green Valley Rd
Sophia Pkwy
Silva Valley Pkwy
El Dorado Hills Blvd
Serrano Pkwy
Iron Point Rd
Folsom Blvd
Natoma Station Dr
Prairie City Rd
Google Earth
2 mi
N

			Ladder fuel work												
			L&L												
Phase	FFD Hazard Rating	Number of risk factors	Location	District	Toatal Acres	Linear feet of fence/road	Acres of Fuel ladder to be completed	CDFW	Months to work	APN	Lat, Long			Adjacent Structures L&L	Width of defensible space
1	1	6	Sibley to Lombi Park	Folsom Heights	15.57	6723	10.8	Y	01Oct-14Feb	071-1050-051-0000 071-1780-021-0000 071-1790-019-0000 071-0320-029-0000	38.663505, -121.168065			51	30-80 ft wide
1	1	5	Arterial trail from Fort Rock to Temperance River Ct	ARCN	12.3	7500	12	N	Any	227-0090-067-0000 227-0470-030-0000 227-0470-032-0000 227-0410-040-0000 227-0420-024-0000 227-0430-025-0000 227-0590-023-0000	38.707083, -121.187656			94	80 ft wide
1	1	5	Iron Pt to Catterline	Broadstone 3	2.85	1145	1.8	Y	01Oct-14Feb	072-2060-037-0000	38.648611, -121.108892			6	40 ft wide
1	1	5	Serpa to Tiburty	Broadstone 3	3	1262	2	Y	01Oct-14Feb	072-2760-031-0000	38.650655, -121.107551			9	30-70 ft wide
1	1	5	Catterline to Serpa/Listowe	Broadstone 3	2.85	1581	1.6	N	Any	072-2740-029-0000	38.653957, -121.113119			8	40 ft wide
1	1	5	Listowe to Broadstone Pkwy	Broadstone 3	10.11	3485	5.6	Y	01Oct-14Feb	072-0270-148-0000	38.657476, -121.11284			19	40-100 ft wide
1	1	5	Tiburty to North boundry	Broadstone 3	4.02	1877	2.7	Y	01Oct-14Feb	072-2760-030-0000	38.65203, -121.105802			11	70-150 ft wide
1	3	5	Humbug creek from Oak Ave to Willow Berid Park	Parks	35.08	12035	10.3	Y	01Oct-14Feb	071-1240-009-0000 071-1240-021-0000	38.677134, -121.126946			52	30-70 ft wide
1	3	5	Willow Creek from Oak Ave to Silberhorn/Broder circle	Parks	53.18	13175	21.8	Y	01Oct-14Feb	071-0050-051-0000 071-1240-031-0000	38.671271, -121.126774			86	30-70 ft wide
1	3	5	Amos Cattle SE corner	Parks	8.77	1455	2.9	Y	01Oct-14Feb	072-1560-055-0000 072-1380-032-0000	38.652807, -121.154841			13	50-70 ft wide
1	1	4	Flat Rock and Alpine Falls	ARCN	3.46	1185	1.9	Y	01Oct-14Feb	227-0090-065-0000	38.71181, -121.187402	Acres of Fuel ladder to be completed	Acres of Fuel ladder to be completed	6	30-80ft wide
1	3	4	Hinkle Creek Nature area	Parks	48.41	11460	18.4	Y	01Oct-14Feb	213-0060-026-0000 213-0060-024-0000 213-0060-023-0000	38.691079, -121.182865	Parks Phase 1	L&L Phase 1	116	10 ft near roads, 80-100 ft near homes
1	2	3	City Hall complex from PD to lower rodeo	Parks	10	2160	3.5	N	Any	071-0010-014-0000	38.684605, -121.166181	74.4	38.4	10	30-150 ft wide
1	3	5	Cattin North	Parks	23.03	6100	9.8	N	Any	072-1410-032-0000 072-1180-005-0000 072-1720-002-0000 072-1730-041-0000	38.656511, -121.159147			41	50-70 ft wide
				Year 1 total	232.63	72943	112.8								
2	3	4	BT Collins open spaces East of park	Parks	22.51	7190	11.5	N	Any	071-0800-040-0000 071-0850-021-0000 071-0800-026-0000	38.683935, -121.132868			90	30-50 ft wide
2	1	4	Blue Ravine and Riley	Prarie Oaks Ranch	4.18	2660	3.1	Y	01Oct-14Feb	072-1710-030-0000	38.660786, -121.156027			11	30-70 ft wide
2	1	4	Duncan to Keefer	Prarie Oaks Ranch	8.29	3964	6.4	Y	01Oct-14Feb	072-1710-035-0000 072-1710-051-0000	38.657988, -121.155829			49	up to 425 ft wide
2	1	4	Riley to Hall	Prarie Oaks Ranch	6.96	4255	6.8	Y	01Oct-14Feb	072-1180-021-0000	38.659132, -121.151004			34	30-50 ft near homes
2	1	4	Between Rossi and Hall	Prarie Oaks Ranch	0.91	814	0.91	Y	01Oct-14Feb	072-1730-010-0000	38.656652, -121.154064			4	30-40 ft
2	1	4	Hall to McGuire Ct	Prarie Oaks Ranch	2.69	1704	2.69	Y	01Oct-14Feb	072-1390-011-0000	38.65679, -121.152621			19	up to 180ft wide
2	1	4	Grover to Hansen Cir	Prarie Oaks Ranch	4.07	1680	2.7	Y	01Oct-14Feb	072-1380-058-0000 072-1370-032-0000	38.652186, -121.153205			25	50-100 ft wide
2	1	4	Hansen Cir to Willow Springs trail	Prarie Oaks Ranch	3.6	1430	2.3	Y	01Oct-14Feb	072-1380-019-0000	38.652844, -121.151113			14	30-70 ft wide
2	1	4	Willow Springs trail head at Iron Pt	Willow Springs	1.73	1565	1.73	N	Any	072-0020-026-0000	38.650094, -121.152612			10	140 ft total width with structres on each side
2	1	4	BT Collins open spaces West of park	Parks	12.26	7850	12	N	Any	071-0490-035-0000 071-0490-021-0000 071-0600-001-0000 071-0640-067-0000 071-0610-014-0000 071-0040-087-0000 071-0040-046-0000	38.683248, -121.143747			74	50 ft average with one area out to 250 ft wide

2	E	4	West of Rivbez Park	Parks	4.3	2743	4	N	Any	070-0120-021-0000 070-0120-034-0000 070-0120-043-0000 070-0070-009-0000	38.680208, -121.169851			15	30-100 ft wide
2	E	4	Between Heaton Way and Tiverna Way	Parks	7.26	2022	4.7	N	Any	072-0270-084-0000	38.661604, -121.142953			28	70 ft near homes
2	E	5	Willow Hill reservoir and surrounding open spaces	Parks	21.1	6781	10.9	Y	01Oct-14Feb	072-2780-080-0000 072-2780-074-0000 072-2780-073-0000 072-2780-072-0000	38.645165, -121.153639			102	up to 270 ft wide
2	E	3	Natoma, Briggs Ranch, Folsom lake crossing	Parks	6.56	875	1.4	N	Any	071-0040-055-0000	38.693423, -121.142996			6	up to 150 ft wide
2	E	3	Broadstone Pkwy East of Vista Del Lago		19.24	1675	2.7	Y	01Oct-14Feb	072-1170-149-0000 072-1170-152-0000	38.653008, -121.101519			14	50-70 ft wide
2	E	3	Humbug creek from riley to Cummings park	Parks	64.33	18199	29.2	Y	01Oct-14Feb	071-0370-110-0000 071-0040-120-0000	38.673432, -121.145271			300	up tp 200 ft wide
2	E	3	Alabaster point	ARCN	9.38	4280	6.9	N	Any	227-0050-007-0000 227-0090-064-0000	38.712542, -121.190875			24	Entire lots due to power towers, trails, road frontage, roughly 300Ft wide
2	E	3	Willow Creek From Riley to E Bidwell	Parks	14.55	7953	12.7	Y	01Oct-14Feb	072-1480-013-0000 072-1480-014-0000 072-1470-019-0000 072-0980-029-0000	38.665642, -121.150249	Acres of Fuel ladder to be completed	Acres of Fuel ladder to be completed	98	up to 200 ft wide
2	E	3	Temperance River Ct	ARCN	7.94	2535	4.1	Y	01Oct-14Feb	227-0090-066-0000	38.712889, -121.187839	Parks Phase 2	L&L Phase 2	16	50ft along homes, 10 ft from trail, 10 ft from road
				Year 2 Total	221.86	80484	126.93					89.1	37.83		
3	I	4	Haverhill to Haldon along tennis club	Broadstone 1&2	3.83	3207	3.83	Y	01Oct-14Feb	072-1190-088-0000	38.649751, -121.135017			13	20-50 ft wide
3	I	4	Bundrick to Blough	Broadstone 1&2	2.3	2245	2.3	Y	01Oct-14Feb	072-1190-017-0000	38.650907, -121.130907			34	50 ft wide
3	I	4	Clarksville to Rundgren way	Broadstone 1&2	2.5	2475	2.5	Y	01Oct-14Feb	072-1190-016-0000	38.651242, -121.128461			32	30-50 ft wide
3	I	4	Blough to Iron Pt	Broadstone 1&2	5	4107	5	Y	01Oct-14Feb	072-1540-053-0000	38.647119, -121.131852			27	30-80 ft wide
2	D	4	Rowberry to Iron pt	Broadstone 1&2	2	2475	2	Y	01Oct-14Feb	072-1190-044-0000	38.646768, -121.129577			21	30-80 ft wide
3	E	2	Gondoni rd	Briggs Ranch	5.83	2274	3.7	Y	01Oct-14Feb	071-0010-026-0000	38.686254, -121.131201			22	30-90 ft wide
3	E	3	Drainage area Bentley Square East	Broadstone 1&2	1.27	590	1	Y	01Oct-14Feb	072-1610-054-0000	38.663147, -121.136658			5	30-45 ft wide
3	E	3	Drainage area Bentley Square West	Broadstone 1&2	1.37	400	0.6	Y	01Oct-14Feb	072-1070-102-0000	38.665543, -121.142269			6	30-50 ft wide
3	E	3	Drainage area at Blue Ravine and Turnpike	Natoma Station	4.4	1250	2	Y	01Oct-14Feb	072-1330-001-0000	38.655799, -121.171798			15	60-100 ft wide
3	E	2	Duncan water retention pond	Prairie Oaks Ranch	0.53	650	0.53	Y	01Oct-14Feb	072-1710-015-0000	38.660401, -121.155373			3	100 ft wide
3	E	2	Russi water retention pond	Prairie Oaks Ranch	1.02	895	1	Y	01Oct-14Feb	072-1710-034-0000	38.658822, -121.154648			10	entire lot outside of high water mark
3	E	2	Riley water retention pond	Prairie Oaks Ranch	0.2	375	0.2	Y	01Oct-14Feb	072-1440-036-0000	38.660242, -121.152841			3	entire lot inside fence
3	E	2	Gruver water retention pond	Prairie Oaks Ranch	0.38	615	0.38	Y	01Oct-14Feb	072-1580-057-0000	38.652655, -121.153989			3	100 ft wide
3			West side of John Kemp Park	Parks	13.7	1440	2.3	Y	01Oct-14Feb	072-1190-123-0000	38.65398, -121.134499			30-90 ft wide	
3			Dos Coyotes trail area	Parks	9.9	3410	5.5	Y	01Oct-14Feb	069-0250-003-0000	38.65205, -121.182533			50	30-100 ft wide
3			Ponds SE of Iron Pt and Buckingham	Parks	8.23	2700	8.3	Y	01Oct-14Feb	072-1190-144-0000	38.643901, -121.144499			70	30-60 ft wide
3			SE of Iron Pt Circle	Parks	1.76	810	1	Y	01Oct-14Feb	072-1190-120-0000	38.643599, -121.141796			20	60-100 ft wide
3	E	2	Parkshore outer limits	Parks	44.01	12406	19.9	Y	01Oct-14Feb	071-0020-085-0000 071-0020-086-0000 072-0010-057-0000 072-0010-058-0000 072-0010-059-0000	38.660129, -121.179861			173	30-100 ft wide
3			JPA from Blue Ravine to Natoma Station Drive	Parks	5.28	3955	5.28	N	Any	072-0850-012-0000 072-0850-016-0000 072-0840-020-0000	38.649377, -121.183434			100	entire lot between rail tracks and property boundries 30-90 ft
3	E	2	Between Lembi Park and Station 35	Parks	12.59	690	1.1	Y	01Oct-14Feb	071-0320-079-0000 071-0320-078-0000 071-0690-006-0000 071-0400-096-0000	38.668105, -121.164132			28	80 ft wide
3	E	2	Marsh Hawk south of pond	Parks	12.12	2585	4.2	Y	01Oct-14Feb	072-1820-001-0000 072-1830-031-0000	38.651299, -121.144413			8	30-80 ft wide
3	E	2	SW side Nivenan Park	Parks	38	4274	6.9	Y	01Oct-14Feb	072-1170-143-0000	38.661319, -121.105424			20	30-100 ft wide
3	E	1	2 lots on Black Powder Circle	Las Cerros	0.52	1065	0.52	Y	01Oct-14Feb	072-0980-019-0000 072-0990-004-0000	38.666278, -121.148506 38.664502, -121.149981			8	Entire lots 100 ft wide

3	3	1	Chafin Ct	Prairie Oaks Ranch	0.3	260	0.3	Y	01Oct-14Feb	072-1470-019-0000	38.663618, -121.151977			5	70 ft wide
3	4	1	Obsidian Cliff Ct	ARCN	0.29	495	0.29	Y	01Oct-14Feb	227-0540-020-0000	38.711247, -121.191898			5	entire lot 80 ft wide
3	5	1	Knob Fork Ct	ARCN	0.31	495	0.31	Y	01Oct-14Feb	227-0540-030-0000	38.711103, -121.19034			6	entire lot 80 ft wide
3	2	1	Avalanche Peak and Snowy Range Ct	ARCN	2.44	2185	2.4	Y	01Oct-14Feb	227-0610-023-0000	38.698886, -121.183477			14	10 along road and upto 80 ft behind properties
3	1	1	Trail from Densmore to Iron Pt	Broadstone 1&2	2.17	1100	1.8	Y	01Oct-14Feb	072-1580-029-0000 072-1590-040-0000	38.647094, -121.144147			19	30-50 ft wide
3	1	1	South side of Iron Pt from Costco to East border	Broadstone 1	18.76	2156	3.5	Y	01Oct-14Feb	072-2270-016-0000 072-2270-008-0000	38.647262, -121.106928			10	20-30 ft wide
3			Natoma station pond area	Parks	4.83	1250	1.9	Y	01Oct-14Feb	072-0850-037-0000	38.650549, -121.180649			40	30-50 ft wide
3			Treatment Plant on Natoma (approx 1 acre within lots	Parks	1	800	1	Y	01Oct-14Feb		38.685568, -121.150882			24	140 ft total width with structres on each side
3			Chinese Diggins Mine Site	Parks	7.85	925	1.3	N	Any	072-0840-027-0000 072-1220-025-0000	38.64145, -121.193455			20	100 ft wide
3			Empire Ranch Rd and Ritchie	Parks	7.56	1450	2.3	Y	01Oct-14Feb	073-3340-001-0000	38.665949, -121.097495			5	50-70 ft wide
3			Mercy housing	Parks	3.2	950	1.5	Y	01Oct-14Feb	071-0040-160-0000	38.668368, -121.141806			35	100 ft wide
3			Sun Country	Parks	7.51	2457	3.9	Y	01Oct-14Feb	071-1380-071-0000 071-0020-121-0000	38.661716, -121.173107			10	30-100 ft wide
3			Empire Ranch Rd and Buljan Ct	Parks	3.38	775	1.2	Y	01Oct-14Feb	072-1170-140-0000	38.658591, -121.094871				50 ft wide
3			Prospect Ridge behind homes	Prospect Ridge	3.67	2539	3.67	N	Any	071-1370-037-0000 071-0000-036-0000	38.659317, -121.164246			40	entire lot 90ft wide
3			Willow Creek, Willow Bend-Parkway Drive	Parks	2.16	1547	0.48	Y	01Oct-14Feb	071-1410-082-0000	38.679335, -121.122352				10ft along road and both sides of trail
3			Willow Creek Parway-East Natoma	Parks	99.8	23962	13.7	Y	01Oct-14Feb	071-1410-113-0000	38.678362, -121.117095			133	10ft along road and both sides of trail, 30ft near homes
												Acres of Fuel ladder to be completed	Acres of Fuel ladder to be completed		
												Parks Phase 3	L&L Phase 3		
				Year 3 total	296.81	97909	115.59					81.43	34.16		
				All Property Total	751.3	251336	355.32							2492	

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Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Old Business
SUBJECT:	Further Direction to Staff on Future Use Options for City-owned Property at 405 Natoma Station Drive
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully requests that the Council refine its direction or provide further direction on the potential uses for the City-owned property at 405 Natoma Station Drive.

BACKGROUND / ISSUE

Following staff presentation at the March 9, 2021 City Council meeting regarding the vacant City facility at 405 Natoma Station Drive, the Council discussed options to retain the facility for City operations, lease the facility, or sell the facility. The Council ultimately gave direction to staff to use the facility for Parks and Recreation programming and services.

Staff would like further direction from the City Council to explore the possibility of leasing all or a portion of the facility under a short-term lease, while at the same time implementing Parks and Recreation programming and services in the facility pursuant to Council direction of March 9, 2021.

POLICY / RULE

A city-owned property may be leased for a period not to exceed 55 years. Government Code section 37380(a).

FINANCIAL IMPACT

This action will not adversely impact the City's general fund. All revenue generated from the lease will be deposited in the City's general fund.

ENVIRONMENTAL REVIEW

This action does not involve approval of a lease and is not considered a project under Section 15061(b)(3) of the California Environmental Quality Act Guidelines, and as such is exempt from environmental review.

Submitted,

_____

Lorraine Poggione, Director
Parks and Recreation Department

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	New Business
SUBJECT:	Presentation on Use Options for the Retail Space in the Historic District and Direction to Staff
FROM:	Parks and Recreation Department

BACKGROUND / ISSUE

The Parks and Recreation Director will make a presentation regarding potential use options for the retail space in the Historic District.

Submitted,

Lorraine Poggione,
Parks and Recreation Director

Historic District Retail Space
City Council Presentation
March 23, 2021

CITY OF FOLSOM

Background

- Space was built as part of parking garage-2008
- 3,700 square feet (gross)
- Very simple “shell”-no improvements
- City acquired from RDA in 2012
- Leased to Folsom Historical Society to bring in Museum of Wonder and Delight-2014 ($1 per month for 3-year lease)
- Zoning: Historic District (HD)/Commercial C-2

Interior View

Interior and Outside View

Site Use Guidelines

- Site is zoned Historic District (HD) zone=same as Commercial-2
- 257 allowed uses: Advertising, barbershop, church, clothing, florist, jewelry, vet, wedding chapel, among others
- Would need to be:
  - Consistent with FMC section 17.22 (C-2 allowed uses)
  - Consistent with FMC section 17.56 –Historic District

Options for Future Use

- Retain for City Uses
- Lease
- Sell

Option 1: City Uses

- Meeting/Banquet Room Space (all or portion of space)
  - Compliment (not compete) with near-by existing Historic District uses
- City Service Hub (very small portion of the space)
  - Police/Code Substation
  - Fire/Water Safety substation-life jackets, safety tips, etc
  - City Services-Information Center

Option 2: Lease Option

- Lease space
  - Restaurant
  - Shops/retail
  - Deli/local market
  - Offices/Meeting space
  - Event space
  - Tourism/Welcome Center
  - Faith-Based Center
  - Other allowable uses
- There have been general inquiries on the space since it's been vacant and would likely generate more interest with an request for proposal

Option 3: Sell

- City could create a commercial condo
- Would require City to retain an engineering firm to prepare the required condominium conversion documents

Cost of Improvements

- T.I. Improvements (basic)
  - Restrooms
  - Kitchen
  - Storage
  - Walls
  - Fire suppression/exit signage
  - HVAC modifications as needed
  - Electrical
  - Window blinds
  - Drop lighting
  - Paint
  - Audio Visual System*

- T.I. Approximate Costs:

$150,000 to $200,000

Option 1: Revenue-City Use

Entire Facility:

Proposed rental rate would have to be determined but similar rates for similar spaces is about: .50 cents per SF ($1,850 for an 8-hour rental)

- Rented 2 times per month=$44,400/year
- Rented 4 times per month=$88,800/year
- Rented 8 times per month=$177,000/year

By Comparison:

- Comm. Center (E/W Ballroom): .49 cents per SF
- Local Hotel (similar space): .50 cents to $1.03 per SF

Option 2: Revenue-Lease

Lease price would have to be determined but with tenant improvements completed: $2.00 per SF or $7,400 per month

- $88,800 per year

Note: this could vary depending upon the tenant selected and negotiated terms for reduced rent or other arrangements

Option 3: Revenue-Sell

For sell option has several steps and documentations which require funding. A sales price would have to be derived and recommended to City Council. Similar retail space:

- $200-$250 per SF
- $740,000 to $925,000

Option Comparisons

	TI Costs	Furniture and Fixtures	O&M Costs	Revenues
Option 1-City				
a. Full Rental	$150,000	$80,000	$20,000	$44,000 to $177,000 per year
b. 1/2 Rental/ City Hub	$150,000	$40,000	$10,000	$22,000 to $88,800 per year
Option 2-Lease	$150,000	$0	$0	$88,800 per year
Option 3-Sell	$150,000 +consultant	$0	$0	$740,000 to $925,000

Direction to Staff

- Proceed with exploring City/Municipal Options and return for further Council direction
- Proceed with Lease Option and return
- Proceed with Sell Option and return
- Other Direction or Ideas?

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	New Business
SUBJECT:	Presentation on the Dan Russell Rodeo Arena and Direction to Staff
FROM:	Parks and Recreation Department

BACKGROUND / ISSUE

The Parks and Recreation Director will make a presentation regarding the Dan Russell Rodeo Arena and parking availability.

Submitted,

Lorraine Poggione,
Parks and Recreation Director

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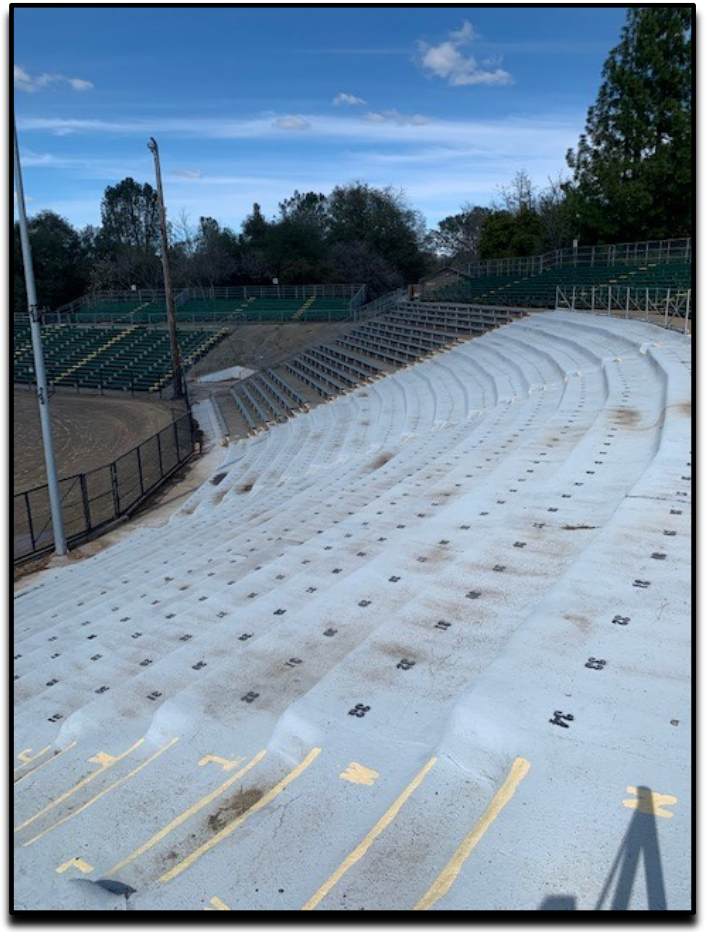


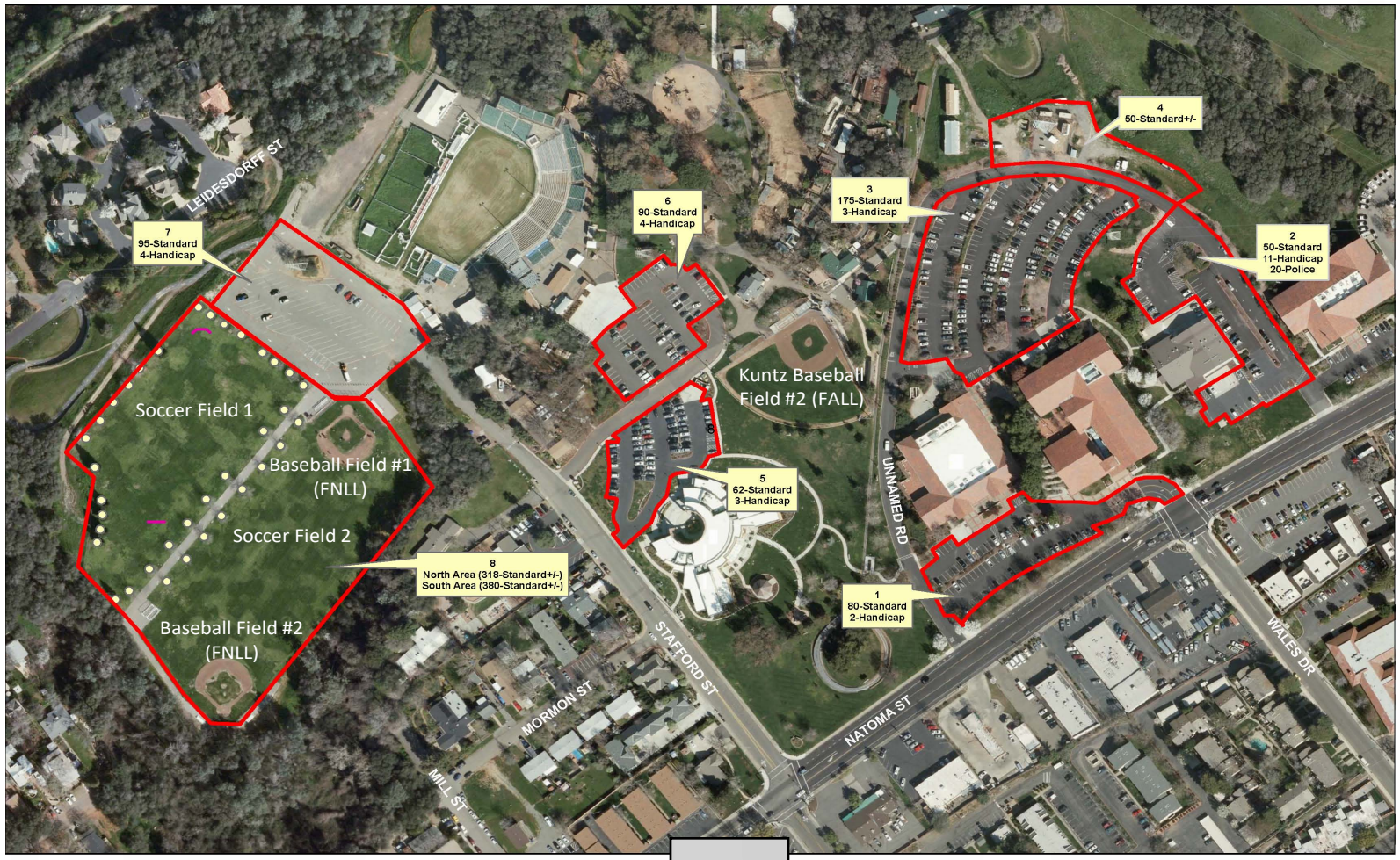
Rodeo Grounds Presentation

City Council Meeting March 23, 2021

CITY OF FOLSOM

Location Map

CITY OF FOLSOM



Background

- Dan Russell Arena was built in 1960 (one of the earliest P&R amenities)
- Collaborative effort of Russell Family, Lions Club, and service organizations
- Entire Arena is about 2.5 acres. Arena floor is about 42,000 square feet, with seating for approximately 6,000 people
- There have been 59 Rodeos mostly all in the Rodeo grounds
- Many other events over the last 60 years

Event History at Arena

- Folsom Pro-Rodeo
- Circus
- Dirt Bike Events
- Concerts
- Rodeo Cross (Cyclocross bike riding)
- Renaissance Faire
- Amgen Tour of California
- Paint Ball Events
- High School Graduations
- Soccer Opening Days
- P&R Events: Wacky Dash, R Rentals

Current Arena Rental Schedules

- Pro-Rodeo
  - Site Preparation, Inspections, Repairs: May/June
  - Event: End of June to Early July
- Scheduled Concerts
  - July 30 & 31; August 20 & 21; September 17 & 18; October 15 & 16
- Renaissance Faire
  - Site Preparation, Inspections, Repairs: September
  - Event: September 23 through 27
- RodeoCross
  - October 6, 13, 20, & 27

Current yearly revenue for Arena (FY 21-22)=$43,050

No long-term agreements for any of these recurring events.

Immediate and Adjacent Parking Availability

- Rodeo: 52 spaces and 4 ADA
- City Park: 91 spaces and 4 ADA
- Library: 58 spaces and 3 ADA

Youth Sports Usage of Adjacent Fields: Parking Availability Impact

- The City currently has 11 MOUs covering our existing Community Youth Sports Leagues (CYSL).
- Adjacent Rodeo Park and nearby Kuntz Field both used as part of these MOUs (soccer and baseball).
- In 2019 = 3,010 soccer players and 960 baseball players
- There are 5 City fields that are utilized for soccer (including Rodeo), and 13 fields for baseball (including Kuntz)
- There are currently no available fields to relocate baseball and limited field capacity to relocate soccer

Numbers and Relationships

- Soccer and Baseball pay $26 per player
  - $17 goes to City
  - $5 goes to Adopt-A-Facility
  - $4 goes to School District
- In 2019, City received $51,000 from Soccer and $16,000 from Baseball
- City schedules all fields on City and school district property
- All in accordance with the Service Delivery Plan, MOUs, Joint-Use Agreement, Adopt-A-Facility

Current Schedule - Soccer

- Rodeo Soccer Field One
  - July, August, Sept., Oct., November
  - Monday through Saturday, 4 p.m. to dark
  - All parking needed
- Rodeo Soccer Field Two
  - July, August, Sept., Oct., November
  - Monday through Saturday, 4 p.m. to dark
  - All parking needed

Current Schedule - Baseball

- Rodeo Baseball Field One
  - March, April, May, June
  - Monday through Saturday, 4:30 p.m. to dark
  - All parking needed
- Rodeo Baseball Field Two
  - March, April, May, June
  - Monday through Saturday, 4:30 p.m. to dark
  - All parking needed
- Kuntz Baseball Field
  - March, April, May, June, Aug., Sept., October
  - Monday through Saturday, 4:30 p.m. to dark (lighted field can go later)
  - All parking needed

Other Uses of Rodeo Parking Lot

- Zoo Field Trip Bus Parking
  - March, April, May, June
  - Monday through Friday; various times during day
- Wild Nights & Holiday Lights
  - In December
  - Event nights for overflow parking
- Christmas Tree Recycling
  - Second Saturday in January
- Weekend Parking for Trail/Downtown Access
  - Most Months
  - All weekends from 8 a.m. to dark
  - Parking lot mostly full
- Police Emergency Vehicle Operator Course (EVOC) Training
  - 1-2 times per year
- City Solid Waste Driver Training
  - 2-3 times per year
- Library Events
  - Overflow parking few times per year
- Community Center Events
  - Overflow parking for Weddings, Quilt Show, Events-several times per year
- Miscellaneous
  - HART In-Take Center-nightly January through March

Arena Availability Based On Parking Capacity & Current Nearby Uses

Mostly Available

- Months of January and February
- Many Friday and Saturday evenings are available with coordination

Some Availability

- Months of March through December
- Monday through Friday from 8 a.m. to 4 p.m.; Weekends after sunset

(Except for dates of Rodeo, Renaissance Faire, Concerts, Rodeo Cross, and other scheduled events if these were to continue at the site)

Existing Condition & Challenges

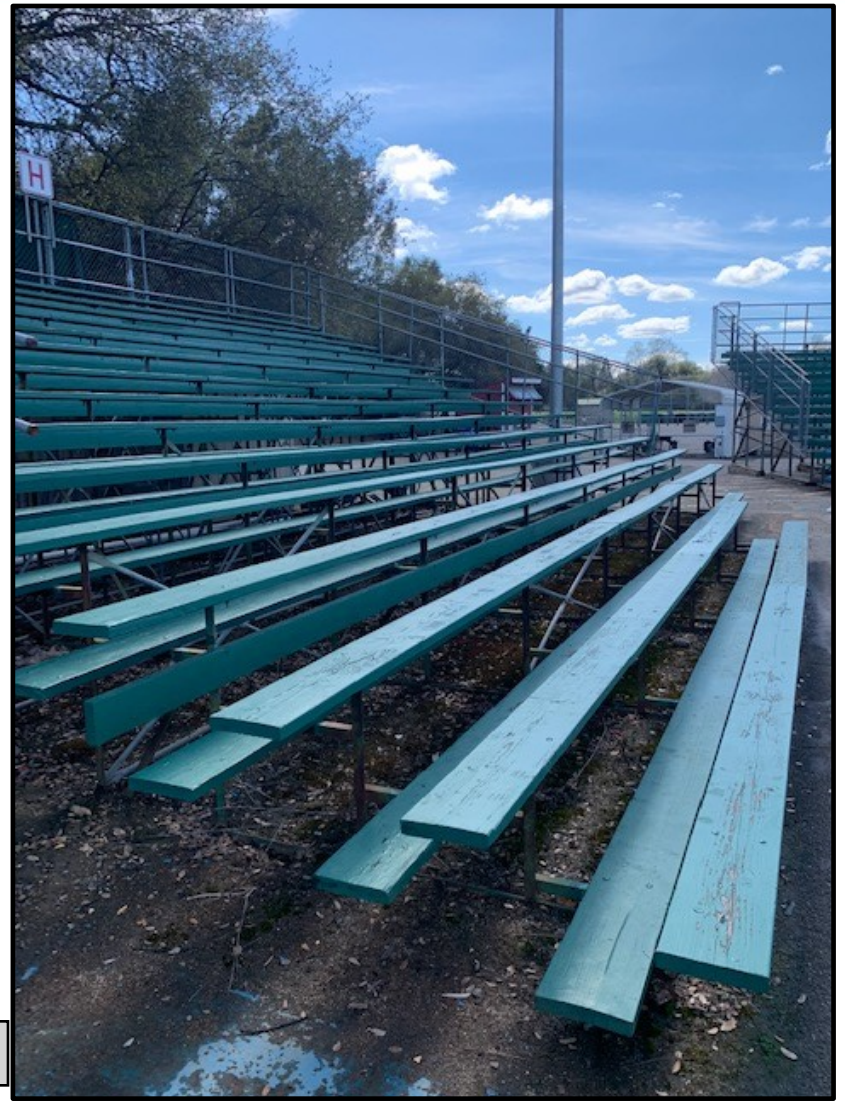
- Deficiencies and Repair Issues
  - Facility upgrades for improved access-stairs, stadium ingress/egress, seating, restrooms
  - Outdated restrooms
  - Not readily available for multi-use options (flooring, lighting, sound system)
  - Older amenities in fair condition- Ticket Booth/Concession Stands
- Aesthetic Items
  - Cyclone fencing
  - Limited irrigation and landscaping
- Limiting Factors
  - South-West Facing/un-covered Seating
  - Dirt arena/wind factor
  - Hot in summer months (June, July, August)
  - No covered seating
- Neighborhood Impacts
  - Scale and frequency of events
  - Type of events
  - Timing of events
  - Parking

Areas of Maintenance

CITY OF FOLSOM

Stadium and Bleachers

CITY OF FOLSOM



Older Amenities

Restrooms and Concession

CITY OF FOLSOM

Capital Improvement Costs

- Lighting
- Drainage
- Accessibility Improvements
- Remodeled Seating
- Underground Infrastructure

- Approximately $1.5 million (unfunded)

Bottom Line

- There is certainly capacity (especially during certain months and times of days) to increase usage of arena if consideration is given to limited parking availability (especially due to youth sports), infrastructure condition, and neighborhood adjacencies.

Options

Option 1: City Maintained

a. Maintain current programming and coordination of arena, fields, parking

b. Look for additional opportunities to fill in vacant time periods (w

c. Enhance Arena with improvements to attract higher-end events (City)

Option 2: Turn Over programming of Arena to a third party with revenue sharing agreement

Comparison of Options

	Upfront Costs	Yearly Revenue	Comments
Option 1-City			
a. Maintain Existing Operations	Minimal	$43,050	City continues normal scheduling with Leagues
b. Look for Additional Opportunties	Minimal	To be Determined	City markets and/or works with others for new opportunities
c. Enhance to Attract	$500k to $1.5 m	To be Determined	would continue to schedule
Option 2-Turn Over to 3rd Party	Unknown	To be Determined	League arrangements are affected; Parking on and off site affected; City loses control of a City facility

Direction to Staff

CITY OF FOLSOM

Option 1: City to continue operations; look for additional opportunities; and/or enhance Arena to attract new opportunities-requires funding

Option 2: Turn-Over Programming of Arena to a Third-Party Entity and enter into a revenue-sharing agreement. This option would entail changing current MOU's, could result in reduced enrollment capacity due to limited field space, and impacts to long-term relationships with the leagues

Option 3: Other Ideas/Approaches/Direction

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	New Business
SUBJECT:	Ordinance No. 1312 – An Ordinance of the City of Folsom Adding Chapter 12.24 to the Folsom Municipal Code Pertaining to Sidewalk Vendors (Introduction and First Reading)
FROM:	City Attorney's Office

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council conduct Introduction and First Reading of Ordinance No. 1312 – An Ordinance of the City of Folsom Adding Chapter 12.24 to the Folsom Municipal Code Pertaining to Sidewalk Vendors.

BACKGROUND / ISSUE

Senate Bill 946, which went into effect on January 1, 2019, prohibits local governments from regulating sidewalk vendors except as specifically permitted by SB 946. In passing SB 946, the State Legislature declared that sidewalk vending provides important entrepreneurship and economic development opportunities to low-income and immigrant communities, increases access to desired goods (such as culturally significant food and merchandise), contributes to a safe and dynamic public space, and promotes safety and welfare of the general public by encouraging local authorities to support and properly regulate sidewalk vending.

Certain sidewalk vendors are currently operating in the City, and this Ordinance is prepared to establish reasonable time, place and manner regulation pertaining to sidewalk vending activities consistent with SB 946.

POLICY / RULE

The City Council is vested with authority to adopt Ordinances pursuant to Section 2.12 of the Folsom City Charter. Amendments to the Folsom Municipal Code require approval of the City Council.

ANALYSIS

With some limited exceptions, SB 946 prohibits local governments from preventing sidewalk vending from operating within specific parts of the public right-of-way, except when the restriction is directly related to objective health, safety, or welfare concerns. A local government can adopt requirements such as regulating the time, place and manner of sidewalk vending to the extent they are directly related to objective health, safety, and welfare concerns; however, these restrictions cannot be unduly restrictive. For example, local government cannot impose stricter hours of operation on a sidewalk vendor than it would impose on other businesses or uses along the same street.

State law does allow local governments to require a license or permit for sidewalk vending, hence the proposed Ordinance sets forth the requirements for sidewalk vendors to obtain a Sidewalk Vendor Permit from the Community Development Department prior to operating on sidewalks in the City. There are various standards that a sidewalk vendor must abide by, and failure to abide by the standards results in a citation and administrative fines that are set by State law. The fines increase for each offense, up to suspension or revocation of the Sidewalk Vendor Permit after 4 repeated violations in a year. Any sidewalk vendor has the right under SB 946 to request a hearing to contest the administrative fines or an "ability-to-pay" determination.

The proposed standards are narrowly tailored to address health, safety and welfare concerns in the City consistent with State law. For example, sidewalk vendors are required to:

1. Maintain a 5-foot wide clear path of travel on sidewalks for compliance with the California Building Code and to ensure accessible, clear passage for disabled persons or those with wheelchairs.

2. Maintain sanitary conditions for food and perishable items in compliance with all applicable state and county food and health regulations.

3. Provide a trash receptacle for patrons and keep the area clean during operation and upon leaving.

4. Not obstruct vehicular and pedestrian visibility at intersections.

5. Not vend on a sidewalk within the immediate vicinity of a construction zone or traffic control area, or within 50 feet of a business or restaurant selling same or similar food or merchandise.

6. Not use lights, horns, or music as part of vending activity.

7. Not sell alcohol, lottery tickets, cannabis, tobacco, electronic cigarettes, adult-oriented materials, or drugs of any kind.

8. Not vend within the immediate vicinity of special events or farmers markets, or places where a concessionaire has an exclusive concessionaire agreement with the City to sell food or merchandise.

This Ordinance would not apply to residents selling food or merchandise in front of their residence such as, for example, lemonade stands or garage sales. The Ordinance also would exempt residents selling food or merchandise to support non-profit charitable organizations such as the sales of Girl Scout cookies.

FINANCIAL IMPACT

This action is not expected to have a significant impact to the City's General Fund.

ENVIRONMENTAL REVIEW

This action is not considered a project under Section 15061(b)(3) of the California Environmental Quality Act Guidelines, and as such is exempt from environmental review.

ATTACHMENT

1. Ordinance No. 1312 – An Ordinance of the City of Folsom Adding Chapter 12.24 to the Folsom Municipal Code Pertaining to Sidewalk Vendors (Introduction and First Reading)

Respectfully submitted,

_____

Steven Wang, City Attorney

ORDINANCE NO. 1312

AN ORDINANCE OF THE CITY OF FOLSOM ADDING CHAPTER 12.24 TO THE FOLSOM MUNICIPAL CODE PERTAINING TO SIDEWALK VENDORS

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

SECTION 1 PURPOSE

The purpose of this Ordinance is to add Chapter 12.24 to the Folsom Municipal Code to set forth reasonable time, place and manner regulations pertaining to sidewalk vendors pursuant to Senate Bill 946.

SECTION 2 FINDINGS

The City Council finds that the proposed Ordinance directly relates to objective health, safety, and welfare concerns and incorporates permit requirements and regulations for sidewalk vendors consistent with state law. The Ordinance focuses on regulations to ensure the protection of the public's health, safety, and welfare. Requiring that sidewalk vendors maintain accessible paths of travel on sidewalks is consistent with leading pedestrian disability and access travel guides which require no less than four feet of clear width for accessible travel, including (1) the American Association of State Highway and Transportation Officials' Guide for the Planning Design and Operation of Pedestrian Facilities, which recommends a minimum clear width for a sidewalk of four feet (AASHTO, 2004, Sec. 3.2.3); (2) the Institute of Transportation Engineers' Design and Safety of Pedestrian Facilities, which recommends residential sidewalk clearance widths ranging from four feet to five feet and for commercial areas a sidewalk width minimum of five feet; and (3) the Federal Highway Administration's Designing Sidewalks and Trails for Access: Best Practices and Design Guide Part 2, which recommends a minimum width of five feet of sidewalk that is free of obstacles (FHWA, 2001, Ch.4). In addition, the 2016 California Building Code, Section 11B-403.5.1(3) requires a clear width for sidewalks and walks of a minimum of four (4) feet. Overall, the proposed Ordinance objectively serves the health, safety, and welfare of the public by assuring the community of clear paths on sidewalks, including individuals with wheelchairs or with extra accessibility requirements and needs. Further, the proposed Ordinance would not allow sidewalk vendors to set up within the immediate vicinity of construction zones or traffic-controlled areas, would reduce any potential conflicts between the vending operations and the construction zone or other controlled traffic area that could otherwise result in accidents or injury. Providing regulations within the guidelines of the State law will directly relate to objective health, safety, and welfare concerns and promote economic opportunity for people to support themselves and their families. None of these proposed regulations will be detrimental to the public interest, health, safety, convenience, or welfare of the City as they implement State law.

SECTION 3 ADDITION TO CODE

Chapter 12.24 is hereby added to the Folsom Municipal Code to read as follows:

Chapter 12.24

SIDEWALK VENDORS

Sections:

12.24.010 Finding and purpose.
12.24.020 Definitions.
12.24.030 Prohibitions.
12.24.040 Exceptions.
12.24.050 Sidewalk Vendors.

12.24.010 Finding and purpose.

Regulation of the sale of merchandise or food upon public sidewalks within the City of Folsom is necessary for the purpose of promoting free and safe pedestrian traffic and access, and is directly related to the objective health, safety, and welfare of the public. The City Council hereby finds that the use of such public rights-of-way for such purposes in violation of the prohibitions of this Chapter would constitute an interruption of the free and safe pedestrian traffic and access and pose a serious and dangerous hazard to the public.

12.24.020 Definitions.

The following words and phrases are defined for purposes of this Chapter as follows:

"Food" means any type of edible substance or beverage.

"Merchandise" means any tangible thing or item that is not food.

"Person or persons" means one or more natural person, individuals, groups, businesses, business trusts, companies, corporations, joint ventures, joint stock companies, partnerships, entities, associations, clubs or organizations composed of two or more individuals (or the manager, lessee, agent, officer or employee of any of them), whether engaged in business, non-profit or any other activity.

"Roaming Sidewalk Vendor" means a Sidewalk Vendor who moves from place to place and stops only to complete a transaction.

"Sidewalk" means any right-of-way within the City of Folsom improved for public pedestrian traffic, including paved walks and pathways.

"Sidewalk vendor" means natural person(s) or individual(s) who sell food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other non-motorized conveyance, or from one's person, upon a public sidewalk or other pedestrian path.

"Stand" means any fixed, temporary, permanent or mobile rack, counter, shelving, vehicle or other structure or device utilized for the purpose of transporting, storing, carrying or displaying merchandise or food for the purpose of vending.

"Stationary Sidewalk Vendor" means a Sidewalk Vendor who vends from a fixed location. A Sidewalk Vendor who stops at any given location for longer than it takes to complete a transaction shall be deemed a Stationary Sidewalk Vendor.

"Vend" or "vending" means to sell, offer for sale, expose or display for sale, solicit offers to purchase, or to barter food or merchandise, or to require someone to negotiate, establish or pay a fee before providing food or merchandise, even if characterized as a donation.

12.24.030 Prohibitions.

Except as otherwise provided by this Chapter, no person shall engage in the vending of food or merchandise on public sidewalks or in public parks in the City of Folsom. Sidewalk vending on public sidewalks or in public parks in the City of Folsom may only occur in compliance with the regulations set forth in this Chapter.

12.24.040 Exceptions.

The provisions of this Chapter shall not be applicable to or deemed to prohibit:

A. The placement of newspaper racks upon sidewalks; or

B. The vending of food or merchandise upon sidewalks in the City of Folsom under a current and valid permit issued by the City such as, for example, a conditional use permit, special event permit, outdoor dining permit, or encroachment permit; or

C. The vending of food or merchandise by residents in front of their residence such as, for example, lemonade stands or garage sales; or

D. The vending of food or merchandise by residents in the City in neighborhoods to support non-profit charitable organizations such as, for example, the sale of Girl Scout cookies.

12.24.050 Sidewalk Vendors.

A. Permit Required. No person or persons will be allowed to vend food or merchandise upon sidewalks within the city limits without first obtaining a City of Folsom Business License, as well as a Sidewalk Vendor Permit from the Community Development Department. A Sidewalk Vendor Permit is required for each Sidewalk Vendor.

B. Application Requirements. The application for a Sidewalk Vendor Permit shall include:

1. The name and current mailing address of the Sidewalk Vendor.

2. A description of the food or merchandise offered for sale or exchange.

3. A copy of the California seller's permit number (CA Department of Tax and Fee Administration sales tax number), if the applicant is required to have a seller's permit.

4. A copy of valid Sacramento County Health Department permit, if food is being vended.

5. If the Sidewalk Vendor is an agent, representative, contractor, or employee of an individual, company, partnership, business, person, or corporation, the name and business address of such principal must be included on the application.

6. Certification by the applicant that to his or her knowledge and belief, the information contained in the application is true.

7. Payment of an application fee established and adjusted from time to time by City Council Resolution.

C. Health, Safety, and Welfare Regulations.

1. Sidewalk Vendors shall not hinder or obstruct the free passage of pedestrians along a sidewalk or block the entrance into any place of business. This includes maintaining a clear path of travel on the sidewalk of not less than five feet wide in compliance with the Americans with Disabilities Act (ADA), free and clear of any obstacles including, but not limited to, tents, chairs, customer queuing, signage, pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other motorized or non-motorized conveyance, or merchandise.

2. Sidewalk Vendors are not permitted to locate on a sidewalk within the immediate vicinity of a construction zone or traffic-controlled area for construction purposes of any kind, or within 50 feet of a business or restaurant selling same or similar food or merchandise.

3. Sidewalk Vendors shall not obstruct vehicular and pedestrian visibility at intersections.

4. Sidewalk Vendors may not use lights, horns, or music as part of vending activity.

5. Sidewalk Vendors may not sell alcohol, lottery tickets, cannabis, tobacco, electronic cigarettes, adult-oriented materials, or drugs of any kind.

6. Stationary Sidewalk Vendors may not operate in residential zoning districts.

7. A Roaming Sidewalk Vendor engaged in sidewalk vending shall only stop for the time reasonably necessary to complete a transaction.

8. Sidewalk Vendors are not permitted to operate within the immediate vicinity of an area designated for a temporary use permit issued by the City for temporary use of, or encroachment on, the sidewalk or other public area, including, but not limited to, an encroachment permit,

special event permit, or temporary event permit, for purposes including, but not limited to, filming, parades, events, or outdoor concerts. A prohibition of sidewalk vending pursuant to this subsection shall only be effective for the limited duration of the temporary use permit.

9. No Sidewalk Vendor may operate within the immediate vicinity of an area where another person has a concessionaire agreement with the City that exclusively permits the sale of food or merchandise by the concessionaire.

10. Sidewalk Vendors are not permitted to operate in areas within the immediate vicinity of a permitted certified farmers' market or a permitted swap meet during the limited operating hours of that certified farmers' market or swap meet. A "certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and any regulations adopted pursuant to that chapter. A "swap meet" means a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the Business and Professions Code, and any regulations adopted pursuant to that article.

11. Sidewalk Vendors shall provide a trash receptacle for patrons to dispose of any trash, as well as ensure that the area is kept clean during hours of operation and upon leaving the location.

12. Sidewalk Vendors shall maintain sanitary conditions appropriate for the food and perishable items offered for sale, in compliance with all applicable state and county food and health regulations.

13. Sidewalk Vendors may operate only during the time similar to the hours of operation of nearby businesses on the same street. If operated in City parks, Sidewalk Vendors may operate only during the hours when the park is open to the public.

14. Sidewalk Vendors shall comply with all applicable laws and license requirements.

D. Enforcement.

1. A Sidewalk Vendor who is issued a citation in violation of this Section shall be subject to the following fines:

a. Vending which violates a requirement of this Section, other than failure to possess a valid Sidewalk Vendor Permit:

i. An administrative fine of $100.00 for a first violation.

ii. An administrative fine of $150.00 for a second violation within one year of the first violation.

iii. An administrative fine of $200.00 for each additional violation within one year of the first violation.

iv. A violation occurring after 12 consecutive months with no violation shall be considered a first violation.

v. A Sidewalk Vendor Permit may be revoked or suspended for the remainder of its term upon a fourth or subsequent violation.

b. Vending without a valid Sidewalk Vendor Permit:

i. An administrative fine of $250.00 for a first violation.

ii. An administrative fine of $500.00 for a second violation within one year of the first violation.

iii. An administrative fine of $1,000 for each additional violation within one year of the first violation.

iv. A violation occurring after 12 consecutive months with no violation shall be considered a first violation.

v. The administrative fines listed in this subsection shall be reduced from $250.00 to $100.00, $500.00 to $150.00 and $1,000 to $200.00 upon obtaining a valid Sidewalk Vendor Permit from the Community Development Department within 10 calendar days of the citation.

2. Additional fines, fees, assessments, or any other financial conditions beyond those authorized by subsection (D)(1) of this Section shall not be assessed.

3. When assessing an administrative fine pursuant to subsection (D)(1) of this Section, the Community Development Director, or his or her designee, shall take into consideration the Sidewalk Vendor's ability to pay the fine based upon a sworn statement and good cause, which demonstrates the Sidewalk Vendor's inability to pay the assessed administrative fine. Good cause shall exist where the Sidewalk Vendor shows that he or she cannot pay the administrative fine amount without using moneys that normally would pay for the common necessaries of life for the Sidewalk Vendor and the Sidewalk Vendor's family. Notice shall be given to the Sidewalk Vendor of his or her right to request an ability-to-pay determination and shall make available instructions or other materials for requesting an ability-to-pay determination. The Sidewalk Vendor may request an ability-to-pay determination at the adjudication stage or after such adjudication during the time the fine remains unpaid, including when a fine is delinquent or has been referred to collection. If the Sidewalk Vendor meets the criteria set forth herein, the City shall accept, in full satisfaction, 20 percent of the total administrative fine amount imposed pursuant to subsection (D)(1) of this Section.

4. Any Sidewalk Vendor may request a hearing to contest the administrative fine assessed pursuant to subsection (D)(1) of this Section, and/or contest an ability-to-pay determination. Any request for a hearing must be filed in writing with the Community Development Department within 10 calendar days of the issuance of the administrative fine or ability-to-pay determination,

whichever applies. Failure to timely request a hearing constitutes a waiver of the right to appeal and a failure to exhaust administrative remedies.

a. Hearing Date. The hearing officer shall set the date for the hearing and determination. The hearing dates shall not be less than 30 days, nor more than 60 days, after the date on which the copy of the notice of appeal was submitted to the Community Development Department.

b. At the hearing, the contesting party shall be given the opportunity to testify and to present evidence concerning the penalty.

c. Hearing Officer's Decision. After considering the testimony and evidence presented at the hearing, the hearing officer shall issue a decision to uphold, dismiss or modify the administrative fine. The hearing officer shall state the reasons for the decision and, if in writing, shall send a copy of the decision to the person that requested the hearing and to the enforcement officer. The decision of the hearing officer is final, and may not be appealed.

d. All fines owed after the hearing officer's decision are due within 30 days of the decision. The City may use all procedures available to it to collect any unpaid fee.

SECTION 4 SCOPE

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

SECTION 5 NO MANDATORY DUTY OF CARE

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 6 SEVERABILITY

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

SECTION 7 EFFECTIVE DATE

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

This Ordinance was introduced and the title thereof read at the regular meeting of the City Council on March 23, 2021, and the second reading occurred at the regular meeting of the City Council on April 13, 2021.

On a motion by Council Member _____ seconded by Council Member _____, the foregoing Ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this _____ day of _____, 2021 by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

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Meeting Minutes

Joint City Council / Successor Agency / Public Financing Authority Special Meeting / Folsom South of 50 Parking Authority / Folsom Ranch Financing Authority Meeting December 8, 2020

CALL TO ORDER

The joint City Council / Successor Agency / Public Financing Authority Special Meeting / Folsom South of 50 Parking Authority / Folsom Ranch Financing Authority meeting was called to order at 7:35 p.m. in City Council Chambers, 50 Natoma Street, Folsom, California, with Mayor Mike Kozlowski presiding.

ROLL CALL:

Council/Board Members Present:	Sarah Aquino, Vice Mayor YK Chalamcherla, Councilmember Kerri Howell, Councilmember Rosario Rodriguez, Councilmember Mike Kozlowski, Mayor
Council/Board Members Absent:	None
Participating Staff:	City Manager Elaine Andersen City Attorney Steve Wang City Clerk Christa Freemantle Finance Director/CFO Stacey Tamagni

CONSENT CALENDAR:

21. Approval of the October 13, 2020 Joint City Council / Successor Agency / Public Financing Authority / Folsom South of 50 Parking Authority / Folsom Ranch Financing Authority Meeting Minutes

22. Receive and File the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the South of 50 Parking Authority, and the Folsom Ranch Financing Authority Monthly Investment Reports for the Month of September 2020

Motion by Vice Mayor Sarah Aquino, second by Councilmember Kerri Howell to approve the Consent Calendar.

Motion carried with the following roll call vote:

AYES:	**Council/Boardmember(s):**	**Aquino, Chalamcherla, Howell, Rodriguez, Kozlowski**
NOES:	**Council/Boardmember(s):**	**None**
ABSENT:	**Council/Boardmember(s):**	**None**
ABSTAIN:	**Council/Boardmember(s):**	**None**

ADJOURNMENT

There being no further business to come before the joint City Council, Folsom Redevelopment Successor Agency, Folsom Public Financing Authority, Folsom Ranch Financing Authority, and South of 50 Parking Authority the meeting was adjourned to the regular City Council meeting at 7:36 p.m.

SUBMITTED BY:

_____
Christa Freemantle, City Clerk/Board Secretary

ATTEST:

_____
Mike Kozlowski, Mayor/Board Chair

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Receive and File the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority Monthly Investment Reports for the Month of December 2020
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

The Finance Department recommends that the City Council receive and file the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority monthly Investment Reports for the month of December 2020.

BACKGROUND / ISSUE

Under the Charter of the City of Folsom and the authority granted by the City Council, the Finance Director is responsible for investing the unexpended cash of the City Treasury. The primary objectives of the City's investment policy are to maintain the safety of investment principal, provide liquidity to meet the short and long-term cash flow needs of the City, and earn a market-average yield on investments. The City's portfolio is managed in a manner responsive to the public trust and is consistent with state and local laws and the City's investment policy. The Finance Department hereby submits the investment reports for the City of Folsom, the Folsom Redevelopment Successor Agency, the Folsom Public Financing Authority, the Folsom Ranch Financing Authority, and the South of 50 Parking Authority for the month of December 2020.

POLICY / RULE

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

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

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

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

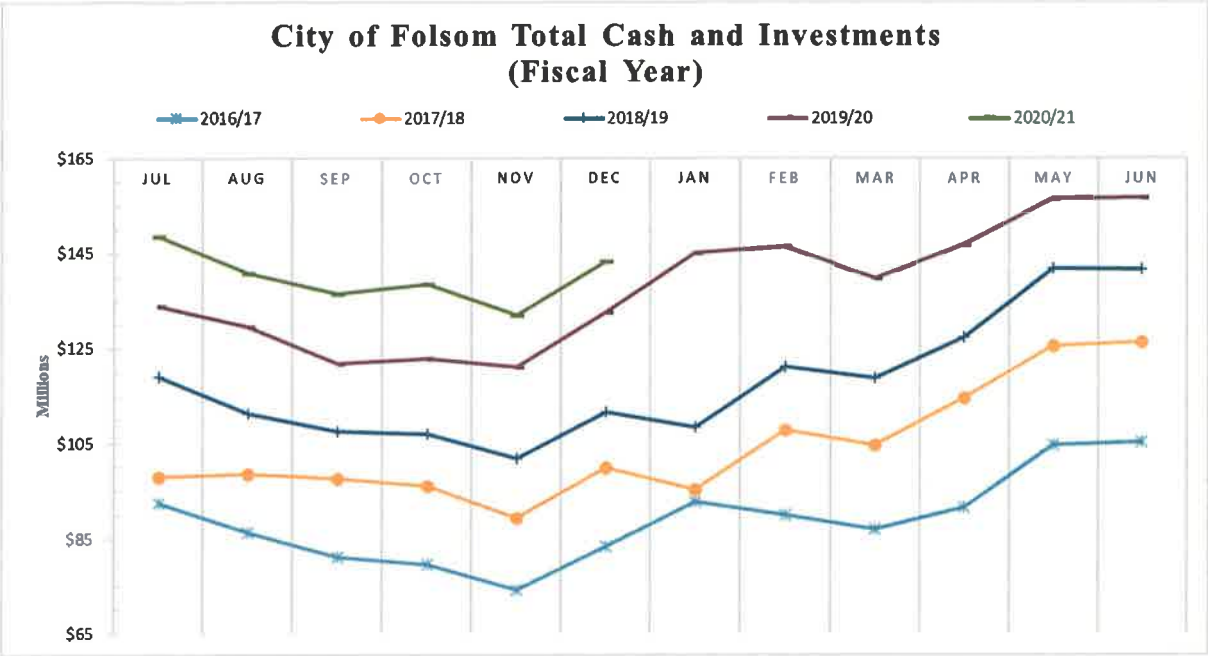
ANALYSIS

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

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

City of Folsom

Total Cash and Investments
The following graph illustrates the City's monthly cash and investment balances for fiscal years 2017 through 2021. Monthly fluctuations in cash and investments are the result of typical receipt of revenues less expenditures for operations, debt service, and capital improvements. As of December 31, 2020, the City's cash and investments totaled $143,343,763; an increase of $10,681,815 (8%) from December 31, 2019.

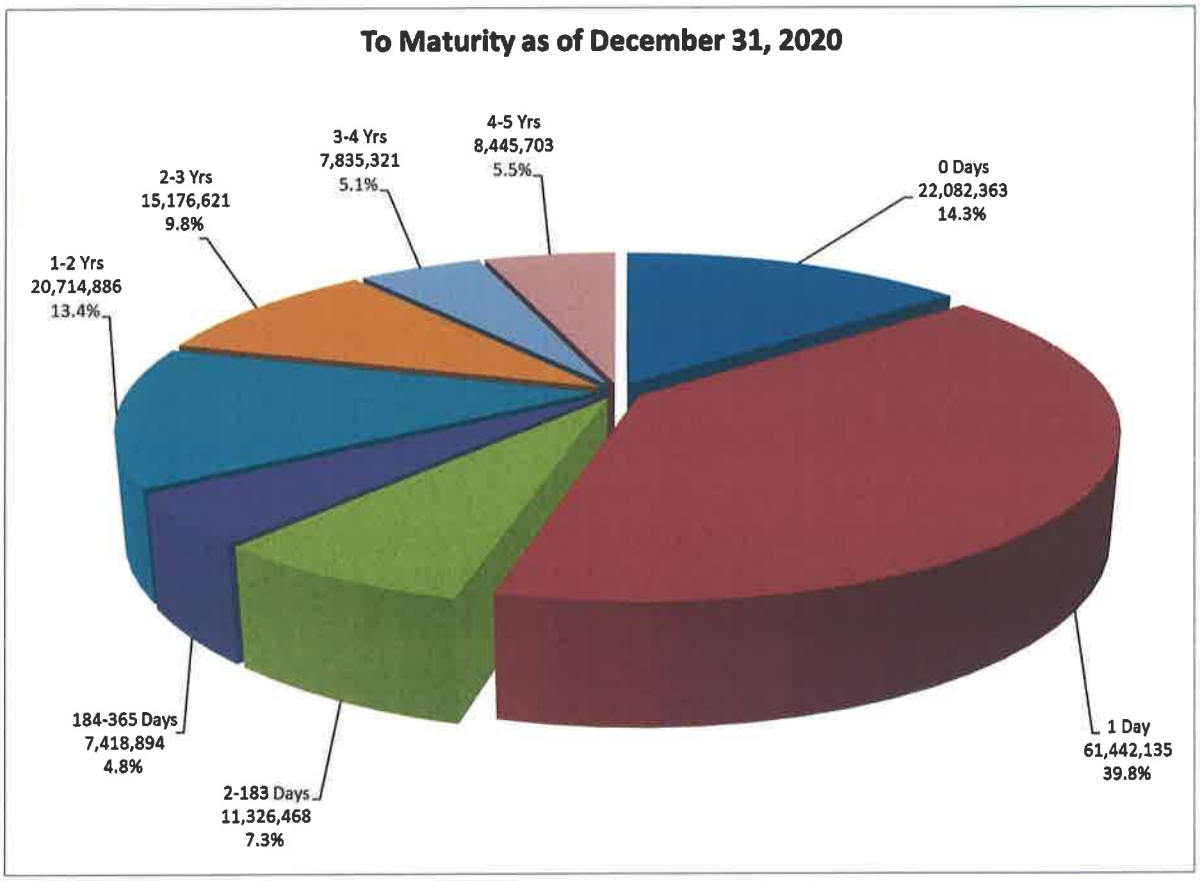


The following chart shows the City's monthly cash and investment balances and percentage change for Fiscal Year 2020-21 along with the yearly dollar and percentage changes.

Total City Cash and Investments

	2020-21	Monthly Change	2019-20	Monthly Change	Yearly $ Change	Yearly % Change
Jul	$ 148,832,109		$ 133,948,255		$ 14,883,854	11%
Aug	$ 140,982,833	-5%	$ 129,657,395	-3%	$ 11,325,438	9%
Sep	$ 136,560,020	-3%	$ 121,952,538	-6%	$ 14,607,482	12%
Oct	$ 138,527,756	1%	$ 122,996,173	1%	$ 15,531,582	13%
Nov	$ 132,111,422	-5%	$ 121,112,560	-2%	$ 10,998,862	9%
Dec	$ 143,343,763	9%	$ 132,661,948	10%	$ 10,681,815	8%

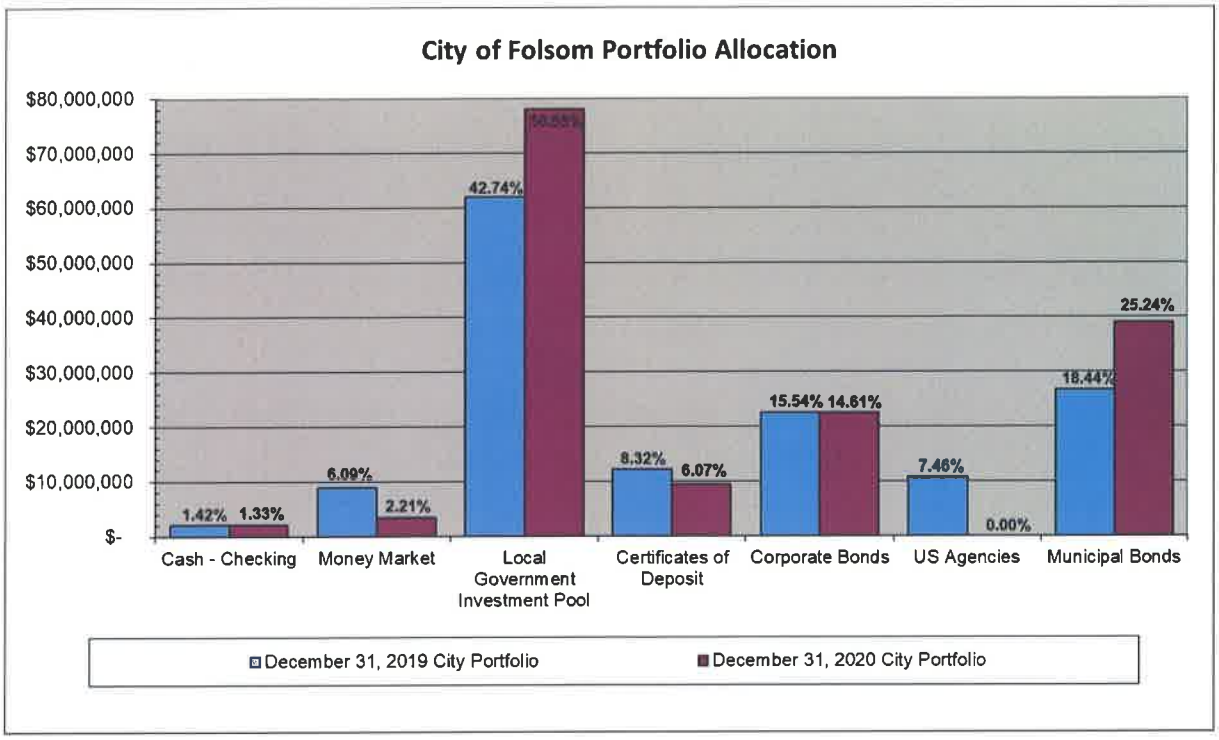
The City's projected cash needs for the next six months are sufficiently provided for by anticipated revenues and the liquidity of its cash and investments. In addition, in accordance with Section 3.30.020(c) of the Municipal Code, less than 50% of the City's total cash is invested for a period longer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



Investment Performance

The City's Portfolio Management Summary report for the month of December 2020 is presented in Attachment 1 to this report. Portfolio investment earnings (including pooled equity earnings for the RDSA and FPFA) for the three-month quarter ended December 31, 2020 totaled $479,814. The total rate of return of the investment portfolio for the same period was 1.34%.

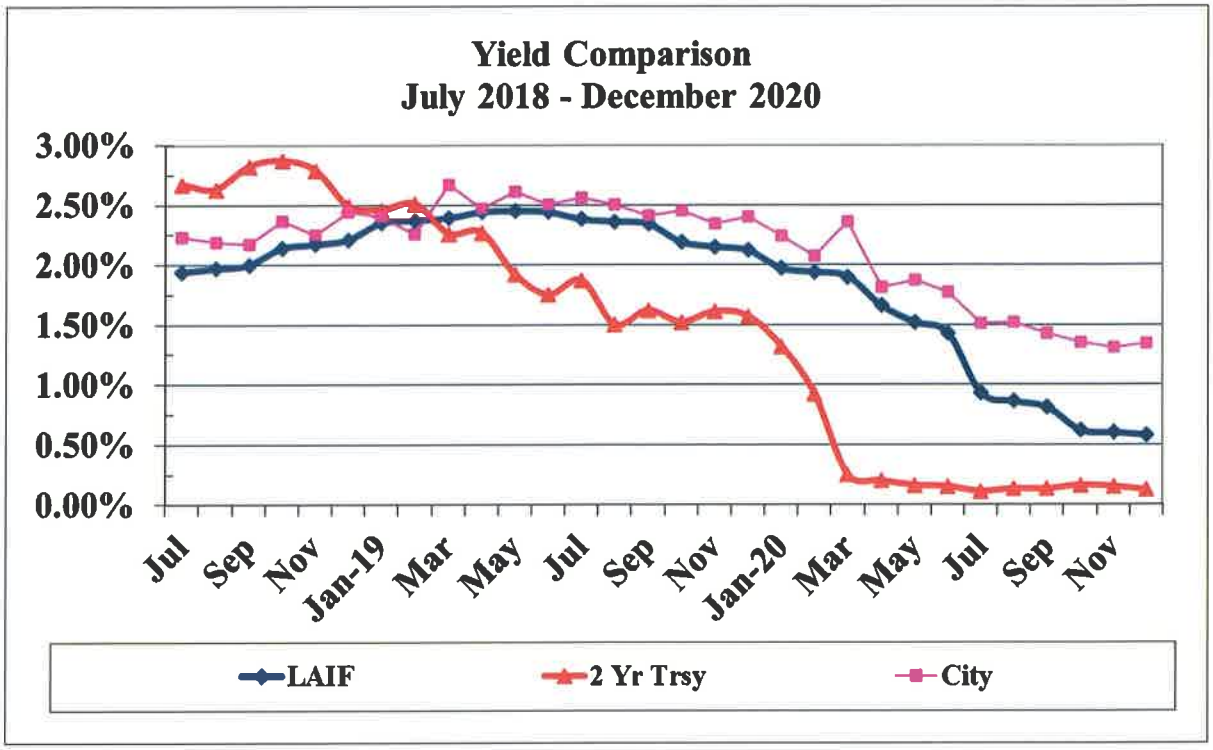
The following graph illustrates the total dollar amount and allocation percentages for December 31, 2019 and December 31, 2020. The percentages in this graph are based on book value.



A detailed listing of the portfolio holdings as of December 31, 2020 is included in Attachment 2 to this report.

The Local Government Investment Pool (LAIF) yield typically moves in the same direction as market yields, but is less volatile, lagging somewhat behind market moves. This can be seen in the chart on the next page, illustrating the historical monthly change in yield from July 2018 through December 2020 for LAIF and two-year US Treasury securities. The effective rate of return for the City Portfolio is also included.

The Federal Funds rate reached its post-2008 global economic downturn peak at 2.50% in December 2018. The Federal Open Market Committee (FOMC) began lowering the rate in July 2019, with three cuts resulting in the Federal Funds rate at 1.75% as of December 31, 2019. Due to the Covid-19 pandemic, the FOMC cut rates twice in March, by 50 basis points on March 3rd, and 1% on March 15th. The effect of these rate cuts was to push down borrowing costs to help consumers and businesses handle the financial challenges posed by the economic slowdown that resulted from the pandemic. It has been anticipated that the Federal Funds rate will remain at this effective floor for a considerable period of time, likely until 2023 or beyond. However, with the broad $1.9 trillion "American Rescue Plan" bill passed in March 2021, there is some concern the bill will increase spending and trigger an inflationary period, which would result in rising interest rates.



A listing of transactions for the second quarter of fiscal year 2021 is included in Attachment 3 to this report.

Folsom Redevelopment Successor Agency

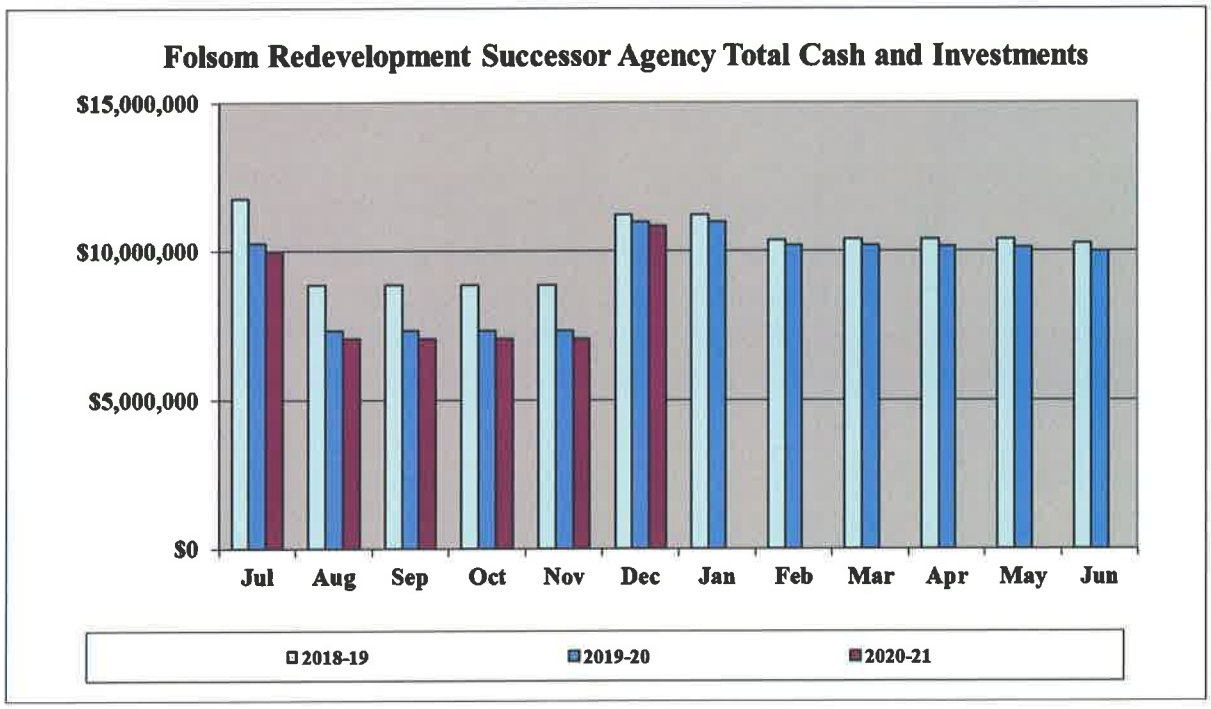
Total Cash and Investments

The RDSA had total cash and investments of $10,861,946 as of December 31, 2020. This is a decrease of $141,101 (1%) since December 31, 2019. The cash held by the RDSA is comprised of city-held funds, as well as 2011 bond proceeds to be utilized for housing and non-housing projects. These proceeds held by the Agency are broken out individually in the Portfolio Management Summary in Attachment 1.

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

Folsom Redevelopment Successor Agency

	2020-21	Monthly Change	2019-20	Monthly Change	Yearly $ Change	Yearly % Change
Jul	$ 10,002,863		$ 10,258,949		$ (256,086)	-2%
Aug	$ 7,059,737	-29%	$ 7,325,874	-29%	$ (266,137)	-4%
Sep	$ 7,059,862	0%	$ 7,325,990	0%	$ (266,129)	-4%
Oct	$ 7,056,132	0%	$ 7,326,077	0%	$ (269,944)	-4%
Nov	$ 7,051,717	0%	$ 7,321,623	0%	$ (269,906)	-4%
Dec	$ 10,861,946	54%	$ 11,003,048	50%	$ (141,101)	-1%



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

Investment Performance

The RDSA's Portfolio Management Summary report for the month of December 2020 is presented in Attachment 1. The RDSA's investment earnings for the three-month quarter ended December 31, 2020 totaled $28,045. The effective rate of return for the RDSA investment portfolio for the same time period is 1.35%.

Folsom Public Financing Authority

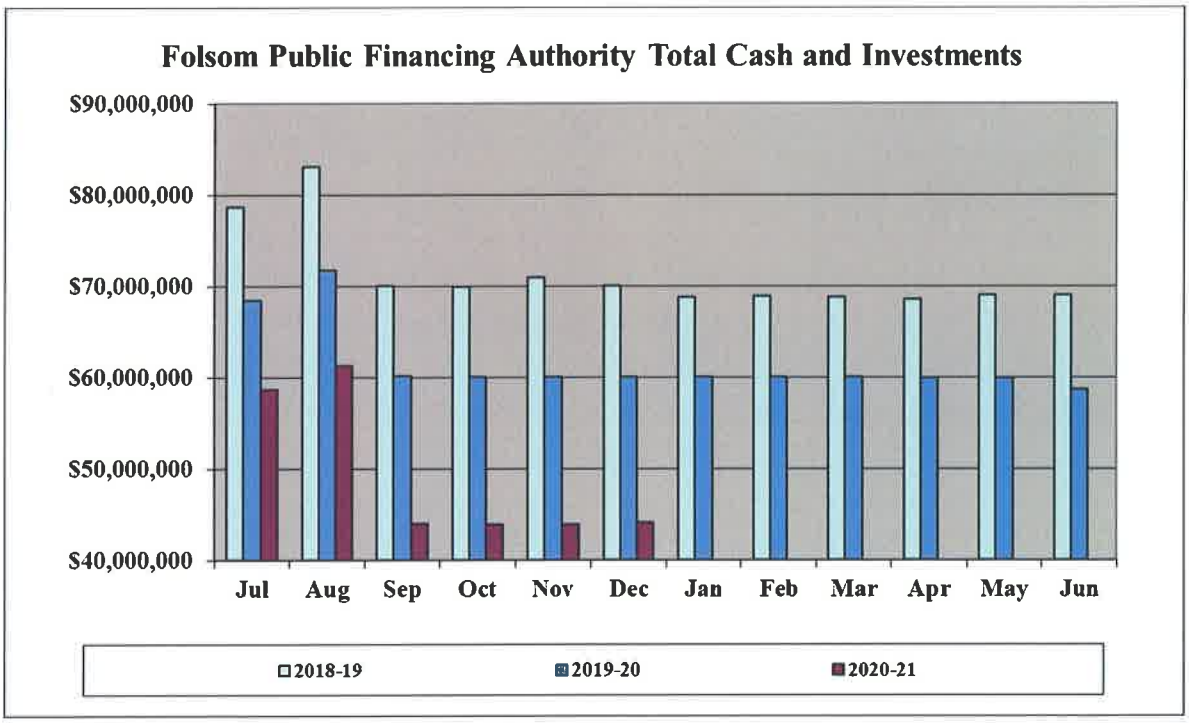
Total Cash and Investments

The FPFA cash and investments totaled $44,064,764 as of December 31, 2020. This is a decrease of $15,936,389 (27%) from December 31, 2019. Monthly fluctuations in cash and

investments are the result of typical receipt of debt service repayment revenues and the subsequent debt service expenditures. Additionally, on July 23, 2020, Community Facilities District No. 10 (CFD No. 10) issued $6,394,000 in Special Tax Refunding Bonds, Series 2020 that refunded the Series 2010 CFD No. 10 Special Tax Bonds held as investments in FPFA, thus reducing FPFA investments by an additional $9,325,000. The Series 2020 Bonds are not held as investments of FPFA. The following table and graph illustrate the monthly balances and their respective percentage changes for the reporting period.

Folsom Public Financing Authority

	2020-21	Monthly Change	2019-20	Monthly Change	Yearly $ Change	Yearly % Change
Jul	$ 58,623,181		$ 68,442,988		$ (9,819,807)	-14%
Aug	$ 61,219,871	4%	$ 71,705,665	5%	$ (10,485,794)	-15%
Sep	$ 43,955,323	-28%	$ 60,112,114	-16%	$ (16,156,790)	-27%
Oct	$ 43,845,768	0%	$ 60,000,597	0%	$ (16,154,828)	-27%
Nov	$ 43,845,770	0%	$ 60,001,190	0%	$ (16,155,420)	-27%
Dec	$ 44,064,764	0%	$ 60,001,153	0%	$ (15,936,389)	-27%



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

Investment Performance

The FPFA's Portfolio Management Summary report for the month of December 2020 is presented in attachment 1. The FPFA's investment earnings for the three-month quarter ended

December 31, 2020 totaled $333,845. The effective rate of return for the FPFA investment portfolio for the same time period is 3.08%.

Folsom Ranch Financing Authority

Total Cash and Investments
The FRFA cash and investments totaled $84,030,000 as of December 31, 2020, an increase of $12,490,000 from the prior year. This increase is due to the issuance of $12,925,000 Community Facilities District No. 23 (Folsom Ranch), Improvement Area 1 Local Obligations on October 30, 2020. The only other activity within FRFA was the maturing of $435,000 of local obligations held by FRFA on September 1, 2020.

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

Investment Performance
The FRFA's Portfolio Management Summary report for the month of December 2020 is presented in attachment 1. The FRFA's investment earnings for the three-month quarter ended December 31, 2020 totaled $960,411. The effective rate of return for the FRFA investment portfolio for the same time period is 4.90%.

South of 50 Parking Authority

Total Cash and Investments
The South of 50 Parking Authority cash and investments totaled $0 as of December 31, 2020.

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

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

ATTACHMENTS

1. City of Folsom, Folsom Redevelopment Successor Agency, Folsom Public Financing Authority, and Folsom Ranch Financing Authority Portfolio Management Summary December 2020
2. City of Folsom Portfolio Holdings as of December 31, 2020
3. City of Folsom Transaction Summary, Second Quarter of Fiscal Year 2021

Submitted,

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

ATTACHMENT 1

City of Folsom
Combined City of Folsom, Redevelopment Successor Agency, FPFA & FRFA
Portfolio Summaries
December 31, 2020

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

City of Folsom	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	0.088%	2,051,379.00	2,051,379.00	2,051,379.00	2,051,379.00	1	-	1.33
Certificate Of Deposit	2.319%	9,371,000.00	9,371,000.00	9,371,000.00	9,713,608.16	574	45,757.67	6.07
Corporate Bond	2.528%	22,530,000.00	22,581,690.00	22,570,956.69	22,882,467.80	684	142,975.72	14.60
Local Government Investment Pool	0.628%	78,064,706.85	78,064,706.85	78,064,706.85	78,064,706.85	1	-	50.58
Money Market	0.010%	3,408,412.18	3,408,412.18	3,408,412.18	3,408,412.18	1	-	2.21
Municipal Bond	1.730%	38,917,142.36	38,916,502.16	38,975,937.17	39,645,666.16	803	200,340.39	25.21
Total / Average	**1.265%**	**$ 154,342,640.39**	**$ 154,393,690.19**	**$ 154,442,391.89**	**$ 155,766,240.15**	**338**	**$ 389,073.78**	**100.00**

Pooled Equity	Book Value	% of Portfolio	Interest Earnings (FY)	Total Rate of Return (FY)
City of Folsom Cash and Investments (excluding RDSA, FPFA & FRFA amounts)	$ 143,343,762.60	92.81%	$ 1,041,594.81	1.42%
Redevelopment Sucessor Agency (included in RDSA Investment Report)	10,861,903.00	7.03%	54,719.89	1.41%
Public Financing Authority (included in PFA Investment Report)	236,726.29	0.15%	776,027.06	3.19%
Folsom Ranch Financing Authority (included in FRFA Investment Report)	-	0.00%	1,828,409.47	4.89%
Total Pooled Equity	**$ 154,442,391.89**	**100.00%**		

Redevelopment Successor Agency	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	1.340%	3,757,730.83	3,757,730.83	3,757,730.83	3,757,730.83	1	-	34.60
Non-Housing 2011A Proceeds	1.340%	2,591,295.00	2,591,295.00	2,591,295.00	2,591,295.00	1	-	23.86
Housing 2011B Proceeds	1.340%	4,512,877.17	4,512,877.17	4,512,877.17	4,512,877.17	1	-	41.55
Money Market	0.040%	43.29	43.29	43.29	43.29	1	-	0.00
Total / Average	**1.340%**	**$ 10,861,946.29**	**$ 10,861,946.29**	**$ 10,861,946.29**	**$ 10,861,946.29**	**1**	**$ -**	**100.00**

Folsom Public Financing Authority	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Cash	1.340%	236,726.29	236,726.29	236,726.29	236,726.29	1	-	0.54
Money Market	0.020%	67,830.32	67,830.32	67,830.32	67,830.32	1	-	0.15
Municipal Bond	3.015%	43,760,207.02	43,760,207.02	43,760,207.02	43,760,207.02	2913	439,833.83	99.31
Total / Average	**3.002%**	**$ 44,064,763.63**	**$ 44,064,763.63**	**$ 44,064,763.63**	**$ 44,064,763.63**	**2893**	**$ 439,833.83**	**100.00**

Folsom Ranch Financing Authority	YTM @ Cost	Face Amount/ Shares	Cost Value	Book Value	Market Value	Days to Maturity	Accrued Interest	% of Portfolio
Money Market	0.020%	0.19	0.19	0.19	0.19	1	-	0.00
Municipal Bond	4.728%	84,030,000.00	84,030,000.00	84,030,000.00	84,030,000.00	7741	1,239,385.43	100.00
Total / Average	**4.728%**	**$ 84,030,000.19**	**$ 84,030,000.19**	**$ 84,030,000.19**	**$ 84,030,000.19**	**7741**	**$ 1,239,385.43**	**100.00**

March 10, 2021

Stacey Tamagni, Finance Director — Date

ATTACHMENT 2

City of Folsom
Portfolio Holdings

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

Group By: Security Type
Average By: Face Amount / Shares
As of 12/31/2020

Description	Issuer	Coupon Rate	Face Amt/Shares	% of Portfolio
Cash				
Wells Fargo Cash	Wells Fargo	0.000	51,379.00	0.03
Wells Fargo Cash	Wells Fargo	0.090	2,000,000.00	1.30
Sub Total / Average Cash		0.088	2,051,379.00	1.33
Certificate Of Deposit				
American Express - Centurion 2.3 4/5/2021	American Express - Centurion	2.300	247,000.00	0.16
Appalachian Community CU 3.2 2/28/2022	Appalachian Community CU	3.200	245,000.00	0.16
Belmont Savings Bank 2.75 3/14/2023	Belmont Savings Bank	2.750	246,000.00	0.16
Beneficial Bank 2.15 10/18/2022	Beneficial Bank	2.150	247,000.00	0.16
BMW Bank 2.1 9/15/2021	BMW Bank	2.100	247,000.00	0.16
CenterState Bank, NA 1.4 3/30/2022	CenterState Bank, NA	1.400	248,000.00	0.16
CIT Bank, NA 1.05 3/28/2022	CIT Bank, NA	1.050	248,000.00	0.16
Citibank, NA 2.8 4/26/2021	Citibank, NA	2.800	245,000.00	0.16
Citizens Deposit Bank of Arlington, Inc. 3.1 6/29/	Citizens Deposit Bank of Arlington, Inc.	3.100	246,000.00	0.16
Discover Bank 2.25 2/15/2022	Discover Bank	2.250	247,000.00	0.16
East Boston Savings Bank 2.3 7/30/2021	East Boston Savings Bank	2.300	247,000.00	0.16
Essential FCU 3.55 12/5/2023	Essential FCU	3.550	245,000.00	0.16
Farmer's & Merchants Bank3.3 9/27/2023	Farmer's & Merchants Bank	3.300	245,000.00	0.16
First Bank of Highland Park 2.2 8/23/2022	First Bank of Highland Park	2.200	247,000.00	0.16
Greenstate Credit Union 1.9 2/28/2022	Greenstate Credit Union	1.900	249,000.00	0.16
Jefferson Financial FCU 2.45 11/10/2022	Jefferson Financial FCU	2.450	245,000.00	0.16
Keesler FCU 3.05 8/30/2021	Keesler FCU	3.050	249,000.00	0.16
LCA Bank 2.1 6/21/2021	LCA Bank	2.100	247,000.00	0.16
Medallion Bank 2.15 10/11/2022	Medallion Bank	2.150	247,000.00	0.16
Mercantil Commercebank NA 1.65 6/24/2021	Mercantil Commercebank NA	1.650	247,000.00	0.16
Morgan Stanley Bank, NA 2.2 7/25/2024	Morgan Stanley Bank, NA	2.200	247,000.00	0.16
Morgan Stanley Private Bank, NA 2.2 7/18/2024	Morgan Stanley Private Bank, NA	2.200	247,000.00	0.16
National Cooperative Bank, NA 3.4 12/21/2023	National Cooperative Bank, NA	3.400	245,000.00	0.16
Neighbors FCU 3.3 9/19/2023	Neighbors FCU	3.300	245,000.00	0.16
Public Service CU 3.15 10/26/2021	Public Service CU	3.150	245,000.00	0.16
Raymond James Bank, NA 1.95 8/23/2023	Raymond James Bank, NA	1.950	247,000.00	0.16
Sallie Mae Bank 2.6 4/18/2022	Sallie Mae Bank	2.600	246,000.00	0.16
Synchrony Bank 2.4 5/19/2022	Synchrony Bank	2.400	240,000.00	0.16
Synovus Bank 1.45 10/17/2022	Synovus Bank	1.450	248,000.00	0.16
Third Federal Savings and Loan 2 7/28/2021	Third Federal Savings and Loan	2.000	245,000.00	0.16
TIAA, FSB 2.2 8/16/2022	TIAA, FSB	2.200	247,000.00	0.16
UBS Bank USA 2.9 4/3/2024	UBS Bank USA	2.900	249,000.00	0.16
Uinta County Bank 2.6 2/16/2023	Uinta County Bank	2.600	246,000.00	0.16
Valley Strong CU 1.1 9/20/2021	Valley Strong CU	1.100	249,000.00	0.16
Valliance Bank 1.55 2/19/2021	Valliance Bank	1.550	247,000.00	0.16
VisionBank of Iowa 2.15 5/31/2022	VisionBank of Iowa	2.150	247,000.00	0.16
Wells Fargo National Bank West LV 1.9 1/29/2023	Wells Fargo National Bank West LV	1.900	249,000.00	0.16
Wex Bank 1.4 4/8/2022	Wex Bank	1.400	248,000.00	0.16

Sub Total / Average Certificate Of Deposit		2.319	9,371,000.00	6.07
Corporate Bond				
American Express Credit 2.25 5/5/2021-21	American Express Credit	2.250	1,000,000.00	0.65
Bank of America Corp 3.499 8/17/2022-21	Bank of America Corp	3.499	2,000,000.00	1.30
Bank of America Corp Step 2/10/2025-21	Bank of America Corp	2.125	2,000,000.00	1.30
Bank of Montreal Step 7/30/2025-21	Bank of Montreal	1.000	2,000,000.00	1.30
Bank of NY Mellon 2.6 2/7/2022-22	Bank of NY Mellon	2.600	1,000,000.00	0.65
Bank of NY Mellon 3.5 4/28/2023	Bank of NY Mellon	3.500	1,000,000.00	0.65
Barclays Bank PLC 3 10/17/2023-22	Barclays Bank PLC	3.000	2,000,000.00	1.30
JPMorgan Chase & Co 2.55 3/1/2021-21	JPMorgan Chase & Co	2.550	2,000,000.00	1.30
MUFG Union Bank NA 3.15 4/1/2022-22	MUFG Union Bank NA	3.150	1,000,000.00	0.65
PNC Bank NA 2.15 4/29/2021-21	PNC Bank NA	2.150	1,000,000.00	0.65
PNC Bank NA 2.15 4/29/2021-21	PNC Bank NA	2.150	1,000,000.00	0.65
State Street Corp 2.653 5/15/2023-22	State Street Corp	2.653	2,530,000.00	1.64
Wells Fargo & Co 2.5 3/4/2021	Wells Fargo & Co	2.500	2,000,000.00	1.30
Wells Fargo & Co 2.625 7/22/2022	Wells Fargo & Co	2.625	1,000,000.00	0.65
Wells Fargo & Co. 3.069 1/24/2023-22	Wells Fargo & Co.	3.069	1,000,000.00	0.65
Sub Total / Average Corporate Bond		2.555	22,530,000.00	14.60
Local Government Investment Pool				
LAIF City LGIP	LAIF City	0.628	62,875,369.81	40.74
LAIF FPFA LGIP	LAIF FPFA	0.628	15,189,337.04	9.84
Sub Total / Average Local Government Investment Pool		0.628	78,064,706.85	50.58
Money Market				
Wells Fargo MM	Wells Fargo	0.010	1,377,428.42	0.89
Wells Fargo MM	Wells Fargo	0.010	2,030,983.76	1.32
Sub Total / Average Money Market		0.010	3,408,412.18	2.21
Municipal Bond				
Alvord USD GOBs 1.062 8/1/2025	Alvord USD GOBs	1.062	1,280,000.00	0.83
Beverly Hills PFA Lease Rev 0.499 6/1/2023	Beverly Hills PFA Lease Rev	0.499	300,000.00	0.19
Beverly Hills PFA Lease Rev 0.73 6/1/2024	Beverly Hills PFA Lease Rev	0.730	300,000.00	0.19
CA St DWR Pwr Supp Rev 1.713 5/1/2021	CA St DWR Pwr Supp Rev	1.713	742,142.36	0.48
CA St DWR Pwr Supp Rev 2 5/1/2022	CA St DWR Pwr Supp Rev	2.000	1,000,000.00	0.65
CA St DWR Pwr Supp Rev 2 5/1/2022	CA St DWR Pwr Supp Rev	2.000	1,000,000.00	0.65
CA St DWR Pwr Supp Rev 5 5/1/2021	CA St DWR Pwr Supp Rev	5.000	500,000.00	0.32
Cabrillo CCD 1.913 8/1/2021	Cabrillo CCD	1.913	225,000.00	0.15
Cabrillo CCD 1.913 8/1/2022	Cabrillo CCD	1.913	230,000.00	0.15
Cal St Hlth Fac Fin Auth Rev 1.893 6/1/2022	Cal St Hlth Fac Fin Auth Rev	1.893	1,000,000.00	0.65
Carson RDA SA TABs 2.742 2/1/2021	Carson RDA SA TABs	2.742	145,000.00	0.09
Carson RDA SA TABs 2.992 2/1/2022-17	Carson RDA SA TABs	2.992	100,000.00	0.06
Carson RDASA TABs 0.909 8/1/2022	Carson RDASA TABs	0.909	400,000.00	0.26
Carson RDASA TABs 0.981 8/1/2023	Carson RDASA TABs	0.981	300,000.00	0.19
Carson RDASA TABs 1.188 8/1/2024	Carson RDASA TABs	1.188	400,000.00	0.26
Carson RDASA TABs 1.288 8/1/2025	Carson RDASA TABs	1.288	300,000.00	0.19
Cent. Contra Costa San Dist Rev. Bonds 2.96 9/1/20	Cent. Contra Costa San Dist Rev. Bonds	2.960	235,000.00	0.15
Citrus CCD GOBs 0.669 8/1/2024	Citrus CCD GOBs	0.669	400,000.00	0.26
Citrus CCD GOBs 0.819 8/1/2025	Citrus CCD GOBs	0.819	400,000.00	0.26
Coast CCD GOBs 1.975 8/1/2023	Coast CCD GOBs	1.975	1,265,000.00	0.82
Colton USD 0.702 8/1/2023	Colton USD	0.702	1,000,000.00	0.65
Colton USD 0.882 8/1/2024	Colton USD	0.882	1,000,000.00	0.65
CSU Revenue Bonds 0.685 11/1/2024	CSU Revenue Bonds	0.685	500,000.00	0.32
CSU Revenue Bonds 2.982 11/1/2021	CSU Revenue Bonds	2.982	300,000.00	0.19
Davis RDA-SA TABs 1.68 9/1/2021	Davis RDA-SA TABs	1.680	1,200,000.00	0.78

Davis RDA-SA TABs 1.72 9/1/2022	Davis RDA-SA TABs	1.720	1,225,000.00	0.79
Davis RDA-SA TABs 1.75 9/1/2023	Davis RDA-SA TABs	1.750	625,000.00	0.40
Folsom Cordova USD Imp Dist 2 2 10/1/2021	Folsom Cordova USD Imp Dist 2	2.000	175,000.00	0.11
Folsom Cordova USD Imp Dist 2 2 10/1/2022	Folsom Cordova USD Imp Dist 2	2.000	160,000.00	0.10
Folsom Cordova USD Imp Dist 2 2 10/1/2023	Folsom Cordova USD Imp Dist 2	2.000	165,000.00	0.11
Folsom Cordova USD Imp Dist 2 2 10/1/2024	Folsom Cordova USD Imp Dist 2	2.000	1,000,000.00	0.65
Folsom Cordova USD Imp Dist 2 2 10/1/2025	Folsom Cordova USD Imp Dist 2	2.000	1,040,000.00	0.67
Gilroy USD 1.721 8/1/2021	Gilroy USD	1.721	320,000.00	0.21
Highland RDA-SA TABs 2 2/1/2021	Highland RDA-SA TABs	2.000	405,000.00	0.26
Highland RDA-SA TABs 2.25 2/1/2022	Highland RDA-SA TABs	2.250	390,000.00	0.25
Imperial CCD 1.874 8/1/2021	Imperial CCD	1.874	200,000.00	0.13
LA Cnty RDA Ref Auth 2 9/1/2022	LA Cnty RDA Ref Auth	2.000	1,235,000.00	0.80
Long Beach CCD 1.738 8/1/2021	Long Beach CCD	1.738	780,000.00	0.51
Marin CCD GOBs 2.243 8/1/2021-16	Marin CCD GOBs	2.243	650,000.00	0.42
Murrieta RDA-SA TABs 2.25 8/1/2021	Murrieta RDA-SA TABs	2.250	350,000.00	0.23
Murrieta RDA-SA TABs 2.5 8/1/2022	Murrieta RDA-SA TABs	2.500	250,000.00	0.16
Oxnard SD GOBs 0.587 8/1/2022	Oxnard SD GOBs	0.587	700,000.00	0.45
Oxnard SD GOBs 0.82 8/1/2024	Oxnard SD GOBs	0.820	345,000.00	0.22
Rancho Santiago CCD GOBs 0.634 9/1/2024	Rancho Santiago CCD GOBs	0.634	1,000,000.00	0.65
Riverside Cnty PFA 1.84 7/1/2023	Riverside Cnty PFA	1.840	195,000.00	0.13
San Francisco RDA SA TABs 2.796 8/1/2021	San Francisco RDA SA TABs	2.796	1,000,000.00	0.65
San Jose Evergreen CCD 0.921 9/1/2025	San Jose Evergreen CCD	0.921	1,000,000.00	0.65
San Jose RDA-SA 2.63 8/1/2022	San Jose RDA-SA	2.630	1,000,000.00	0.65
San Jose RDA-SA 2.63 8/1/2022	San Jose RDA-SA	2.630	1,000,000.00	0.65
San Jose RDASA TABs 2.828 8/1/2023	San Jose RDASA TABs	2.828	500,000.00	0.32
Santa Clarita PFA Lease Rev 0.976 6/1/2024-20	Santa Clarita PFA Lease Rev	0.976	355,000.00	0.23
Santa Clarita PFA Lease Rev 1.176 6/1/2025-20	Santa Clarita PFA Lease Rev	1.176	360,000.00	0.23
SF BART Rev Bonds 2.621 7/1/2023-17	SF BART Rev Bonds	2.621	735,000.00	0.48
State of CA GO 2.5 10/1/2022	State of CA GO	2.500	1,000,000.00	0.65
Univ of CA Revenue 0.628 5/15/2023-23	Univ of CA Revenue	0.628	125,000.00	0.08
Univ of CA Revenue 0.833 5/15/2024-24	Univ of CA Revenue	0.833	250,000.00	0.16
Univ of CA Revenue 2.15 5/15/2021-17	Univ of CA Revenue	2.150	1,000,000.00	0.65
Univ of CA Revenue 2.553 5/15/2021-19	Univ of CA Revenue	2.553	300,000.00	0.19
Univ of CA Revenue 2.657 5/15/2023-19	Univ of CA Revenue	2.657	500,000.00	0.32
Univ of CA Revenue 3.283 5/15/2022-18	Univ of CA Revenue	3.283	500,000.00	0.32
West Contra Costa USD 1.434 8/1/2022	West Contra Costa USD	1.434	360,000.00	0.23
West Contra Costa USD 1.761 8/1/2024	West Contra Costa USD	1.761	1,000,000.00	0.65
West Contra Costa USD GOBs 3.031 8/1/2021	West Contra Costa USD GOBs	3.031	300,000.00	0.19
West Sacramento Area Flood Control Agy 1.797 9/1/2	West Sacramento Area Flood Control Agy	1.797	200,000.00	0.13
West Sacramento Area Flood Control Agy 1.847 9/1/2	West Sacramento Area Flood Control Agy	1.847	200,000.00	0.13
Yosemite CCD 0.561 8/1/2023	Yosemite CCD	0.561	1,000,000.00	0.65
Yosemite CCD 0.804 8/1/2024	Yosemite CCD	0.804	500,000.00	0.32
Sub Total / Average Municipal Bond		1.774	38,917,142.36	25.21
Total / Average		**1.280**	**154,342,640.39**	**100**

ATTACHMENT 3

City of Folsom
Transactions Summary

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

Group By: Action
Begin Date: 10/01/2020, End Date: 12/31/2020

Description	Security Type	Settlement Date	Maturity Date	Face Amt/Shares	Principal	YTM @ Cost
Buy						
Beverly Hills PFA Lease Rev 0.499 6/1/2023	Municipal Bond	10/15/2020	06/01/2023	300,000.00	300,000.00	0.499
Beverly Hills PFA Lease Rev 0.73 6/1/2024	Municipal Bond	10/15/2020	06/01/2024	300,000.00	300,000.00	0.730
Colton USD 0.702 8/1/2023	Municipal Bond	10/28/2020	08/01/2023	1,000,000.00	1,000,000.00	0.702
Colton USD 0.882 8/1/2024	Municipal Bond	10/28/2020	08/01/2024	1,000,000.00	1,000,000.00	0.882
Folsom Cordova USD Imp Dist 2 2 10/1/2021	Municipal Bond	11/10/2020	10/01/2021	175,000.00	177,409.75	0.450
Folsom Cordova USD Imp Dist 2 2 10/1/2022	Municipal Bond	11/10/2020	10/01/2022	160,000.00	164,358.40	0.551
Folsom Cordova USD Imp Dist 2 2 10/1/2023	Municipal Bond	11/10/2020	10/01/2023	165,000.00	171,128.10	0.700
Folsom Cordova USD Imp Dist 2 2 10/1/2024	Municipal Bond	11/10/2020	10/01/2024	1,000,000.00	1,043,920.00	0.850
Folsom Cordova USD Imp Dist 2 2 10/1/2025	Municipal Bond	11/10/2020	10/01/2025	1,040,000.00	1,089,514.40	1.000
San Jose Evergreen CCD 0.921 9/1/2025	Municipal Bond	11/19/2020	09/01/2025	1,000,000.00	1,000,000.00	0.921
Santa Clarita PFA Lease Rev 0.976 6/1/2024-20	Municipal Bond	10/22/2020	06/01/2024	355,000.00	355,000.00	0.976
Santa Clarita PFA Lease Rev 1.176 6/1/2025-20	Municipal Bond	10/22/2020	06/01/2025	360,000.00	360,000.00	1.176
Yosemite CCD 0.561 8/1/2023	Municipal Bond	11/04/2020	08/01/2023	1,000,000.00	1,000,000.00	0.561
Yosemite CCD 0.804 8/1/2024	Municipal Bond	11/04/2020	08/01/2024	500,000.00	500,000.00	0.804
Sub Total / Average Buy				8,355,000.00	8,461,330.65	
Matured						
Ally Bank 2 10/26/2020	Certificate Of Deposit	10/26/2020	10/26/2020	247,000.00	247,000.00	0.000
FHLMC 1.85 11/27/2020-17	FHLMC Bond	11/27/2020	11/27/2020	2,000,000.00	2,000,000.00	0.000
HSBC Bank Step 11/17/2020-18	Certificate Of Deposit	11/17/2020	11/17/2020	245,000.00	245,000.00	0.000
Investors Bank 2.1 12/28/2020	Certificate Of Deposit	12/28/2020	12/28/2020	247,000.00	247,000.00	0.000
Townebank 2.8 11/24/2020	Certificate Of Deposit	11/24/2020	11/24/2020	246,000.00	246,000.00	0.000
Vibrant CU 3.1 12/21/2020	Certificate Of Deposit	12/21/2020	12/21/2020	246,000.00	246,000.00	0.000
Sub Total / Average Matured				3,231,000.00	3,231,000.00	

Folsom City Council
Staff Report

MEETING DATE:	3/23/2021
AGENDA SECTION:	Joint Meeting Public Hearing
SUBJECT:	Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 and City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021 Resolution No. 10603 - A Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021, the Execution of a First Supplemental Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith Resolution No. 007-Folsom Ranch FA - A Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $15,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery thereof and of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

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

Resolution No. 10603 - A Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021, the Execution of a First Supplemental Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

Resolution No. 007-Folsom Ranch FA - A Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $15,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery thereof and of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing

BACKGROUND / ISSUE

Community Facilities District No. 21 (White Rock Springs Ranch) (CFD No. 21) is a community facilities district organized by the City Council under the Mello-Roos Act for the purpose of providing for the construction and acquisition of certain public improvements to serve property within CFD No. 21. CFD No. 21 consists of a gross area of approximately 152 acres and is located wholly within the City of Folsom, east of Placerville Road between US route 50 and White Rock Road. The City established CFD No. 21 by Resolution No. 10075 on February 13, 2018.

Development within CFD No. 21 is entitled for a total of 423 dwelling units including 136 units zoned single-family and 287 units zoned single-family high-density. Property within CFD No. 21 is in various stages of development, which is anticipated to be completed in two main phases. White Rock Phase 1 development includes the Carr Trust and Villages 1, 8 and 9 and is entitled for development of 207 single family units at time of full build-out. Phase 2 of development includes Villages 2 through 7 and is entitled for 216 single family units at the time of full build-out.

The cost to construct all the facilities necessary to service property within CFD No. 21 is estimated at $75,298,402 and is comprised of backbone infrastructure and subdivision infrastructure. Backbone facilities infrastructure improvements include roadway construction, utility line extensions, storm drain detention basins, environmental mitigation, soft costs, earthwork/retaining walls, and associated landscaping. The cost of the backbone

infrastructure totals $40,347,076 to date, and the backbone infrastructure is complete. Subdivision improvements include underground utilities, subdivision roadways, street lighting, soundwalls, and landscaping improvements. The subdivision improvements are estimated at $34,951,326, including all design, construction staking, plan check, inspection, habitat mitigation and other project related soft costs. Final completion for all subdivision improvements is estimated to be May 2021.

The City intends to use proceeds from the CFD No. 21 Local Obligation bonds to partially or completely finance the construction of the following facilities, with the estimated cost and date of completion listed below:

Facilities	Estimated Cost	Estimated Completion
Backbone Infrastructure		
Offsite Storm Drain and Detention Basin	$2,949,591	Completed
Mangini Parkway (Phase 1)	6,428,582	Completed
Mangini Parkway (Phase 2)	2,455,223	Completed
Environmental Mitigation	910,214	Completed
Soft Costs – Backbone	3,851,559	Completed
Earthwork/Retaining Walls (Phase 1 and 2)	23,751,907	Completed
Subdivision Infrastructure		
Intract Improvements, White Rock Phase 1		
Carr Trust	$1,707,322	Completed
Village 1	6,810,751	Completed
Villages 8-9	7,264,013	Completed
Intract Improvements, White Rock Phase 2		
Villages 2-3 (Richmond)	$7,532,302	Completed
Villages 4-7 (Lennar)	8,957,381	May 2021
White Rock Phase 1 SPIF / Set Aside	772,651	Completed
White Rock Phase 2 SPIF / Set Aside	1,906,906	Completed
	$75,298,402	

Notice of this public hearing was published in the Folsom Telegraph on March 18, 2021.

POLICY / RULE

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

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

Mello-Roos Community Facilities Act of 1982

Marks-Roos Local Bond Pooling Act of 1985

ANALYSIS

The Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (Series 2021 Revenue

Bonds) are being issued by the Folsom Ranch Financing Authority (FRFA) in a not to exceed amount of $15,000,000 to finance the purchase of the limited obligation special tax bonds (Local Obligations) issued by CFD No. 21. The purchase price of the Local Obligations will be used to finance the acquisition of certain public facilities, fund a debt service reserve fund, fund capitalized interest to September 1, 2021, and pay certain costs of issuance of the Local Obligations and the Series 2021 Revenue Bonds.

A special tax will be levied and collected annually to service the Local Obligations. Every year, the City shall determine the annual special tax requirement. The annual special tax requirement is that amount of special tax revenue required in any fiscal year for CFD No. 21 to:

- Pay administrative expenses
- Pay annual debt service on all outstanding bonds for CFD No. 21
- Pay other periodic costs on outstanding bonds, including credit enhancement or rebate payments, if applicable
- Pay any amounts required to replenish the reserve fund
- Pay for reasonably anticipated delinquent special taxes
- Fund CFD No. 21 PAYGO costs
- Pay other associated costs as listed in the Rate and Method of Apportionment

The special tax shall be levied each fiscal year proportionately on each Sacramento County assessor's parcel of taxable property within CFD No. 21 at a rate up to 100% of the applicable maximum special tax to satisfy the annual special tax requirement. The appraised value for the property within CFD No. 21 is $105,434,000 and the value-to-lien ratio is 4.4:1, which is in compliance with the City's CFD policy. The total projected residential property tax level for developed single-family property is approximately 1.69% and for developed single-family high-density property is approximately 1.84% and shall not exceed 2.0% of the estimated sales price of the respective homes to be constructed in CFD No. 21.

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

1. Determining that there are significant public benefits to the City from the proposed financing and approving the Series 2021 Revenue Bonds.
2. Authorizing the issuance of an aggregate principal amount of not to exceed $15,000,000 in bonds.
3. Approving the execution and delivery of a Trust Agreement.
4. Approving the execution and delivery of a First Supplemental Indenture with U.S. Bank National Association.
5. Approving the execution and delivery of a Local Obligation Purchase Contract.
6. Approving the execution and delivery of a Continuing Disclosure Certificate.
7. Approving the execution and delivery of a Preliminary Official Statement, and authorizing the preparation of a final Official Statement.

8. Authorizing the officers of the City to execute any and all documents and instruments, for and on behalf of the City and/or CFD No. 21, to carry out the issuance of the Local Obligations.

By adopting the proposed FRFA Resolution, the Governing Board is taking the following actions in connection with the Series 2021 Revenue Bonds:

1. Authorizing the issuance of an aggregate principal amount of not to exceed $15,000,000 in bonds.
2. Approving the form and substance of the Trust Agreement.
3. Approving the form and substance of the Local Obligation Purchase Contract.
4. Approving the form and substance of the Bond Purchase Contract.
5. Approving the form and substance of the Preliminary Official Statement, authorizing the Treasurer to determine when said Preliminary Official Statement is final, and authorizing the distribution of both the Preliminary Official Statement and the Official Statement by the Underwriter.
6. Authorizing the officers of the FRFA to execute and deliver any and all documents, and to do any and all things deemed necessary to comply with the terms and intent of this resolution.

Other documents included as exhibits to this staff report include:

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

The City has engaged the following consultants to assist in the issuance of these Series 2021 Revenue Bonds:

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

FINANCIAL IMPACT

There is no discernable financial impact on the City of Folsom. The CFD No. 21 formation, bonded indebtedness, and expenses, including those for CFD No. 21, are solely the responsibility of CFD No. 21. The City will receive reimbursement from the issuance of the Series 2021 Revenue Bonds for staff time and expenses and will receive an annual

administrative fee throughout the term of CFD No. 21; these amounts are intended to offset expenses incurred by the City for administration and other items.

ENVIRONMENTAL REVIEW

On March 22, 2016 the City Council approved the White Rock Springs Ranch Subdivision development project and determined the White Rock Springs Ranch Subdivision project is entirely consistent with the Folsom Plan Area Specific Plan (FPASP) and therefore exempt from review under the California Environmental Quality Act (CEQA) provided by Government Code section 65457 and CEQA Guidelines sections 15182. No additional environmental review is required.

ATTACHMENTS

1. Resolution No. 10603 - A Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021, the Execution of a First Supplemental Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

2. Resolution No. 007-Folsom Ranch FA - A Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $15,000,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery thereof and of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing

3. Trust Agreement by and among the Folsom Ranch Financing Authority and the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) and U.S. Bank National Association, as Trustee

4. First Supplemental Indenture between the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) and U.S. Bank National Association, as Trustee

5. City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021 Local Obligation Purchase Contract

6. Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 Bond Purchase Agreement

7. Form of Continuing Disclosure Certificate

8. Preliminary Official Statement for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021

9. City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021 Good Faith Estimates

10. Powerpoint: City Council Presentation – Special Tax Revenue Bonds, CFD 21

Submitted,

Stacey Tamagni
Finance Director
Treasurer of the Folsom Ranch Financing Authority

ATTACHMENT 1

RESOLUTION NO. 10603

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM AUTHORIZING THE ISSUANCE OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH) SPECIAL TAX BONDS, SERIES 2021, THE EXECUTION OF A FIRST SUPPLEMENTAL INDENTURE PROVIDING THEREFOR, AUTHORIZING THE EXECUTION OF A LOCAL OBLIGATION PURCHASE CONTRACT, AND AUTHORIZING NECESSARY ACTIONS AND THE EXECUTION OF OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the City Council (the "City Council") of the City of Folsom (the "City") has formed the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

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

WHEREAS, in order to provide funds to finance certain of the Facilities (the "Project"), the Community Facilities District proposes to issue not to exceed $15,000,000 principal amount of its City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021 (the "Local Obligations"); and

WHEREAS, the Folsom Ranch Financing Authority (the "Authority") has agreed to purchase the Local Obligations pursuant to a Local Obligation Purchase Contract (the "Local Obligation Purchase Contract") between the Authority and the Community Facilities District with a portion of the proceeds of the Authority's City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Authority Bonds"); and

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

WHEREAS, there has been submitted to the City Clerk of the City (the "City Clerk") a form of First Supplemental Indenture (the "First Supplemental Indenture"), between the Community Facilities District and U.S. Bank National Association, as trustee, supplementing and amending that certain Indenture, dated as of December 1, 2019 (as supplemented by the First Supplemental Indenture, the "Indenture"), between the Community Facilities District and U.S. Bank National Association, as successor to MUFG Union Bank, N.A., as trustee, providing for the issuance of the Local Obligations and a form of Local Obligation Purchase Contract providing for the sale of the Local Obligations to the Authority; and

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

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

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

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

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

(a) the Trust Agreement;

(b) the First Supplemental Indenture;

(c) the Local Obligation Purchase Contract;

(d) the Continuing Disclosure Certificate; and

(e) the Preliminary Official Statement; and

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

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

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

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

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

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

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

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

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

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

Section 3. Subject to the conditions described in Section 8, the issuance of the Local Obligations in an aggregate principal amount not to exceed $15,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Local Obligations shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to redemption, shall be issued in the form, and shall be as otherwise provided in the Indenture.

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

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

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

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

Section 8. The form of the Local Obligation Purchase Contract providing for the sale of the Local Obligations to the Authority, on file with the City Clerk, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Local Obligation Purchase Contract in substantially said form, with such changes therein as may be approved by the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the final maturity of the Local Obligations shall be no later than September 1, 2050, the principal amount of the Local Obligations shall not exceed fifteen million dollars ($15,000,000) and the true interest cost (taking into consideration the associated underwriter's discount and any original issue premium or discount relating to the Authority Bonds) of the Local Obligations shall not exceed five percent (5.0%).

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

Section 10. Pursuant to Section 53345.8 of the Act and the City's Local Goals and Policies, the City Council hereby finds and determines that the value of the real property that would be subject to the Special Taxes to pay debt service on the Local Obligations will be at least three (3) times the principal amount of the Local Obligations to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District. The City Council determines in its sole discretion that it is necessary and desirable to waive certain of its Local Goals and Policies to the extent the issuance of the Local Obligations does not conform thereto.

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

Section 12. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 23rd day of March, 2021, by the following roll call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

RESOLUTION NO. 007-FOLSOM RANCH FA

RESOLUTION OF THE GOVERNING BOARD OF THE FOLSOM RANCH FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED $15,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH) SPECIAL TAX REVENUE BONDS, SERIES 2021; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT, AUTHORIZING MODIFICATIONS THEREOF AND EXECUTION AND DELIVERY AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AND OF AN OFFICIAL STATEMENT TO BE DERIVED THEREFROM; APPROVING A LOCAL OBLIGATION PURCHASE CONTRACT AND A BOND PURCHASE CONTRACT AND EXECUTION AND DELIVERY OF EACH; AND AUTHORIZING RELATED ACTIONS NECESSARY TO IMPLEMENT THE PROPOSED FINANCING

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

WHEREAS, the City Council (the "City Council") of the City of Folsom (the "City") has formed the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, the Community Facilities District has completed its legal proceedings under the Act with respect to authorizing the issuance and sale of the "City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021" (the "Local Obligations") for the purpose of financing certain public facilities within the City south of Highway 50;

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

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

WHEREAS, the Authority desires to issue the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021" (the "Bonds") pursuant to that certain Trust Agreement (the "Trust Agreement"), among the Authority, the Community Facilities District and U.S. Bank National Association, as trustee (the "Trustee"), in order to provide funds to purchase the Local Obligations; and

WHEREAS, the Authority has determined that the estimated amount necessary to finance the purchase of the Local Obligations will require the issuance of the Bonds in the aggregate principal amount not to exceed fifteen million dollars ($15,000,000); and

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed fifteen million dollars ($15,000,000). No Bond shall mature later than September 1, 2050.

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

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

Section 5. The form and substance of the Bond Purchase Contract is hereby approved. The Treasurer of the Authority or designee thereof is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the true interest cost of the Bonds shall not exceed five percent (5.0%) and the underwriter's discount (exclusive of original issue discount) shall not exceed one and one half percent (1.50%).

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

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

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

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

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

Section 8. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 23rd day of March, 2021, by the following roll call vote:

AYES: Boardmember(s):

NOES: Boardmember(s):

ABSENT: Boardmember(s):

ABSTAIN: Boardmember(s):

Michael D. Kozlowski, CHAIR

ATTEST:

Christa Freemantle, SECRETARY

ATTACHMENT 3

TRUST AGREEMENT

by and among the

FOLSOM RANCH FINANCING AUTHORITY

and the

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to the

$[_____]
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT
NO. 21 (WHITE ROCK SPRINGS RANCH) SPECIAL TAX REVENUE BONDS,
SERIES 2021

Dated as of April 1, 2021

TRUST AGREEMENT

This Trust Agreement (the "Trust Agreement"), dated as of April 1, 2021, by and among the Folsom Ranch Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch), organized and existing under and by virtue of the laws of the State of California (the "Community Facilities District") and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the "Trustee");

WITNESSETH:

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

WHEREAS, the Authority has determined to issue its Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Authority Bonds") to be secured by a pledge, lien and claim upon the Revenues (as that term is defined herein) in order to provide a portion of the funds necessary to purchase the Local Obligations (as that term is defined herein); and

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

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

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

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

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

(d) the Local Obligations;

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

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

ARTICLE I

DEFINITIONS

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

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

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

"Authority Bond" or "Authority Bonds" shall mean the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021. "Serial Authority Bonds" shall mean the Authority Bonds for which no Minimum Sinking Fund Payments are provided. "Term Authority Bonds" shall mean the Authority Bonds which are payable on or before their specified maturity date from Minimum Sinking Fund Payments established for that purpose and calculated to retire such Authority Bonds on or before their specified maturity date.

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

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

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

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

"Bond Year" shall mean the twelve-month period terminating on September 1 of each year; provided, that the first Bond Year shall commence on the date of the execution and initial delivery of the Authority Bonds and end on September 1, 2021.

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

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

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

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

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

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

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

"Chair" shall mean the Chair of the Authority.

"Chief Financial Officer" shall mean the Chief Financial Officer of the City.

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

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

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

"Community Facilities District" shall mean the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch), established by the City pursuant to the Act.

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

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

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

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

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

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

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

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

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

"Interest Payment Date" shall mean March 1 and September 1 in each year, commencing on [September 1, 2021].

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

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

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

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

(B) Farmers Home Administration;

(C) General Services Administration;

(D) Guaranteed Title XI financing;

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

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

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

(A) Export-Import Bank;

(B) Rural Economic Community Development Administration;

(C) U.S. Maritime Administration;

(D) Small Business Administration;

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

(F) Federal Housing Administration; and

(G) Federal Financing Bank;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Local Obligations" shall mean the Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021 to be issued by the Community Facilities District pursuant to the Act and to be purchased by the Authority pursuant to the Law.

"Mayor" shall mean the Mayor of the City.

"Minimum Sinking Fund Payments" shall mean the payments required by Section 2.01 to be deposited in the Sinking Fund Account.

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

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

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

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

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

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

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

(d) Authority Bonds paid pursuant to Section 2.03.

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

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

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

"Principal Installment," when used with respect to any Principal Payment Date, shall mean the principal amount of Outstanding Authority Bonds due on such date.

"Principal Payment Date," when used with reference to an Authority Bond, shall mean the maturity date or the Minimum Sinking Fund Payment date for such Authority Bond.

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

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

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

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

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

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

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

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

"Revenues" shall mean all amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, all Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings

taken in the event of a default thereon, and all investment earnings on any money held in the Funds held hereunder (except the Rebate Fund).

"S&P" shall mean S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority (which shall be under no liability by reason of such selection).

"Secretary" shall mean the Secretary of the Authority.

"Sinking Fund Account" shall mean the account within the Principal Fund by that name established pursuant to Section 2.01.

"Special Tax" shall mean the special tax authorized to be levied and collected annually on all Taxable Property in the Community Facilities District under and pursuant to the Act at the special election held in the Community Facilities District.

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

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

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

"State" shall mean the State of California.

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

"Term Authority Bonds" shall mean the Authority Bonds which are payable on or before their specified maturity date from Minimum Sinking Fund Payments established for that purpose and calculated to retire such Authority Bonds on or before their specified maturity date.

"Tax Certificate" shall mean each certificate for the Authority Bonds relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed

by the Authority and the Community Facilities District on the Dated Date, as the same may be amended or supplemented in accordance with its terms.

"Treasurer" shall mean the Treasurer of the Authority.

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

"Trust Agreement" shall mean this Trust Agreement dated as of April 1, 2021, by and among the Authority, the Community Facilities District and the Trustee pursuant to which the Authority Bonds are to be issued, as amended or supplemented from time to time in accordance with its terms.

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

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

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

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

ARTICLE II

TERMS OF AUTHORITY BONDS

SECTION 2.01. The Authority Bonds. The Authority Bonds shall be issued under and secured by this Trust Agreement and shall be in the form of fully registered bonds in denominations of five thousand dollars ($5,000) or any integral multiple of five thousand dollars ($5,000) in excess thereof designated the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021" and shall be in the aggregate principal amount of [PAR IN WORDS] dollars ($[PAR]). The Authority Bonds shall be dated the Dated Date and shall bear interest at the rates specified in the table below, such interest being payable semiannually on each Interest Payment

Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Principal Payment Date (September 1)	Principal Amount	Interest Rate
	$	%

* Term Bonds

Minimum Sinking Fund Payments are hereby established for the mandatory redemption and payment of the Term Authority Bonds, which payments shall become due during the years ending on the dates and in the amounts set forth in the following schedule (except that if any Term Authority Bonds have been redeemed pursuant to Section 4.02 or 4.03, the amounts of such Minimum Sinking Fund Payments shall be reduced proportionately by the principal amount of all such Term Authority Bonds so redeemed), namely:

Term Authority Bond Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment
	$

*

* Maturity.

Term Authority Bond Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment $
*	

* Maturity.

All such Minimum Sinking Fund Payments for the Term Authority Bonds shall be deposited in a separate account in the Principal Fund, which account is hereby established and shall be known as the Sinking Fund Account and which account the Authority hereby agrees and covenants to cause to be maintained by the Trustee so long as any Term Authority Bonds are Outstanding. All money in the Sinking Fund Account on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both years inclusive, shall be used and withdrawn by the Authority on each such September 1 for the mandatory redemption or payment of the Term Authority Bonds maturing on September 1, 20[__]; and all money in the Sinking Fund Account on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both years inclusive, shall be used and withdrawn by the Authority on each such September 1 for the mandatory redemption or payment of the Term Authority Bonds maturing on September 1, 20[__], and the Authority hereby agrees and covenants with the Owners of the respective Term Authority Bonds to call and redeem in accordance with Section 4.04 or pay the Term Authority Bonds from Minimum Sinking Fund Payments deposited in the Sinking Fund Account pursuant to this paragraph whenever on September 1 of any year there is money in the Sinking Fund Account available for such purpose.

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

the Owner on the Record Date and shall be paid to the Owner in whose name the Authority Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to the Owner not less than ten (10) Business Days prior to such Special Record Date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2.09. Authority Bonds as Special Obligations. The Authority Bonds are special, limited obligations of the Authority, payable from the Trust Estate and secured as to the payment of the interest on and principal of and redemption premiums, if any, thereon in accordance with their terms and the terms hereof, solely by the Trust Estate. The Authority Bonds do not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay the interest on or principal of or redemption premiums, if any, on the Authority Bonds except from the Trust Estate. None of the Community Facilities District, the City, the State, any public agency (other than the Authority) or any member of the Community Facilities District or the Authority is obligated to pay the interest on or principal of or redemption premiums, if any, on the Authority Bonds, and neither the faith and credit nor the taxing power of the Community Facilities District, the City, the State or any public agency thereof or any member of the Authority or the Community Facilities District is pledged to the payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds. The payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds does not constitute a debt, liability or obligation of the Community Facilities District, the City, the State or any public agency (other than the Authority) or any member of the Authority.

No agreement or covenant contained in any Authority Bond or herein shall be deemed to be an agreement or covenant of any officer, member, agent or employee of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer or employee thereof executing the Authority Bonds shall be liable personally on any Authority Bond or be subject to any personal liability or accountability by reason of the issuance of the Authority Bonds.

SECTION 2.10. Special Covenants as to Book-Entry Only System for Authority Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section, all of the Authority Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Letter of Representation. Payment of the interest on any Authority Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such

Authority Bonds to the account, in the manner and at the address indicated in or pursuant to the Letter of Representation.

(b) The Authority Bonds initially shall be issued in the form of a single authenticated fully registered Authority Bond for each stated maturity of such Authority Bonds, representing the aggregate principal amount of the Authority Bonds of such maturity. Upon initial issuance, the ownership of all such Authority Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.05 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Letter of Representation. The Trustee and any paying agent may conclusively treat DTC (or its nominee) as the sole and exclusive owner of the Authority Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Authority Bonds, selecting the Authority Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Authority Bonds, obtaining any consent or other action to be taken by Owners of the Authority Bonds and for all other purposes whatsoever; and neither the Trustee nor the Trustee or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Authority Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Authority Bonds, (iii) any notice which is permitted or required to be given to Owners of Authority Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Authority Bonds, or (v) any consent given or other action taken by DTC as Owner of Authority Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Authority Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Letter of Representation, and all such payments shall be valid and effective to satisfy fully and discharge the Trustee's obligations with respect to the principal of and premium, if any, and interest on the Authority Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Authority Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section.

(c) In the event that the Authority determines that the beneficial owners of the Authority Bonds shall be able to obtain Authority Bond certificates, the Trustee shall, upon the written instruction from the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of Authority Bond certificates. In such event, the Authority Bonds will be transferable in accordance with subsection (f) of this Section. DTC may determine to discontinue providing its services with respect to the Authority Bonds at any time by giving written notice of such discontinuance to the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Authority Bonds will be transferable in accordance with subsection (f) of this Section. Whenever DTC requests the Trustee to do so, the Trustee will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Authority Bonds

then Outstanding. In such event, the Authority Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Authority Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Authority Bond and all notices with respect to each such Authority Bond shall be made and given, respectively, to DTC as provided in the Letter of Representation.

(e) In the event that any transfer or exchange of Authority Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Authority Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.05 and 2.06. In the event Authority Bond certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Authority Bonds, another securities depository as Owner of all the Authority Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.05 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Authority Bonds and the method of payment of principal of, premium, if any, and interest on the Authority Bonds.

SECTION 2.11. CUSIP Numbers. The Authority in issuing the Authority Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Owners; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Authority Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Authority Bonds or as contained in any notice of redemption and that reliance may be placed only on the other identification numbers printed on the securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Authority shall promptly notify the Trustee in writing of any change in CUSIP numbers.

ARTICLE III

ISSUANCE OF AUTHORITY BONDS

SECTION 3.01. Provisions for the Issuance of Authority Bonds. The Authority Bonds shall be executed by the Authority and delivered to the Trustee for authentication, together with a Written Order authorizing and directing the Trustee to authenticate the Authority Bonds and containing instructions as to the delivery of the Authority Bonds. The Trustee shall authenticate and deliver the Authority Bonds upon receipt of such Written Order and upon the following having been deposited with it:

(a) A copy of the resolution adopted by the Authority approving this Trust Agreement and the execution and delivery by the Authority hereof, duly certified by the Secretary to have

been duly adopted by the Authority and to be in full force and effect on the date of such certification;

(b) The proceeds of sale of the Authority Bonds;

(c) An Officer's Certificate stating that all conditions precedent to the authorization of the Authority Bonds have been satisfied and that the Authority is not in default in the performance of any of the agreements, conditions, covenants or terms contained herein;

(d) An original executed counterpart hereof;

(e) The Local Obligations to be purchased with the proceeds of the Authority Bonds, registered in the name of the Trustee; and

(f) An Opinion or Opinions of Bond Counsel addressing the validity and, if applicable, the tax-exempt status of the Authority Bonds and the validity of the Local Obligations, subject to such exceptions as may be reasonable and appropriate.

SECTION 3.02. Parity and Subordinate Bonds. So long as any of the Authority Bonds remain Outstanding, the Authority shall not issue any bonds or obligations payable from Revenues.

ARTICLE IV

REDEMPTION OF AUTHORITY BONDS

SECTION 4.01. General Redemption Provisions. The Authority Bonds that are subject to redemption prior to maturity pursuant to this Trust Agreement shall be redeemable, upon mailed notice as provided in this Article, at such times and upon such terms as are contained in this Article.

SECTION 4.02. Optional Redemption. The Authority Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, upon mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

[103]% if redeemed on any date on or after [September 1, 20__] through [August 31, 20__];

[102]% if redeemed on any date from [September 1, 20__] through [August 31, 20__];

[101]% if redeemed on any date from [September 1, 20__] through [August 31, 20__]; and

[100]% if redeemed on [September 1, 20__] and any date thereafter.

SECTION 4.03. Extraordinary Redemption. The Authority Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after [September 1, 2021], solely from funds derived from extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

[103]% if redeemed on an Interest Payment Date on or after [September 1, 20__] through [March 1, 20__];

[102]% if redeemed on an Interest Payment Date on [September 1, 20__] and [March 1, 20__];

[101]% if redeemed on an Interest Payment Date on [September 1, 20__] and [March 1, 20__]; and

[100]% if redeemed on [September 1, 20__] and any Interest Payment Date thereafter.

SECTION 4.04. Mandatory Redemption. The Term Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__]; and the Term Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__] from (and in the amount of) the Minimum Sinking Fund Payments due and payable for the Term Authority Bonds on each such date, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium.

SECTION 4.05. Redemption Instructions. Upon any prepayment of a Local Obligation, the Authority shall deliver to the Trustee at least forty-five (45) days prior to the redemption date a Written Order of the Authority designating the amounts and maturities of the Authority Bonds to be redeemed, which shall be in the manner necessary to enable the Authority to deliver a Cash Flow Certificate satisfying the requirements described below. In the event only a portion of the Outstanding Authority Bonds of any maturity are to be redeemed at any one time, the Trustee shall select the particular Authority Bonds of each maturity date to be redeemed in accordance with DTC procedures or, if the Authority Bonds are not then in book-entry, by lot. The Trustee shall redeem Authority Bonds in Authorized Denominations. The Trustee shall promptly notify the Authority in writing of the numbers of the Authority Bonds so selected for redemption on any date. Upon any redemption of a portion but not all of the Outstanding Authority Bonds, the Authority shall deliver to the Trustee a Cash Flow Certificate to the effect that, assuming all payments are made with respect to the Local Obligations, (i) the Revenues, together with moneys on deposit in other funds and account held under this Trust Agreement, will be sufficient to pay all Principal Installments, Minimum Sinking Fund Payments and interest

payments on the Authority Bonds when due; and (ii) the redemption premiums, if any, on the Local Obligations, together with other Revenues available to the Trustee for such purpose, are sufficient to offset any difference between the interest to accrue on the Authority Bonds to be paid or redeemed with the proceeds of prepayment of such Local Obligations (plus any redemption premium payable upon redemption of such Authority Bonds) and the income to be earned on any investment of such proceeds (assured as of the date of payment thereof), in each case until the date of payment or redemption of Authority Bonds, such that in no event will the prepayment of Local Obligations cause the Trustee to have insufficient funds to pay debt service on the Authority Bonds when due. In no event shall Authority Bonds be redeemed if upon such redemption the principal amount of the Local Obligations remaining outstanding will be less than the total principal amount of Outstanding Authority Bonds. Such Written Order of the Authority may specify that optional redemption of the Authority Bonds will be conditioned upon receipt of funds or other events.

SECTION 4.06. Notice of Redemption. Subject to receipt of the Written Order of the Authority delivered pursuant to Section 4.05, the Trustee shall, at the sole cost and expense of the Authority, give notice of redemption as hereinafter provided in this Section; provided, that Authority Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Authority Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Authority Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof to the Trustee at its Corporate Trust Office, subject to any conditions to such redemption specified in the Written Order of the Authority, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Authority Bonds (or portions thereof) so to be redeemed will cease to accrue on and after such date and that from and after such date such Authority Bond (or such portion thereof) shall no longer be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such redeemed Authority Bond or such portion except to receive payment from such money of such redemption price plus accrued interest to the date fixed for redemption. If sufficient monies for the payment of the redemption price of all Authority Bonds to be redeemed are not then on deposit with the Trustee, such notice shall also state that redemption is conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Such notice shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the Owners of such Authority Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register; provided, that neither the failure of an Owner to receive notice of redemption of Authority Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Authority Bonds.

Any notice of optional redemption hereunder may be rescinded by written notice given by the Authority to the Trustee no later than three (3) Business Days prior to the date specified for redemption, instructing the Trustee to send such notice of rescission. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given pursuant to this Section.

SECTION 4.07. Payment of Redeemed Authority Bonds. If notice of redemption has been given and not rescinded and if the conditions to such redemption specified therein, if any, have been satisfied, each as provided in Section 4.06, the Authority Bonds (or the portions thereof) called for redemption shall become irrevocably due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Authority Bonds to be redeemed at the Corporate Trust Office of the Trustee specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of an Authority Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Authority Bond, and without charge to the Owner thereof, Authority Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Authority Bonds so surrendered in such Authorized Denominations as shall be specified by the Owner thereof.

If any Authority Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Authority, then interest on such Authority Bond or such portion thereof shall cease to accrue from such date, and from and after such date such Authority Bond or such portion thereof shall no longer be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such Authority Bond or such portion except to receive payment of such redemption price and unpaid interest accrued to the date fixed for redemption.

SECTION 4.08. Purchase in Lieu of Redemption. In lieu of redemption of any Authority Bond pursuant to the provisions of Section 4.02 or Section 4.03, and after complying with Section 4.05, amounts on deposit in the Proceeds Fund, the Principal Fund or in the Redemption Fund may be used and withdrawn by the Trustee at any time prior to a notice of redemption having been delivered, upon a Written Order for the purchase of such Authority Bonds at public or private sale as and when and at such prices as the Authority may in its discretion determine, but not in excess of the lower of the highest or then current redemption price thereof plus accrued interest to the purchase date; and all Authority Bonds so purchased shall be delivered to the Trustee for cancellation.

ARTICLE V

REVENUES AND FUNDS FOR AUTHORITY BONDS

SECTION 5.01. Establishment of Funds. There is hereby established with the Trustee, and the Trustee hereby agrees to maintain, the following special trust funds for the Authority Bonds, which the Trustee shall keep separate and apart from all other funds and moneys held by it: the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Proceeds Fund, the Local Obligations Fund and the Rebate Fund.

SECTION 5.02. Deposit of Proceeds of Authority Bonds. The net proceeds received from the sale of the Authority Bonds (in the amount of $[_____], consisting of the principal amount thereof, [plus/less] the [net] original issue [premium/discount] of $[_____] and less an underwriter's discount of $[_____]) shall be deposited by the Trustee in the Proceeds Fund.

SECTION 5.03. Proceeds Fund. The amounts in the Proceeds Fund shall be applied forthwith by the Trustee for the purchase of the Local Obligations pursuant to the Local Obligation Purchase Contract in accordance with a Written Order of the Authority whereupon the Proceeds Fund shall be closed. If any amount shall remain in the Proceeds Fund following such purchase, such amount shall be transferred to the Revenue Fund.

SECTION 5.04. Local Obligations Fund. All Local Obligations acquired by the Trustee pursuant to Section 5.03 shall be deposited in the Local Obligations Fund, which the Trustee shall establish and maintain.

SECTION 5.05. Revenue Fund. All Revenues received by the Trustee, other than Revenues derived from the early redemption of Local Obligations from Special Tax Prepayments (which shall be administered in accordance with Section 5.06), shall be deposited by the Trustee in the Revenue Fund. On each Interest Payment Date and Principal Payment Date, the Trustee shall transfer Revenues (to the extent that Revenues are available therein) from the Revenue Fund, in the amounts specified in Sections 5.07 and 5.08, for deposit into the respective Funds specified therein in the order of priority herein set forth, the requirements of each Fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any Fund later in priority. On each Interest Payment Date and Principal Payment Date, after making the deposits required by Sections 5.07 and 5.08, the Trustee shall transfer all remaining money in the Revenue Fund to the Indenture Trustee for deposit pursuant to the Local Obligations Indenture.

SECTION 5.06. Revenues Derived from Special Tax Prepayments. The Community Facilities District and the Authority acknowledge that amounts received by the Community Facilities District on account of Special Tax Prepayments are to be utilized for the sole purpose of the prior redemption of Local Obligations pursuant to Section 4.03, and not to pay current, scheduled debt service payments on the Local Obligations. Correspondingly, in order to maintain a proper ratio between debt service payments on the Local Obligations and debt service payments on the Authority Bonds, all Revenues received by the Trustee which are derived from the early redemption of Local Obligations from Special Tax Prepayments when received by the Community Facilities District shall be deposited in the Redemption Fund and used to redeem the Authority Bonds pursuant to Section 4.03, in accordance with a Written Order of the Authority delivered pursuant to Section 4.05.

SECTION 5.07. Interest Fund. The Trustee shall deposit in the Interest Fund on each Interest Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Interest Fund, is equal to the interest due on the Authority Bonds due on such date. On each Interest Payment Date, the Trustee shall pay the interest due and payable on the Authority Bonds on such date from the Interest Fund.

SECTION 5.08. Principal Fund. After satisfying the requirements of the foregoing Section 5.07 respecting deposits in the Interest Fund, the Trustee shall deposit in the Principal Fund (i) on each Principal Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Principal Fund (other than amounts previously deposited on account of any Authority Bonds which have matured but which have not been presented for payment) is sufficient to pay the Principal Installments on the Authority Bonds due on such Principal Payment Date and (ii) on each September 1 on which a Minimum Sinking Fund

Payment is required to be made (for deposit in the Sinking Fund Account) from the Revenue Fund an amount of Revenues which is equal to the Minimum Sinking Fund Payment due and payable on such date. On each Principal Payment Date, the Trustee shall pay the principal or redemption price due and payable on the Authority Bonds on such date from the Principal Fund.

SECTION 5.09. Redemption Fund. All money held in or transferred to the Redemption Fund pursuant to Section 5.06 shall be used for the purpose of redeeming or purchasing all or a portion of the Outstanding Authority Bonds pursuant to Section 4.03, and the Trustee shall use other moneys in the Redemption Fund for the payment of the redemption price of Authority Bonds called for redemption pursuant to Section 4.02, together with accrued interest to the redemption date.

SECTION 5.10. Rebate Fund. The Trustee agrees to establish and maintain when needed a fund separate from any other fund established and maintained hereunder designated the Rebate Fund. The Trustee shall deposit in the Rebate Fund, from funds made available by the Authority, the Rebate Requirement, all in accordance with the Rebate Instructions received from the Authority. The Trustee will apply money held in the Rebate Fund as provided in Section 7.04 and according to instructions provided by the Authority. Subject to the provisions of Section 7.04, all money held in the Rebate Fund is hereby pledged to secure payments to the United States of America, and the Authority and the Community Facilities District and the Owners will have no rights in or claim to such money. The Trustee will invest all money held in the Rebate Fund in Investment Securities as directed in writing by the Authority, such written direction to specify which Investment Securities are to be invested in, and all investment earnings with respect thereto shall be deposited in the Rebate Fund.

Upon receipt of the Rebate Instructions required by the Tax Certificate to be delivered to the Trustee, the Trustee will remit part or all of the balance held in the Rebate Fund to the United States of America as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such Funds as the Rebate Instructions shall direct. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee, and shall have no liability or responsibility to monitor or enforce compliance by the Authority with the terms of the Tax Certificate.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from money held in the Rebate Fund or from other money provided to it by the Authority. The Trustee shall not be responsible for computing the Rebate Requirement, and computations of the Rebate Requirement shall be furnished to the Trustee or on behalf of the Authority in accordance with the Tax Certificate.

Notwithstanding any other provision hereof, including in particular Article XII pertaining to defeasance, the obligation to remit the rebate amounts to the United States of America and to comply with all other requirements of this Section and the Tax Certificate shall survive the defeasance or payment in full of the Authority Bonds.

ARTICLE VI

SECURITY FOR AND INVESTMENT OF MONEY

SECTION 6.01. Security. All money required to be deposited with or paid to the Trustee in any of the Funds (other than the Rebate Fund) referred to in any provision hereof shall be held by the Trustee in trust, and except for money held for the payment or redemption of Authority Bonds or the payment of interest on Authority Bonds pursuant to Section 12.03, shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the lien and pledge created hereby.

SECTION 6.02. Investment of Money. So long as the Authority Bonds are Outstanding and there is no default hereunder, all money on deposit to the credit of the Revenue Fund, the Interest Fund, the Principal Fund and the Redemption Fund and all accounts within such Funds shall, at the written request of an Authorized Officer of the Authority specifying and directing that such investment of such money be made, be invested by the Trustee in Investment Securities having maturities not later than the date necessary to provide the availability of money when needed for purposes hereof, and all money held in the Rebate Fund shall, at the written request of an Authorized Officer specifying and directing that such investment of such money be made, be invested by the Trustee in Government Obligations having maturities not later than the date necessary to provide the availability of money when needed for purposes hereof, and the Trustee shall be entitled to conclusively rely on such instructions for purposes of this Section. The Trustee shall notify the Authority in writing prior to the date money held hereunder will be available for investment, requesting that the Authority deliver to the Trustee written instructions specifying the Investment Securities to be acquired by the Trustee with such money. The Authority, in issuing such written instructions, shall comply with the provisions of the Tax Certificate. In the absence of written instructions from the Authority regarding investment, such money shall be held uninvested. The Trustee (or any affiliate thereof) may act as principal or agent in the acquisition or disposition of any investments.

Money on deposit in the Proceeds Fund, if any, shall be invested in Investment Securities pursuant to a Written Order specifying which Investment Securities to be invested in, and such money may not be reinvested in any other Investment Securities unless the Trustee receives, at the time of such reinvestment, a further written certification to the effect that, after such reinvestment, the Revenues will be sufficient to pay principal and interest on the Authority Bonds when due.

Notwithstanding anything to the contrary contained herein, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Fund from which such accrued interest was paid. The Trustee shall not be responsible for any losses, taxes, fees, charges or consequences of any investment, reinvestment or liquidation of investment if it follows such instructions. Notwithstanding anything to the contrary contained herein, the Trustee shall have no obligation or responsibility to determine whether investment in a security is permitted by the laws of the State and the City's Investment Policy, for and on behalf of the Community Facilities District, and shall be entitled to conclusively assume that any investment it is directed to make is so permitted.

The securities purchased with the money in each Fund shall be deemed a part of such Fund. If at any time it shall become necessary or appropriate that some or all of the securities purchased with the money in any Fund be redeemed or sold in order to raise money necessary to comply with the provisions hereof, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any consequences, fees, taxes or other charges resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as authorized pursuant to this Section.

Investments in the Revenue Fund, the Interest Fund, the Principal Fund and the Redemption Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular Funds amounts received or held by the Trustee; provided, that the Trustee shall at all times account for such investments strictly in accordance with the Funds to which they are credited and otherwise as provided herein.

All earnings on the investment of the money on deposit in any Fund shall remain a part of such Fund.

ARTICLE VII

COVENANTS OF THE AUTHORITY AND THE COMMUNITY FACILITIES DISTRICT

SECTION 7.01. Payment of Authority Bonds; No Encumbrances. The Authority shall cause the Trustee to promptly pay, from Revenues and other funds derived from the Trust Estate pledged hereunder, the interest on and principal of and redemption premium, if any, on every Authority Bond issued under and secured hereby at the place, on the dates and in the manner specified herein and in such Authority Bonds according to the true intent and meaning thereof. The Authority shall not issue any bonds, notes or other evidences of indebtedness or incur any obligations payable from or secured by the Trust Estate, other than the Authority Bonds.

SECTION 7.02. Enforcement and Amendment of Local Obligations. The Authority, the Community Facilities District and the Trustee (subject to Article IX hereof) shall enforce all of their rights with respect to the Local Obligations to the fullest extent necessary to preserve the rights and protect the security of the Owners hereunder.

The Authority, the Community Facilities District and the Trustee may, without the consent of or notice to the Owners of the Authority Bonds, consent to any amendment, change or modification of any Local Obligation that may be required (a) to conform to the provisions hereof (including any modifications or changes contained in any Supplemental Trust Agreement, (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) to add additional rights acquired in accordance with the provisions of such Local Obligation, (d) in connection with any other change therein that is not to the material prejudice of the Owners of the Authority Bonds, or (e) in the Opinion of Bond Counsel, to preserve or assure the exemption of interest on the Local Obligations or Authority Bonds from federal income taxes or the exemption of such interest from State personal income taxes.

Except for the amendments, changes or modifications provided for in the preceding paragraph, neither the Authority, the Community Facilities District nor the Trustee shall consent to any amendment, change or modification of any Local Obligation without the written approval or consent of the Owners of not less than a majority in aggregate principal amount of Authority Bonds at the time Outstanding given and procured as provided in this Section. If at any time the Authority and the Community Facilities District, as the case may be, shall request the consent of the Trustee to any such proposed amendment, change or modification of a Local Obligation, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice, prepared by the Authority, of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 13.03. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Owners.

SECTION 7.03. Further Documents. The Authority covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose hereof; provided, that no such instruments or actions shall pledge the faith and credit or the taxing power of the State or any political subdivision of the State.

SECTION 7.04. Tax Covenants for the Authority Bonds.

(a) The Authority and the Community Facilities District will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Authority Bonds under Section 103 of the Code. The Authority and the Community Facilities District will not directly or indirectly use or permit the use of any proceeds of the Authority Bonds or any other funds of the Authority or take or omit to take any action that would cause the Authority Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code or obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code. The Authority will not allow ten percent (10%) or more of the proceeds of the Authority Bonds to be used in the trade or business of any nongovernmental units and will not lend five percent (5%) or more of the proceeds of the Authority Bonds to any nongovernmental units.

(b) The Authority and the Community Facilities District will not directly or indirectly use or permit the use of any proceeds of the Authority Bonds or any other funds of the Authority or take or omit to take any action that would cause the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Authority and the Community Facilities District will comply with all requirements of Section 148 of the Code to the extent applicable to the Authority Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any money held by the Trustee hereunder, the Authority will so instruct the Trustee in writing, and the Trustee will take such actions as directed by such instructions.

(c) The Authority will pay or cause to be paid the Rebate Requirement as provided in the Tax Certificate. This covenant shall survive payment in full or defeasance of the Authority Bonds. The Authority will cause the Rebate Requirement to be deposited in the Rebate Fund as provided in the Tax Certificate (which is incorporated herein by reference).

(d) The Trustee will conclusively be deemed to have complied with the provisions of this Section and the provisions of the Tax Certificate and shall incur no liability if it follows the directions of the Authority set forth in the Tax Certificate and the Rebate Instructions and shall not be required to take any actions hereunder in the absence of Rebate Instructions from the Authority.

(e) Notwithstanding any provision of this Section, if the Authority shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest with respect to the Authority Bonds, the Trustee and the Authority and the Community Facilities District may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

(f) The provisions of this Section shall survive the defeasance of the Authority Bonds.

SECTION 7.05. Maintenance of Existence. The Authority shall maintain the existence, powers and authority of the Authority as a joint exercise of powers authority under the laws of the State.

SECTION 7.06. Continuing Disclosure. The Community Facilities District has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Owners of the Authority Bonds or any other person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision hereof, failure of the Community Facilities District to comply with any continuing disclosure obligation shall not be considered an Event of Default; provided, that any Owners of the Authority Bonds or beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District to comply with its continuing disclosure obligations.

SECTION 7.07. Redemption Fund for the Local Obligations.

(a) The Community Facilities District expressly acknowledges that, pursuant to the Local Obligations Indenture, the Community Facilities District is to establish and maintain a separate redemption fund for the Local Obligations (the "Local Obligations Redemption Fund") and, so long as the Local Obligations remain outstanding, to deposit into such Local Obligations Redemption Fund, upon receipt, any and all Special Tax Revenues received by the Community Facilities District in connection with the Local Obligations. The Community Facilities District further acknowledges that no temporary loan or other use whatsoever may be made of Special Tax Revenues, and that the Local Obligations Redemption Fund constitutes a trust fund for the benefit of the owners of the Local Obligations.

(b) The Community Facilities District hereby covenants for the benefit of the Authority, as owner of the Local Obligations, the Trustee, as assignee of the Authority with respect to the Revenues, and the Owners from time to time of the Authority Bonds, that it will establish, maintain and administer the Local Obligations Redemption Fund and the Special Tax Revenues in accordance with their status as trust funds as prescribed by the Act, the Local Obligations Indenture and this Trust Agreement.

(c) The Community Facilities District further covenants that, no later than one (1) Business Day prior to each Interest Payment Date and Principal Payment Date of the Authority Bonds, the Community Facilities District will advance to the Trustee against payment on the Local Obligations, as assignee of the Authority with respect to the Local Obligations, the interest due on the Local Obligations on such Interest Payment Date and the principal of all Local Obligations maturing on such Principal Payment Date, respectively, and upon receipt by the Trustee, such amounts shall constitute Revenues. For so long as Authority Bonds remain Outstanding, the Trustee shall provide written notice to the Authority no later than fifteen (15) days prior to each Interest Payment Date specifying the amount required to be paid to the Trustee pursuant to this subsection in the month subsequent thereto.

SECTION 7.08. Concerning the Trust Estate. The Authority hereby represents and warrants as follows:

(a) This Trust Agreement creates a valid and binding pledge of and security interest in the Trust Estate in favor of the Trustee in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Authority Bonds Outstanding hereunder, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of California, (1) such pledge of and security interest in the Trust Estate and (2) each pledge, assignment, lien, or other security interest made to secure any prior obligations of Authority which, by the terms hereof, ranks on parity with or prior to the pledge of and security interest granted hereby, are and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract.

(c) The Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Trust Estate that ranks on parity with or prior to the pledge and security interest granted hereby, except for the pledge and security interest granted to secure the Authority Bonds. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in such collateral that ranks prior to or on parity with the pledge and security interest granted hereby, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby.

ARTICLE VIII

DEFAULTS AND REMEDIES

SECTION 8.01. Events of Default. The following shall constitute "Events of Default" hereunder:

(a) if payment of interest on the Authority Bonds shall not be made when due; or

(b) if payment of any Principal Installment or Minimum Sinking Fund Payment shall not be made when due and payable, whether at maturity, by proceedings for redemption, or otherwise; or

(c) if the Authority or the Community Facilities District shall fail to observe or perform in any material way any other agreement, condition, covenant or term contained herein on its part

to be observed or performed, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Authority or the Community Facilities District, as the case may be, by the Trustee or by the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds, provided, that if such default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Community Facilities District within the applicable period and diligently pursued until the default is corrected; or

(d) if there is an event of default under the Local Obligations Indenture.

SECTION 8.02. Proceedings by Trustee; No Acceleration. Upon the happening and continuance of any Event of Default the Trustee may, or at the written request of the Owners of not less than fifty percent (50%) in aggregate principal amount of Authority Bonds Outstanding, shall (but only if indemnified to its satisfaction from any liability, expense or cost), do the following:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to receive and collect the Revenues;

(b) bring suit upon or otherwise enforce any defaulting Local Obligation;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners;

(d) as a matter of right, have a receiver or receivers appointed for the Trust Estate and of the earnings, income, issues, products, profits and revenues thereof pending such proceedings, with such powers as the court making such appointment shall confer; and

(e) take such action with respect to any and all Local Obligations or Investment Securities as shall be necessary and appropriate, subject to Section 8.04 and to the terms of such Local Obligations or Investment Securities.

The Trustee shall have no right to declare the principal of all of the Authority Bonds then Outstanding, or the interest accrued thereon, to be due and payable immediately.

SECTION 8.03. Effect of Discontinuance or Abandonment. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SECTION 8.04. Rights of Owners. Anything herein to the contrary notwithstanding, but subject to the limitations and restrictions as to the rights of the Owner contained in Sections 8.01, 8.02, and 8.05, upon the happening and continuance of any Event of Default, the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds then Outstanding shall have the right, upon providing the Trustee security and indemnity reasonably

satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder.

The Trustee may refuse to follow any direction that conflicts with law or herewith or that the Trustee determines would subject the Trustee to personal liability without adequate indemnification therefor.

SECTION 8.05. Restriction on Owner's Action. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust hereunder, or any other remedy hereunder or in the Authority Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted herein, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case to be conditions precedent to the execution of the trusts hereof or for any other remedy hereunder, it being understood and intended that no one or more Owners of Authority Bonds secured hereby shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security hereof, or to enforce any rights hereunder or under the Authority Bonds, except in the manner provided herein, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided herein, and for the equal benefit of all Owners of Outstanding Authority Bonds; subject, however, to the provisions of this Section. Notwithstanding the foregoing provisions of this Section or any other provision hereof, the obligation of the Authority shall be absolute and unconditional to pay, but solely from the Trust Estate, the interest on and principal of and redemption premiums, if any, on the Authority Bonds to the respective Owners thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

SECTION 8.06. Power of Trustee to Enforce. All rights of action hereunder or under any of the Authority Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Authority Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceedings instituted by the Trustee shall be brought in its own name, as Trustee, for the equal and ratable benefit of the Owners subject to the provisions hereof.

SECTION 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 8.08. Waiver of Events of Default; Effect of Waiver. Upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Authority Bonds, the Trustee shall waive any Event of Default hereunder and its consequences. If any Event of Default shall have been waived as herein provided, the Trustee shall promptly give written notice of such waiver to the Authority and the Community Facilities District and shall give notice thereof by first class mail, postage prepaid, to all Owners of Outstanding Authority Bonds if such Owners had not previously been given notice of such Event of Default; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default, or impair any right or remedy consequent thereon.

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given by this Article to the Trustee and to the Owners may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.09. Application of Money upon Event of Default. Any money received by the Trustee pursuant to this Article shall, after payment of all fees and expenses of the Trustee, and the fees and expenses of its counsel, agents and advisors, incurred in representing the Owners, be applied as follows:

(a) unless the principal of all of the Outstanding Authority Bonds shall be due and payable,

FIRST - To the payment of the Owners entitled thereto of all installments of interest then due on the Authority Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment of the Owners entitled thereto of the unpaid principal of and redemption premiums, if any, on any of the Authority Bonds which shall have become due (other than Authority Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions hereof) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of and redemption premiums, if any, on such Authority Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Owners entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the Owners entitled thereto as the same shall become due of the interest on and principal of and redemption premiums, if any, on the Authority Bonds which may thereafter become due, either at maturity or upon call for redemption prior to maturity, and if the amount available shall not be sufficient to pay in full such interest and principal and redemption

premiums, if any, due on any particular date, payment shall be made in accordance with the FIRST and SECOND paragraphs hereof.

(b) if the principal of all of the Outstanding Authority Bonds shall be due and payable, to the payment of the interest on and principal of and redemption premiums, if any, due on all Outstanding Authority Bonds without preference or priority of or of any interest on any Outstanding Authority Bond over any other Outstanding Authority Bond, any principal of or the redemption premium, if any, on any Outstanding Authority Bond or of any other Outstanding Authority Bond, ratably, according to the amounts due respectively for interest and principal and redemption premiums, if any, to the Owners entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Authority Bonds.

ARTICLE IX

THE TRUSTEE

SECTION 9.01. Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Authority agrees and the respective Owners of the Authority Bonds, by purchase and acceptance thereof, agrees.

SECTION 9.02. Duties, Immunities and Liability of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth herein, and no implied duties or obligations shall be read herein against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it hereby and use the same degree of care and skill in their exercise as a prudent person would exercise under the circumstances in the conduct of his or her own affairs.

In the absence of an Event of Default, the Authority may remove the Trustee. The Authority shall remove the Trustee if (A) it receives an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Authority Bonds then Outstanding (or their attorneys duly authorized in writing) or (B) at any time the Trustee shall cease to be eligible in accordance with this Section, or (C) the Trustee shall become incapable of acting, or (D) the Trustee shall commence a case under any bankruptcy, insolvency or similar law, or (E) a receiver of the Trustee or of its property shall be appointed, or (F) any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation. To effect any such removal, the Authority shall give written notice thereof to the Trustee, and thereupon the Authority (with the concurrence of the Community Facilities District) shall promptly appoint a successor Trustee by an instrument in writing.

The Trustee may, subject to the next following paragraph of this Section, resign by giving written notice of such resignation by mail, first class postage prepaid, to the Authority, the Community Facilities District and the Owners at the respective addresses listed in the Bond Register. Upon receiving such notice of resignation, the Authority (with the concurrence of the

Community Facilities District) shall promptly appoint, by an instrument in writing, a successor Trustee.

Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of the successor Trustee by the Authority and the Community Facilities District and acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition, at the expense of the Community Facilities District, any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the Authority and the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if it were originally named Trustee herein; but, nevertheless, at the written request of the Authority or the Community Facilities District or the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it hereunder and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority and the Community Facilities District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such money, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such successor Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their respective addresses listed in the Bond Register.

Any successor Trustee appointed under the provisions of this Section shall be a trust company or bank having the powers of a trust company, having a designated corporate trust office in California, and with a combined capital and surplus of at least one hundred million dollars ($100,000,000) and being subject to supervision or examination by federal or state authority; and if such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection, the Trustee shall resign promptly in the manner and with the effect specified in this Section.

No provision herein shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder unless the Owners shall have offered to the Trustee indemnity it deems reasonable, against the costs,

expenses and liabilities that may be incurred. The Trustee shall be entitled to interest on all money advanced by it hereunder at its prime rate then in effect plus two percent (2%), but not to exceed the maximum interest rate permitted by the laws of the State.

In accepting the trust hereby created, the Trustee is acting solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Authority Bonds.

The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Authority or the Community Facilities District of the funds hereunder including, without limitation, the purchase of the Local Obligations hereunder; provided, that the Trustee shall not acquire Local Obligations other than pursuant to the provisions of Sections 5.03 and 5.04.

In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be responsible for the validity or effectiveness or value of any collateral or security securing any Local Obligation. The Trustee shall not be responsible for the recording or filing of any document relating hereto or any Local Obligation or of financing statements (or amendments or continuation statements in connection therewith) or mortgage or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests or lien on or in any collateral or security securing any Local Obligation. The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity or sufficiency of any such document, collateral or security.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer of the Trustee shall have actual knowledge thereof at its Corporate Trust Office.

The Trustee shall not be accountable for the use or application by the Authority or the Community Facilities District or any other party of any funds which the Trustee has released hereunder.

The Trustee shall provide a monthly accounting of all funds held pursuant hereto [(and all funds held by the Indenture Trustee)] to the Authority within fifteen (15) Business Days after the end of such month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within ninety (90) days after the end of such period. Such accounting shall show in reasonable detail all financial transactions during the accounting period and the balance in any accounts and funds (including the Local Obligations Fund) created hereunder as of the beginning and the close of such accounting period.

The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The

Authority waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 9.03. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall succeed to the rights and obligations of the Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding; provided, that such company shall be eligible under Section 9.02.

SECTION 9.04. Compensation and Indemnification. The Authority shall pay or cause the Community Facilities District to pay the Trustee such compensation, as shall be agreed in writing, for its services rendered hereunder and reimburse the Trustee for reasonable expenses, disbursements and advances, including attorneys' fees and expenses, incurred by the Trustee in the performance of its obligations hereunder and with respect to the Local Obligations.

The Authority agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless from and against, any loss, liability, claim or expense incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed hereby, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims (whether asserted by the City or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder (including this Section 9.04), (ii) the projects to be financed with the purchase of the Local Obligations; (iii) the sale of any Authority Bonds or the purchase of the Local Obligations and the carrying out of any of the transactions contemplated by the Authority Bonds or the Local Obligations; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Authority or the Community Facilities District in connection with the sale of the Authority Bonds or the Local Obligations. The Authority's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Authority Bonds, or the resignation or removal of the Trustee.

The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract of purchase for the sale of the Authority Bonds, that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale, deliver the Authority Bonds and other certificates expressly required to be delivered by it and its counsel.

The Trustee shall not be responsible for determining or investigating whether any Local Obligation purchased pursuant to Section 5.03 is a Local Obligation, as defined herein, and the Trustee may conclusively rely on the Authority's determination and direction in this regard; provided, that the Trustee shall not acquire the Local Obligations other than pursuant to the provisions of Section 5.03. The Trustee shall be entitled to rely conclusively on the covenants, representations and warranties of each obligor on any Local Obligation and in the documents and certificates delivered in connection therewith and each Written Order.

SECTION 9.05. Liability of Trustee. The recitals of facts herein and in the Authority Bonds contained shall be taken as statements of the Authority or the Community Facilities District, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency hereof or of the Authority Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Authority Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Authority Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Authority Bonds with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depositary for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Authority Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Authority Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder. Whether or not therein expressly so provided, every provision hereof or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

SECTION 9.06. Right to Rely on Documents; Adverse Effect Determinations. The Trustee may conclusively rely on and shall be protected in acting or refraining from acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its selection, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it hereby the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Officer's Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions hereof in reliance upon such Officer's Certificate, but the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall be entitled to advice of counsel of its selection and other professionals or agents concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable or liable for the acts or omissions of any agent, attorney-at-law, certified public accountant, or other professional if such agent, attorney-at-law, certified public accountant or other professional was selected by the Trustee with due care.

SECTION 9.07. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions hereof shall be retained in its possession in accordance with its record retention policies and shall be subject at all reasonable times upon prior written notice to the inspection of the Authority, the Owners of not less than a majority of the aggregate principal amount of the Outstanding Authority Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

SECTION 9.08. Indemnity for Trustee. Before taking any action or exercising any rights or powers hereunder, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of any and all costs, claims and expenses which it may incur and to indemnify it against any and all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF AUTHORITY BONDS

SECTION 10.01. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted hereby to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Authority Bonds shall be sufficient for any purpose hereof and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him or her the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of Authority Bonds hereunder by any Owner and the serial numbers of such Authority Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in this Article stated which shall be sufficient. Any request or consent of the Owner shall bind every future Owner of such Authority Bond and any Authority Bond or Authority Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

SECTION 11.01. Supplemental Trust Agreements with Consent of Owners. Any modification or alteration hereof or of the rights and obligations of the Authority, the Community Facilities District or the Owners may be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Authority Bonds then Outstanding; provided, that no such modification or alteration shall be made which will reduce the percentage of aggregate principal amount of Authority Bonds the consent of the Owners of which is required for any such modification or alteration or permit the creation by the Authority or the Community Facilities District of any lien prior to or on parity with the lien hereof upon the Trust Estate or which will affect the times, amounts and currency of payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds or affect the rights, duties or obligations of the Trustee without the consent of the party affected thereby.

SECTION 11.02. Supplemental Trust Agreements Without Consent of Owners. The Authority and the Community Facilities District may, without the consent of the Owners, enter into a Supplemental Trust Agreement or Supplemental Trust Agreements, which thereafter shall form a part of this Trust Agreement, for any one or more of the following purposes:

(a) to add to the agreements and covenants of the Authority or the Community Facilities District contained herein other agreements and covenants thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Authority or the Community Facilities District; provided, that no such agreement, covenant or surrender shall materially adversely affect the rights of any Owner;

(b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained herein or in any Supplemental Trust Agreement;

(c) to make any change which does not materially adversely affect the rights of any Owner;

(d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(e) to subject hereto additional collateral or to add other agreements of the Authority or the Community Facilities District;

(f) to modify this Trust Agreement or the Authority Bonds to permit qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Authority Bonds for sale under the securities laws of any state of the United States of America;

(g) to make any amendments or supplements necessary or appropriate to preserve or protect the exclusion from gross income for federal income tax purposes under the Code of the interest on the Authority Bonds or the exemption of interest on the Authority Bonds from State personal income taxes; or

(h) to evidence the succession of a successor Trustee.

For all purposes of this Section, the Trustee shall be entitled to conclusively rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel with respect to the extent, if any, to which any action affects the rights hereunder of any Owner.

SECTION 11.03. Trustee Authorized to Enter into Supplemental Trust Agreements. The Trustee is hereby authorized to enter into any Supplemental Trust Agreement with the Authority and the Community Facilities District authorized or permitted by the terms hereof, and to make the further agreements and stipulations which may be therein contained, and for all purposes of this Section the Trustee shall be entitled to conclusively rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel to the effect that such Supplemental Trust Agreement is authorized or permitted by the provisions hereof.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance. If and when the Authority Bonds secured hereby shall become due and payable in accordance with their terms or through redemption proceedings as provided herein, or otherwise, and the whole amount of the interest on and principal of redemption premiums, if any, so due and payable upon all of the Authority Bonds shall have been paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder by the Authority, including all fees and expenses of the Trustee, then and in that case, this Trust Agreement and the lien created hereby shall be completely discharged and satisfied and the Authority and the Community Facilities District shall be released from the respective agreements, conditions, covenants and terms of the Authority and the Community Facilities District contained herein, and the Trustee shall assign and transfer all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances as provided in Section 12.04 and shall execute such documents as may be reasonably required by the Authority or the Community Facilities District in this regard.

Notwithstanding the satisfaction and discharge hereof, those provisions of this Trust Agreement relating to the maturity of the Authority Bonds, interest payments and dates thereof, exchange and transfer of Authority Bonds, replacement of mutilated, destroyed, lost or stolen Authority Bonds, the safekeeping and cancellation of Authority Bonds, nonpresentment of Authority Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owner, and the Trustee shall, subject to Section 13.06, continue to be obligated to hold in trust any money or investments then held by the Trustee for the payment of the interest on and principal of and redemption premiums, if any, on the Authority Bonds, to pay to the Owner of Authority Bonds the funds so held by the Trustee as and when such payments become due, and those provisions hereof contained in Section 9.04 relating to the compensation and indemnification of the Trustee and in Section 7.04 relating to the tax covenants of the Authority and the Community Facilities District shall remain in effect and shall be binding upon the Trustee, the Authority and the Community Facilities District.

SECTION 12.02. Authority Bonds Deemed to Have Been Paid. If any money shall have been set aside and held by the Trustee for the payment or redemption of any Authority Bonds and the interest installments therefor at the maturity thereof or date fixed for redemption, such Authority Bonds shall be deemed to be paid within the meaning and with the effect provided in Section 12.01. Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 12.01 if (a) in case any Authority Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee irrevocable instructions to mail notice of redemption of such Authority Bonds on such redemption date, such notice to be given in accordance with the provisions of Article IV, (b) there shall have been deposited with the Trustee in escrow either (i) money in an amount which shall be sufficient to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Authority Bonds on and prior to the date scheduled for redemption or maturity date thereof, as the case may be, or (ii) noncallable Government Obligations the principal of and the interest on which when due, and without any reinvestment thereof, will provide money which, together with the money, if any, deposited with or held by the Trustee at the same time, shall be sufficient, as verified by a report of a nationally recognized independent certified public accountant, to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Authority Bonds on and prior to the date fixed for redemption or maturity date thereof, as the case may be, and (c) in the event any of such Authority Bonds are not to be redeemed within the next succeeding sixty (60) days, the Authority shall have given the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article IV, a notice to the Owners of such Authority Bonds that the deposit required by (b) above has been made with the Trustee and that such Authority Bonds are deemed to have been paid in accordance with this Section and stating the maturity dates or redemption dates upon which money is to be available for the payment of the interest on and principal of and redemption premiums, if any, on such Authority Bonds. Neither the securities nor money deposited with the Trustee pursuant to this Section nor interest or principal payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the interest on and principal of and redemption premiums, if any, on such Authority Bonds; provided, that any cash received from such interest or principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and at the written direction of the Authority, be reinvested in Government Obligations, such written direction to specify which Government Obligations are to be invested in, maturing at times and in amounts, together with the other money and payments with respect to Government Obligations then held by the Trustee pursuant to this Section, sufficient to pay when due the interest on and principal of and redemption premiums, if any, to become due on such Authority Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a Written Order so directing, be paid over to the Authority as received by the Trustee free and clear of any trust, lien or pledge.

SECTION 12.03. Money Held for Particular Authority Bonds. Except as otherwise provided in Section 12.02 or 13.06, the amounts held by the Trustee for the payment of the interest on or principal of the redemption premiums, if any, or the interest due on any date with respect to particular Authority Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it solely for the Owners entitled thereto.

SECTION 12.04. Effect of Defeasance of Authority Bonds. Notwithstanding any other provision hereof, in the event that the Authority Bonds are defeased and the obligations hereunder are discharged pursuant to this Article, the Trustee shall transfer all property and money held by the Trustee (including, without limitation, the Local Obligations), to or upon the written order of the Authority.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Dissolution of Authority. In the event of the dissolution of the Authority, all the agreements, conditions, covenants and terms contained herein by or on behalf of, or for the benefit of, the Authority shall bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority shall be transferred.

SECTION 13.02. Parties Interested Herein. Except as otherwise specifically provided herein, nothing contained herein, expressed or implied, is intended or shall be construed to confer upon any Person other than the Authority, the Community Facilities District, the Trustee and the Owners any right, remedy or claim under or by reason hereof, this Trust Agreement being intended to be for the sole and exclusive benefit of the Authority, the Community Facilities District, the Trustee and the Owners.

SECTION 13.03. Notice. All written notices to be given hereunder to the Authority or the Community Facilities District or the Trustee shall be given by mail or electronic means to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority: Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA 95630
Attention: Treasurer
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Community Facilities District:
City of Folsom
50 Natoma Street
Folsom, CA 95630
Attention: Finance Director
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Trustee: U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust
Fax: [_____]
Email: [_____]

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class mail deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail to the Owners notice of any event when such notice is required to be given pursuant to any provision hereof, then any manner of giving such notice as the Authority shall direct and not objected to by the Trustee shall be deemed to be a sufficient giving of such notice.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Trust Agreement and delivered using Electronic Means ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the Authority to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its reasonable judgment elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Community Facilities District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume without liability that directions that purport to have been sent by an officer listed on the incumbency certificate provided to the Trustee have been sent by such officer. The Authority shall be responsible for ensuring that only officers transmit such Instructions to the Trustee and that the Authority and all officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs claims, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written

instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 13.04. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided herein, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 13.05. Limitation of Liability. The Authority shall not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than the Trust Estate as provided herein.

SECTION 13.06. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or principal of or redemption premiums, if any, on any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable, shall be paid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such amounts; provided, that before being required to make any such payment to the Authority, the Trustee shall, at the expense and written direction of the Authority, give notice by first class mail to the Owners that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Authority.

SECTION 13.07. Governing Law. This Trust Agreement shall be governed as to validity, construction and performance by the laws of the State.

SECTION 13.08. Severability of Invalid Provisions. If any clause, provision or section hereof is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Trust Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein.

SECTION 13.09. Counterparts and Electronic Execution. This Trust Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall

be an original; but all of which such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Trust Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Trust Agreement as to the parties hereto and may be used in lieu of the original Trust Agreement and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Trust Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

SECTION 13.10. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Trust Agreement agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

SECTION 13.11. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, pandemics, epidemics, quarantine restrictions, recognized public emergencies, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority has caused this Trust Agreement to be executed by the Treasurer, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) has caused this Trust Agreement to be executed in its name by the Finance Director of the City of Folsom, and the Trustee has caused this Trust Agreement to be executed by its authorized signatory, all as of the day and year first above written.

FOLSOM RANCH FINANCING AUTHORITY

By _____
Treasurer

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)

By _____
Finance Director of the City of Folsom

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

EXHIBIT A

FORM OF AUTHORITY BONDS

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

Unless this Authority Bond (as hereinafter defined) is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Authority Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT
NO. 21 (WHITE ROCK SPRINGS RANCH) SPECIAL TAX REVENUE BOND, SERIES 2021

No. R-__ $_____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	September 1, 20__	April [__], 2021	344414[__]

Registered Owner: CEDE & CO.

Principal Sum: DOLLARS

The Folsom Ranch Financing Authority, a joint exercise of powers agency established pursuant to the laws of the State of California (the "Authority"), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter mentioned) the principal sum set forth above and to pay interest thereon at the interest rate per annum set forth above. The interest on this Authority Bond will be calculated on the basis of a 360-day year consisting of twelve (12) 30-day calendar months and will be payable on March 1 and September 1 in each year (each an "Interest Payment Date"), commencing on [September 1, 2021], and is payable by check, mailed by first class mail, on each Interest Payment Date to the registered owner

whose name appears on the bond register maintained by the Corporate Trust Office (as defined in the Trust Agreement hereinafter referred to) of U.S. Bank National Association (together with any successor as Trustee under the Trust Agreement hereinafter mentioned, the "Trustee") as of the close of business on the fifteenth (15th) day of the month preceding such Interest Payment Date (the "Record Date"), except with respect to defaulted interest for which a special record date will be established; provided, that in the case of a registered owner of one million dollars ($1,000,000) or more in aggregate principal amount of Authority Bonds, upon written request of such registered owner to the Trustee received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America. The principal hereof and the redemption premium hereon, if any, are payable upon presentation and surrender hereof at the Corporate Trust Office of the Trustee. Both the interest on and principal of and redemption premium, if any, hereon are payable in lawful money of the United States of America. All capitalized terms used herein but not otherwise defined shall have the meanings contained in the hereinafter mentioned Trust Agreement.

The Authority and the Trustee shall be entitled to conclusively treat the registered owner of this Authority Bond as the absolute owner hereof for the purpose of receiving payment as herein provided and for all other purposes, and the Authority and the Trustee shall not be affected by notice to the contrary.

This Authority Bond is one of a duly authorized issue of bonds of the Authority designated as the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021" (the "Authority Bonds") issued in the aggregate principal amount of [PAR IN WORDS] dollars ($[PAR]) pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, including the Marks-Roos Local Bond Pooling Act of 1985 (being California Government Code Sections 6584-6594) as amended and supplemented (the "Act"), and pursuant to a trust agreement executed and entered into as of April 1, 2021, by and among the Authority, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") and the Trustee (the "Trust Agreement"). The Authority Bonds are issued for the purpose of purchasing Local Obligations, and reference is hereby made to the Trust Agreement (a copy of which is on file at the Corporate Trust Office of the Trustee) and all trust agreements supplemental thereto and to the Act for a description of the purposes thereof, of the rights thereunder of the registered owner, of the nature and extent of the security for the Authority Bonds and of the rights, duties and immunities of the Trustee, of the obligations of the Community Facilities District, and of the rights and obligations of the Authority thereunder, to all the provisions of which Trust Agreement the registered owner of this Authority Bond, by acceptance hereof, assents and agrees.

The Authority Bonds and the interest thereon and any redemption premiums thereon are special, limited obligations of the Authority payable solely from the Trust Estate and are secured by the Trust Estate, including amounts held in the accounts and funds (other than the Rebate Fund) established pursuant to the Trust Agreement (including proceeds of the sale of the Authority Bonds), subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement. No

member or officer of the Authority, nor any person executing this Authority Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of this Authority Bond.

THE AUTHORITY BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE FROM, AND SECURED AS TO THE PAYMENT OF THE PRINCIPAL OF AND ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS IN ACCORDANCE WITH THEIR TERMS AND THE TERMS OF THE TRUST AGREEMENT, SOLELY FROM THE TRUST ESTATE. THE AUTHORITY BONDS DO NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR ITS MEMBERS, AND UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE OBLIGATED TO PAY PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS EXCEPT FROM THE TRUST ESTATE. NONE OF THE COMMUNITY FACILITIES DISTRICT, THE CITY OF FOLSOM (THE "CITY"), THE STATE OF CALIFORNIA NOR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) NOR ANY MEMBER OF THE COMMUNITY FACILITIES DISTRICT OR THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMUNITY FACILITIES DISTRICT, THE CITY, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY (INCLUDING THE CITY) OR THE COMMUNITY FACILITIES DISTRICT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS, AND NEITHER THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT, THE CITY, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) OR ANY MEMBER OF THE AUTHORITY.

The Authority Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, upon mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

[103]% if redeemed on any date on or after [September 1, 20__] through [August 31, 20__];

[102]% if redeemed on any date from [September 1, 20__] through [August 31, 20__];

[101]% if redeemed on any date from [September 1, 20__] through [August 31, 20__]; and

[100]% if redeemed on [September 1, 20__] and any date thereafter.

The Authority Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after [September 1, 2021], solely from funds derived from extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

[103]% if redeemed on an Interest Payment Date on or after [September 1, 20__] through [March 1, 20__];

[102]% if redeemed on an Interest Payment Date on [September 1, 20__] and [March 1, 20__];

[101]% if redeemed on an Interest Payment Date on [September 1, 20__] and [March 1, 20__]; and

[100]% if redeemed on [September 1, 20__] and any Interest Payment Date thereafter.

The Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their stated maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__]; and the Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their stated maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__], upon mailed notice as hereinafter provided, from (and in the amount of) the Minimum Sinking Fund Payment due and payable for the Authority Bonds on each such date, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium.

Notice of redemption of any Authority Bonds shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the registered owners of such Authority Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register maintained by the Trustee; provided, that neither the failure of a registered owner to receive notice of redemption of Authority Bonds nor any error in such notice shall affect the validity of the proceedings for the redemption of Authority Bonds.

Any notice of optional redemption under the Trust Agreement may be rescinded by written notice given by the Authority to the Trustee no later than three (3) Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given.

The Authority Bonds are issuable as fully registered bonds in denominations of five thousand dollars ($5,000) or any integral multiple in excess thereof. This Authority Bond may be transferred or exchanged by the registered owner hereof, in person or by an attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the

charges, if any, provided in the Trust Agreement, and upon surrender and cancellation of this Authority Bond. Upon such transfer or exchange, a new Authority Bond or Authority Bonds, of authorized denominations, for the same aggregate principal amount, interest rate and maturity will be issued to the transferee in accordance with the provisions of the Trust Agreement. The Trustee is not required to register the transfer of, or to exchange, any Authority Bond during the period established by the Trustee for selection of Authority Bonds for redemption or to register the transfer of, or to exchange, any Authority Bond which has been selected for redemption pursuant to the Trust Agreement.

The Trust Agreement and the rights and obligations of the Authority and of the registered owners of the Authority Bonds may be modified or amended from time to time and at any time (and in certain cases without the consent of such registered owners) in the manner, to the extent and upon the terms provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the Authority to make provisions for the payment of the interest on, and the principal and premium, if any, of, any of the Authority Bonds so that such Authority Bonds shall no longer be deemed to be Outstanding under the terms of the Trust Agreement.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Authority Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of California, including the Act, and that the amount of this Authority Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution and laws of the State of California, including the Act, and is not in excess of the amount of Authority Bonds permitted to be issued under the Trust Agreement.

This Authority Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by an authorized signatory of the Trustee.

IN WITNESS WHEREOF, the Folsom Ranch Financing Authority has caused this Authority Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Treasurer and attested by the facsimile signature of its Secretary, all as of April [__], 2021.

FOLSOM RANCH FINANCING AUTHORITY

By: _____
Treasurer

Attest:

_____
Secretary

FORM OF CERTIFICATE OF AUTHENTICATION

This is one of the Authority Bonds described in the within-mentioned Trust Agreement, which has been authenticated on the date below.

Dated: April [__], 2021

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ _____ this registered Authority Bond and irrevocably constitutes and appoints _____ attorney to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated:_____

_____

SIGNATURE GUARANTEED BY:

_____

NOTE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee: _____.

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ATTACHMENT 4

FIRST SUPPLEMENTAL INDENTURE

between the

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Relating to the

$[PAR]

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX BONDS, SERIES 2021

Dated as of April 1, 2021

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EXHIBIT A

FORM OF SERIES 2021 BONDS

FIRST SUPPLEMENTAL INDENTURE

This First Supplemental Indenture (the "**First Supplemental Indenture**"), dated as of April 1, 2021, is between the CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH), organized and existing under and by virtue of the laws of the State of California (the "**Community Facilities District**"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, as trustee (the "**Trustee**").

BACKGROUND

A. The Community Facilities District and MUFG Union Bank, N.A., as trustee (the "Prior Trustee"), duly executed an Indenture (the "**Master Indenture**") dated as of December 1, 2019, which authorized the issuance of City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds (the "**Bonds**") and provided for the issuance of the Bonds in series.

B. The Trustee has succeeded and replaced the Prior Trustee under the Master Indenture in accordance with its terms.

C. The Community Facilities District has determined to prescribe the terms, conditions, and form of $[PAR] aggregate principal amount of City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021 (the "**Series 2021 Bonds**") under the Master Indenture.

D. The Community Facilities District has determined that all things necessary to cause the Series 2021 Bonds, when duly executed by the Community Facilities District and authenticated by the Trustee and delivered as provided herein, to be legal and valid special tax obligations of the Community Facilities District enforceable in accordance with their terms, and to constitute this First Supplemental Indenture a valid agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery hereof and the execution and delivery of the Series 2021 Bonds, subject to the terms hereof, have in all respects been duly authorized.

E. The Folsom Ranch Financing Authority (the "**Authority**") has agreed to purchase the Series 2021 Bonds pursuant to a Local Obligation Purchase Contract between the Authority and the Community Facilities District dated [April 7], 2021 (the "**2021 Local Obligation Purchase Contract**"), with a portion of the proceeds of the Authority's City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "**2021 Authority Bonds**").

NOW, THEREFORE, in order to secure the payment of the interest on and the principal of and the redemption premiums, if any, on all Series 2021 Bonds at any time issued and outstanding hereunder according to their tenor, and to secure the observance and performance of all the agreements, conditions, covenants, and terms therein and herein set forth, and to declare the conditions and terms upon and subject to which the Series 2021 Bonds will be issued and received,

and in consideration of the premises and of the mutual agreements and covenants contained herein and of the purchase and acceptance of the Series 2021 Bonds by the registered owners thereof from time to time, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Community Facilities District does hereby agree and covenant with the Trustee, for the benefit of the respective registered owners from time to time of the Series 2021 Bonds, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

(a) Except as otherwise provided herein, all terms defined in Section 1.01 of the Master Indenture have the same definitions in this First Supplemental Indenture that are given to them in Section 1.01 of the Master Indenture.

(b) Unless the context otherwise requires, the terms defined in this Section 1.01(b) have the meanings set forth, and those meanings apply for all purposes of this First Supplemental Indenture, of the Master Indenture, of the Series 2021 Bonds, and of any certificate, opinion, report, request, or other document mentioned herein or therein; and those meanings apply equally to both the singular and plural forms of the terms:

"**2021 Authority Bonds**" means the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021.

"**2021 Authority Trustee**" means U.S. Bank National Association, as trustee under the 2021 Trust Agreement.

"**2021 Local Obligation Purchase Contract**" means the Local Obligation Purchase Contract between the Community Facilities District and the Authority providing for the sale of the Series 2021 Bonds.

"**2021 Trust Agreement**" means that certain Trust Agreement, dated as of April 1, 2021, among the Authority, the Community Facilities District and the 2021 Authority Trustee, as trustee for the 2021 Authority Bonds.

"**Capitalized Interest Account**" means the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds Capitalized Interest Account established pursuant to Section 2.14 of the Master Indenture and reestablished pursuant to Section 2.07 of this First Supplemental Indenture.

"**First Supplemental Indenture**" means this First Supplemental Indenture dated as of April 1, 2021, between the Community Facilities District and the Trustee entered into under the Law and the Master Indenture.

"**Master Indenture**" means the Indenture dated as of December 1, 2019, between the Community Facilities District and the Trustee entered into under the Law.

"**Series 2021 Acquisition and Construction Account**" means the account by that name established in the Acquisition and Construction Fund pursuant to Section 2.06 of this First Supplemental Indenture.

"**Series 2021 Bond Reserve Account**" means the account by that name established in the Bond Reserve Fund pursuant to Section 2.06 of this First Supplemental Indenture.

"**Series 2021 Bonds**" means the Bonds referred to by that name authorized to be issued by the Master Indenture and Article II of this First Supplemental Indenture.

"**Series 2021 Costs of Issuance Account**" means the account by that name established in the Costs of Issuance Fund pursuant to Section 2.06 of this First Supplemental Indenture.

"**Term Series 2021 Bonds**" means the Series 2021 Bonds that are Term Bonds.

ARTICLE II

ISSUANCE OF SERIES 2021 BONDS

SECTION 2.01. **Authorization of Series 2021 Bonds**. The City Council, as legislative body of the Community Facilities District, has reviewed all proceedings heretofore taken relative to the authorization of the Series 2021 Bonds and has found, as a result of such review, and hereby finds and determines, that all acts, conditions, and things required by law to exist, happen, and be performed precedent to and in the issuance of the Series 2021 Bonds do exist, have happened, and have been performed in due time, form, and manner as required by the Law. Accordingly, the Community Facilities District is now authorized, under every requirement of the Law, the Master Indenture, and this First Supplemental Indenture, to issue the Series 2021 Bonds in the form and manner provided herein, which Series 2021 Bonds will be entitled to the benefit, protection, and security of the Law, the Master Indenture, and this First Supplemental Indenture. The purpose for which the Series 2021 Bonds are to be issued is to provide funds to finance the acquisition and construction of certain of the Facilities, make a deposit to the Series 2021 Bond Reserve Account, make a deposit to the Capitalized Interest Account to fund interest on the Series 2021 Bonds through [September 1, 2021], and to pay the Costs of Issuance of the Series 2021 Bonds.

SECTION 2.02. **Registration of Series 2021 Bonds**. Notwithstanding Section 2.11 of the Master Indenture, the Series 2021 Bonds shall be registered in the name of the 2021 Authority Trustee, as trustee for the Authority, and delivered to the 2021 Authority Trustee upon the issuance thereof in accordance with the provisions of the 2021 Local Obligation Purchase Contract.

SECTION 2.03. **Terms of Series 2021 Bonds**.

(a) The Series 2021 Bonds will be issued in the aggregate principal amount of $[PAR]; will be designated the "City of Folsom Community Facilities District No. 21 (White

Rock Springs Ranch) Special Tax Bonds, Series 2021;" will be dated the date of the original delivery thereof; will be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof; and will mature on the dates and in the principal amounts and bear interest (computed on a 360-day year of twelve 30-day calendar months) at the rates per annum, payable semiannually on March 1 and September 1 in each year, commencing on [September 1, 2021], as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
	$	%

* Term Bonds

(b) Minimum Sinking Fund Account Payments are hereby established for the mandatory redemption and payment of the Series 2021 Bonds maturing on September 1, 20[__], which payments shall become due during the years ending on the dates and in the amounts set forth in the following schedule (except that if any of the Series 2021 Bonds maturing on September 1, 20[__] shall have been optionally or extraordinarily redeemed under Section 2.04 of this First Supplemental Indenture, the amounts of the Minimum Sinking Fund Account Payments for the Series 2021 Bonds maturing on September 1, 20[__] shall be reduced proportionately by the principal amount of all such Series 2021 Bonds so optionally or extraordinarily redeemed), namely:

Year Ending September 1	Minimum Sinking Fund Account Payment
	$

* Maturity

Minimum Sinking Fund Account Payments are hereby established for the mandatory redemption and payment of the Series 2021 Bonds maturing on September 1, 20[__], which payments shall become due during the years ending on the dates and in the amounts set forth in the following schedule (except that if any of the Series 2021 Bonds maturing on September 1, 20[__] shall have been optionally or extraordinarily redeemed under Section 2.04 of this First Supplemental Indenture, the amounts of the Minimum Sinking Fund Account Payments for the Series 2021 Bonds maturing on September 1, 20[__] shall be reduced proportionately by the principal amount of all such Series 2021 Bonds so optionally or extraordinarily redeemed), namely:

Year Ending September 1	Minimum Sinking Fund Account Payment
	$

* Maturity

All such Minimum Sinking Fund Account Payments shall be deposited in the Sinking Fund Subaccount. All money in the Sinking Fund Subaccount representing such Minimum Sinking Fund Account Payments shall be used and withdrawn by the Trustee (upon receipt of a Written Request of the Community Facilities District) at any time for the purchase of the Term Series 2021 Bonds at public or private sales as and when and at such prices (including brokerage and other charges) as the Community Facilities District may in its discretion determine, but not to exceed the principal amount of such Term Series 2021 Bonds. All money in the Sinking Fund Subaccount representing such Minimum Sinking Fund Account Payments on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both dates inclusive, shall be used and withdrawn by the Trustee on each such September 1 for the mandatory redemption or payment of the Term Series 2021 Bonds; and all money in the Sinking Fund Subaccount representing such Minimum Sinking Fund Account Payments on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both dates inclusive, shall be used and withdrawn by the Trustee on each such September 1 for the mandatory redemption or payment of the Term Series 2021 Bonds; and the Community Facilities District hereby agrees and covenants with the Holders of the Term Series 2021 Bonds to call and redeem in accordance with Article III of the Master Indenture or pay the Term Series 2021 Bonds from the Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount under this paragraph whenever on September 1 of any

year, beginning on September 1, 2021, there is money in the Sinking Fund Subaccount available for such purpose.

SECTION 2.04. Redemption Prices of Series 2021 Bonds.

(a) The Series 2021 Bonds are subject to optional redemption by the Community Facilities District prior to their respective maturity dates as a whole or in part on any date on or after [September 1, 20__], from any source other than such Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount or such prepayments of the Special Tax, upon mailed notice as provided in the Master Indenture, at the following redemption prices (computed upon the principal amount of the Series 2021 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

[103]% if redeemed on any date on or after [September 1, 20__] through [August 31, 20__];

[102]% if redeemed on any date from [September 1, 20__] through [August 31, 20__];

[101]% if redeemed on any date from [September 1, 20__] through [August 31, 20__]; and

[100]% if redeemed on [September 1, 20__] and any date thereafter.

(b) The Series 2021 Bonds are subject to extraordinary redemption by the Community Facilities District prior to their respective maturity dates, as a whole or in part on any interest payment date on or after [September 1, 2021], from funds derived by the Community Facilities District from prepayments of the Special Tax, upon mailed notice as provided in the Master Indenture, at the following redemption prices (computed upon the principal amount of the Series 2021 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

[103]% if redeemed on an interest payment date on or after [September 1, 20__] through [March 1, 20__];

[102]% if redeemed on an interest payment date on [September 1, 20__] or [March 1, 20__];

[101]% if redeemed on an interest payment date on [September 1, 20__] or [March 1, 20__]; and

[100]% if redeemed on [September 1, 20__] or any interest payment date thereafter.

(c) The Term Series 2021 Bonds are subject to mandatory redemption by the Community Facilities District before their stated maturity date as provided in Section 2.03 hereof solely from Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount, upon mailed notice as provided in the Master Indenture, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium.

SECTION 2.05. Form of Series 2021 Bonds. The Series 2021 Bonds and the authentication and registration endorsements and the assignment to appear thereon must be substantially in the forms set forth in Exhibit A hereto, with such variations, insertions, or omissions as are appropriate and not inconsistent herewith.

SECTION 2.06. Application of Proceeds of Sale of Series 2021 Bonds. Upon the receipt of payment of the purchase price of the Series 2021 Bonds when the Series 2021 Bonds shall have been duly sold by the Community Facilities District, the Trustee shall deposit such proceeds of sale of the Series 2021 Bonds into a temporary account called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust, and which shall be disbursed in full on the date of receipt (whereupon said temporary account shall be closed) in the following order:

(a) *First*, the Trustee shall deposit $[_____] in the Series 2021 Bonds Bond Reserve Account, which the Trustee shall establish and maintain as a Bond Reserve Account within the Bond Reserve Fund, which amount equals the Required Bond Reserve for the Series 2021 Bonds as of the date of issuance of the Series 2021 Bonds.

(b) *Second*, the Trustee shall deposit $[_____] in the Series 2021 Costs of Issuance Account, which the Trustee shall establish and maintain within the Costs of Issuance Fund.

(c) *Third*, the Trustee shall deposit $[_____] in the Capitalized Interest Account.

(d) *Fourth*, the Trustee shall deposit $[_____] in the Series 2021 Acquisition and Construction Account, which the Trustee shall establish and maintain within the Acquisition and Construction Fund.

SECTION 2.07. Capitalized Interest Account. There is hereby reestablished a fund to be known as the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds Capitalized Interest Account. On each of the following dates, the Trustee shall transfer the respective amounts from the Capitalized Interest Account to the Redemption Account for the payment of interest due on the Series 2021 Bonds:

Date of Transfer	Amount
[September 1, 2021]	$

On each of the dates set forth in the table immediately above, the amount set forth shall be transferred from the Capitalized Interest Account to the Redemption Account for the payment of

interest due on the Series 2021 Bonds. The Capitalized Interest Account will be closed following the last date of transfer.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Authority for First Supplemental Indenture. This First Supplemental Indenture is executed in accordance with the Law, is supplemental to the Master Indenture, and is executed in accordance with Articles II and VII of the Master Indenture.

SECTION 3.02. Covenant of the Community Facilities District Against Federal Income Taxation. Notwithstanding Section 5.03 of the Master Indenture, the Community Facilities District will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Series 2021 Bonds pursuant to Section 103 of the Code, and specifically the Community Facilities District will not directly or indirectly use or make any use of the proceeds of the 2021 Authority Bonds or any other funds of the Community Facilities District or take or omit to take any action that would cause the 2021 Authority Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code or "private activity bonds" subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the Community Facilities District, with respect to the proceeds of the Series 2021 Bonds and such other funds, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such regulations are, at the time, applicable and in effect; provided, that if the Community Facilities District shall obtain an opinion of nationally recognized bond counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the 2021 Authority Bonds pursuant to Section 103 of the Code, the Community Facilities District may rely conclusively on such opinion in complying with the provisions hereof. In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any money held by the Finance Director, for and on behalf of the Community Facilities District, hereunder or otherwise the Community Facilities District shall so instruct the Finance Director in writing, and the Finance Director shall take such action as may be necessary in accordance with such instructions.

SECTION 3.03. Covenant of the Community Facilities District Relating to Maximum Special Tax Coverage. The Community Facilities District covenants to not approve any amendments, changes or modifications relating to development of the property within the Community Facilities District that would reduce the amount of the Maximum Special Tax less Priority Administrative Expenses to equal less than one hundred ten percent (110%) of the sum of the Annual Debt Service on the Bonds in any year until the maturity date for the Bonds.

SECTION 3.04. Limitation on Additional Bonds. For so long as the Series 2021 Bonds are Outstanding, Additional Bonds may be issued only for the purpose of refunding Outstanding Bonds and paying costs incidental thereto.

SECTION 3.05. **Amendment to Section 10.14 of the Master Indenture**. Pursuant to Section 7.01(b) of the Master Indenture, Section 10.14 of the Master Indenture is hereby amended to replace the contact information for the Trustee therein with the information included below.

If to the Trustee:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust
Fax: [_____]
Email: [_____]

SECTION 3.06. **Terms of Series 2021 Bonds Subject to the Master Indenture**. Except as expressly provided in this First Supplemental Indenture, every agreement, condition, covenant, and term in the Master Indenture applies to this First Supplemental Indenture and to the Series 2021 Bonds with the same force and effect as if they were set forth at length in this First Supplemental Indenture, with such omissions, variations, and modifications as may be appropriate to conform them to this First Supplemental Indenture.

SECTION 3.07. **Effective Date of First Supplemental Indenture**. This First Supplemental Indenture takes effect from and after its execution and delivery.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) has caused this First Supplemental Indenture to be signed in its name by the Finance Director of the City of Folsom, and U.S. Bank National Association, as Trustee, in token of its acceptance of the trusts created hereunder, has caused this First Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the date and year first above written.

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)

By:_____
Stacey Tamagni
Finance Director of the City of Folsom

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By_____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2021 BONDS

No. _____ $_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX BOND, SERIES 2021

Interest Rate	Maturity Date	Dated as of
_____%	September 1, 20__	April [__], 2021

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR THE FOLSOM RANCH FINANCING AUTHORITY

PRINCIPAL AMOUNT: DOLLARS

The City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch), organized and existing under and pursuant to the laws of the State of California (the "Community Facilities District"), for value received hereby promises to pay (but only out of the proceeds of the Special Tax hereinafter referred to and certain other funds as described herein) to the registered owner set forth above on the maturity date set forth above (subject to any right of prior redemption hereinafter provided for) the principal amount set forth above, together with interest thereon computed on the basis of a 360-day year of twelve (12) 30-day calendar months from the interest payment date next preceding the date of registration of this Series 2021 Bond (unless this Series 2021 Bond is registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event it shall bear interest from such interest payment date, or unless this Series 2021 Bond is registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event it shall bear interest from its dated date) until the principal hereof shall have been paid, at the interest rate per annum set forth above, payable on [September 1, 2021], and semiannually thereafter on September 1 and March 1 in each year. The interest on and principal of and redemption premium, if any, on this Series 2021 Bond are payable in lawful money of the United States of America at the Corporate Trust Office (as that term is defined in the Indenture hereinafter referred to, and herein the "Corporate Trust Office") of U.S. Bank National Association, or any other bank or trust company at its Corporate Trust Office, which may at any time be substituted in its place as provided in the Indenture hereinafter described, the

Trustee of the Community Facilities District for the Bonds (the "Trustee"). The interest on this Series 2021 Bond due on or before the maturity or prior redemption hereof shall be payable only to the person whose name appears in the registration books required to be kept by the Trustee as the registered owner hereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, such interest to be paid by check mailed by first class mail on each such interest payment date to such registered owner at his address as it appears on such books, except that in the case of a registered owner of one million dollars ($1,000,000) or more in principal amount of Bonds then Outstanding, payment shall be made at such owner's option by wire transfer on each such interest payment date of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America according to written instructions provided by such owner to the Trustee at least fifteen (15) days before such interest payment date. The principal of and redemption premium, if any, on this Series 2021 Bond shall be payable only to the person whose name appears in such registration books as the registered owner hereof, such principal and redemption premium, if any, to be paid only on the surrender of this Series 2021 Bond at the Corporate Trust Office of the Trustee at maturity or on redemption prior to maturity.

Notwithstanding the foregoing, the Trustee may agree with the Holder of this Series 2021 Bond that such Holder may, in lieu of surrendering the same for a new Bond, endorse on this Series 2021 Bond a record of partial payment of the principal of this Series 2021 Bond as follows:

PAYMENTS ON ACCOUNT OF PRINCIPAL

Payment Date	Principal Amount Paid	Balance of Principal Amount Unpaid	Signature of Holder

This Series 2021 Bond is one of a duly authorized issue of bonds in the aggregate principal amount of [PAR IN WORDS] dollars ($[PAR]) issued by the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") located in the City of Folsom (the "City"), designated the "City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021" (the "Series 2021 Bonds"), which Series 2021 Bonds are issued under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the "Law") and under and pursuant to the provisions of an Indenture, dated as of December 1, 2019 (as supplemented, the "Master Indenture"), between the Community Facilities District and the Trustee, as successor trustee to MUFG Union Bank, N.A., which Master Indenture authorized the issuance in various series from time to time of "City of Folsom Community Facilities District No.

21 (White Rock Springs Ranch) Special Tax Bonds" (the "Bonds"), and a First Supplemental Indenture (the "First Supplemental Indenture," and together with the Master Indenture, the "Indenture") supplemental thereto, dated as of April 1, 2021, between the Community Facilities District and the Trustee, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions of the Series 2021 Bonds), and all capitalized terms used herein not otherwise defined shall have the meanings contained in the Indenture. All the Series 2021 Bonds are payable on a parity with all other Bonds issued under the Master Indenture in accordance with the terms and conditions of the Indenture (copies of which are on file at the office of the City Clerk of the City and at the above-mentioned office of the Trustee), and reference is hereby made to the Law and to the Indenture and any and all amendments thereof and supplements thereto for a description of the terms on which the Series 2021 Bonds are issued and for the rights of the registered owners of the Series 2021 Bonds; and all the terms of the Law and the Indenture are hereby incorporated herein and constitute a contract between the Community Facilities District and the registered owner from time to time of this Series 2021 Bond, to all the provisions of which the registered owner of this Series 2021 Bond, by his acceptance hereof, agrees and consents; and each taker and subsequent registered owner hereof shall have recourse to all the provisions of the Law and the Indenture and shall be bound by all the terms and conditions thereof.

The Series 2021 Bonds are issued to provide funds to pay costs of the acquisition and construction of the Facilities, make a deposit to the Series 2021 Bond Reserve Account, pay Costs of Issuance of the Series 2021 Bonds in accordance with the Indenture and pay interest on the Series 2021 Bonds to [September 1, 2021]. The Series 2021 Bonds are special tax obligations of the Community Facilities District and the interest on and principal of and redemption premiums, if any, on the Series 2021 Bonds are payable solely from the proceeds of the Special Tax and certain other funds, as provided in the Indenture, and the Community Facilities District is not obligated to pay them except from the proceeds of the Special Tax and such other funds. The General Fund of the City and the funds of the Community Facilities District are not liable and neither the full faith and credit of the Community Facilities District nor the City are pledged for the payment of the interest on or the principal of or the redemption premiums, if any, on the Series 2021 Bonds, and no tax or assessment other than the Special Tax shall ever be levied or collected to pay the interest on or the principal of or the redemption premiums, if any, on the Series 2021 Bonds. The Series 2021 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the Community Facilities District or any of its income or receipts except the proceeds of the Special Tax and such other funds, and neither the payment of the interest on or the principal of or the redemption premiums, if any, on the Series 2021 Bonds is a general debt, liability or obligation of the Community Facilities District.

The Series 2021 Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive; and the Series 2021 Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive, in each case solely from Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount, upon mailed notice as hereinafter provided, at a redemption price of one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date of redemption.

The Series 2021 Bonds are subject to optional redemption by the Community Facilities District prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from funds derived by the Community Facilities District from any source other than such Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount or such prepayments of the Special Tax, upon mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of the Series 2021 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

[103]% if redeemed on any date on or after [September 1, 20__] through [August 31, 20__];

[102]% if redeemed on any date from [September 1, 20__] through [August 31, 20__];

[101]% if redeemed on any date from [September 1, 20__] through [August 31, 20__]; and

[100]% if redeemed on [September 1, 20__] and any date thereafter.

The Series 2021 Bonds are subject to extraordinary redemption by the Community Facilities District prior to their respective maturity dates, as a whole or in part on any interest payment date on and after [September 1, 2021], from funds derived by the Community Facilities District from prepayments of the Special Tax, upon mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of the Series 2021 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

[103]% if redeemed on an interest payment date on or after [September 1, 20__] through [March 1, 20__];

[102]% if redeemed on an interest payment date on [September 1, 20__] or [March 1, 20__];

[101]% if redeemed on an interest payment date on [September 1, 20__] or [March 1, 20__]; and

[100]% if redeemed on [September 1, 20__] or any interest payment date thereafter.

If less than all the Series 2021 Bonds are to be redeemed as a result of prepayments of the Special Tax at any one time, the Series 2021 Bonds shall be redeemed pro rata by maturity. If less than all the Series 2021 Bonds are to be redeemed at the option of the Community Facilities District at any one time, the Series 2021 Bonds of the latest maturity date or dates shall be redeemed prior to or simultaneously with the redemption of the Series 2021 Bonds maturing prior thereto, and if less than all the Series 2021 Bonds of any one maturity date are to be redeemed at any one time, the Trustee shall select the Series 2021 Bonds or the portions thereof of such maturity

date to be redeemed in integral multiples of five thousand dollars ($5,000) randomly in any manner that it deems appropriate and fair.

Notice of redemption of this Series 2021 Bond or any portion hereof shall be mailed by the Trustee to the registered owner hereof and to those securities depositories and securities information services selected by the Community Facilities District in accordance with the Indenture, but neither failure to receive any such mailed notice nor any immaterial defect contained therein shall affect the sufficiency or validity of such proceedings for redemption. If notice of redemption has been duly given as aforesaid, then this Series 2021 Bond or the portion thereof to be redeemed shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated interest on this Series 2021 Bond or the portion thereof to be redeemed shall cease to accrue and the registered owner of this Series 2021 Bond shall have no rights in respect hereof except to receive payment of the redemption price of this Series 2021 Bond or the portion thereof to be redeemed, and upon surrender of this Series 2021 Bond if redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the registered owner hereof at the expense of the Community Facilities District a new Series 2021 Bond or Series 2021 Bonds equal in aggregate principal amount to the unredeemed portion of this Series 2021 Bond so surrendered.

The Community Facilities District has covenanted that, so long as any Series 2021 Bonds are outstanding, it will annually levy against all Taxable Property in the Community Facilities District and make provision for the collection of the Special Tax in amounts which will be sufficient, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Indenture, and which in any event will be sufficient to pay the interest on and principal of and Minimum Sinking Fund Account Payments for and redemption premiums, if any, on the Series 2021 Bonds as they become due and payable and to replenish each Bond Reserve Account established under the Indenture and to pay all current Expenses as they become due and payable in accordance with the provisions and terms of the Indenture.

The Series 2021 Bonds are issuable in the form of fully registered bonds. The registered owner of any Series 2021 Bond or Series 2021 Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of Series 2021 Bonds of the same series and maturity date in the manner, subject to the conditions and upon payment of the charges provided in the Indenture.

The registration of this Series 2021 Bond is transferable on the registration books kept by the Trustee by the registered owner hereof or by his duly authorized attorney upon surrender of this Series 2021 Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new Series 2021 Bond or Series 2021 Bonds of the same series and maturity date in the same aggregate principal amount will be issued to the transferee in exchange therefor in the manner, subject to the conditions and terms and upon payment of the charges provided in the Indenture. The Community Facilities District and the Trustee may deem and treat the person in whose name this Series 2021 Bond is registered as the absolute owner hereof for the purpose of receiving

payment of, or on account of, the principal hereof and redemption premium, if any, hereon and for all other purposes.

The rights and obligations of the Community Facilities District and of the registered owners of the Series 2021 Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, and in certain circumstances without the consent of such registered owners, but no such amendment shall (1) extend the maturity of this Series 2021 Bond or reduce the interest rate hereon or otherwise alter or impair the obligation of the Community Facilities District to pay the interest hereon or principal hereof or Minimum Sinking Fund Account Payment herefor or redemption premium, if any, hereon at the time and place and at the rate and in the currency and from the funds provided herein without the express written consent of the registered owner of this Series 2021 Bond, or (2) permit the issuance by the Community Facilities District of any obligations payable from the proceeds of the Special Tax other than as provided in the Indenture, or jeopardize the ability of the Community Facilities District to levy and collect the Special Tax, or (3) reduce the percentage of Series 2021 Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

The Series 2021 Bonds do not constitute an indebtedness of the Community Facilities District within the meaning of any constitutional or statutory debt limitation or restriction, and neither the City Council of the City nor the Community Facilities District nor any officer or employee thereof or of the City shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Series 2021 Bonds otherwise than from the proceeds of the Special Tax and such other funds, as provided in the Indenture.

This Series 2021 Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been manually signed by an authorized signatory of the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2021 Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Series 2021 Bond, together with all other obligations of the Community Facilities District, does not exceed any limit prescribed by the laws of the State of California and is not in excess of the principal amount of the Series 2021 Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) has caused this Series 2021 Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, and has caused this Series 2021 Bond to be dated April [__], 2021.

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)

By _____
Mayor of the City of Folsom

Countersigned:

_____
City Clerk of the City of Folsom

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON SERIES 2021 BONDS]

This is one of the Series 2021 Bonds described in the within-mentioned Indenture which has been authenticated on April [__], 2021.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By_____
Authorized Signatory

[FORM OF ASSIGNMENT TO APPEAR ON SERIES 2021 BONDS]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within Series 2021 Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

_____

Dated: _____

SIGNATURE GUARANTEED BY:

_____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

ATTACHMENT 5

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX BONDS, SERIES 2021

LOCAL OBLIGATION PURCHASE CONTRACT

[_____], 2021

City of Folsom
Community Facilities District No. 21
(White Rock Springs Ranch)
City of Folsom, City Hall
50 Natoma Street
Folsom, California 95630

Ladies and Gentlemen:

The undersigned Folsom Ranch Financing Authority (the "Authority") offers to enter into this Local Obligation Purchase Contract (the "Local Obligation Purchase Contract") with you, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District"), which, upon acceptance, will be binding upon the Community Facilities District and the Authority; and except as otherwise provided herein, all capitalized terms used herein shall have the meanings attributed to them in the Indenture, dated as of December 1, 2019 (the "Original Indenture"), as supplemented by the First Supplemental Indenture, dated as of April 1, 2021 (the "First Supplemental Indenture" and, together with the Original Indenture, the "Indenture"), each between the Community Facilities District and U.S. Bank National Association, as successor to MUFG Union Bank, N.A., as trustee (the "Trustee").

1. Purchase, Sale and Delivery of the Obligations.

(a) Subject to the terms and conditions and in reliance upon the representations and agreements set forth herein, the Authority hereby agrees to purchase from the Community Facilities District, and the Community Facilities District hereby agrees to sell to the Authority, all (but not less than all) of the $[PAR] aggregate principal amount of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021 (the "Local Obligations") issued under the Indenture, dated the date of their initial delivery, bearing interest payable on the dates and at the interest rates, and maturing on the dates and in the amounts and subject to the optional, extraordinary and mandatory redemption provisions, as set forth in Exhibit A attached hereto and incorporated herein.

The purchase price for the Local Obligations shall be $[_____], which purchase price shall be paid from the proceeds of sale of the Folsom Ranch Financing Authority

City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021, issued under the Trust Agreement, dated as of April 1, 2021, by and among the Authority, the Community Facilities District and U.S. Bank National Association, as Trustee (the "Trust Agreement"), which bonds issued under the Trust Agreement are referred to herein as the "Authority Bonds."

The Local Obligations shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Indenture.

(b) At 8:00 a.m., California time, on [CLOSING DATE], 2021, or at such earlier or later time or date as shall be agreed by the Community Facilities District and the Authority (such time and date being herein referred to as the "Closing Date"), the Community Facilities District will deliver to the Authority at the offices of Orrick, Herrington & Sutcliffe LLP, Sacramento, California (or such other location as may be designated by the Authority and approved by the Community Facilities District) the Local Obligations in definitive forms, duly executed by the Community Facilities District and authenticated by the Trustee, and will deliver to the Authority the other documents herein mentioned; and the Authority will accept such delivery and pay the total purchase price of the Local Obligations as set forth in paragraph (a) of this section as provided in the Indenture (such delivery and payment being herein referred to as the "Closing").

2. Representations and Agreements of the Community Facilities District. The Community Facilities District represents to and agrees with the Authority that:

(a) The Community Facilities District is and will be at the Closing Date duly organized and existing as a community facilities district under and by virtue of the laws of the State of California, with full power and authority to issue the Local Obligations and to carry out and consummate the transactions contemplated by the Local Obligations, this Local Obligation Purchase Contract, the First Supplemental Indenture and the Trust Agreement (collectively, the "Financing Documents"), and the Financing Documents are and will be at the Closing Date valid and binding obligations of the Community Facilities District;

(b) When delivered to and paid for by the Authority at the Closing in accordance with the provisions of this Local Obligation Purchase Contract, the Local Obligations will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of the Community Facilities District in conformity with, and entitled to the benefit and security of, the Indenture;

(c) By official action of the Community Facilities District, prior to or concurrently with the acceptance hereof, the Community Facilities District has authorized and approved the execution and delivery of the Financing Documents and the Original Indenture, and authorized and approved the performance by the Community Facilities District of the obligations on its part contained in the Financing Documents and the Original Indenture and has authorized and approved the consummation by the Community Facilities District of all other transactions contemplated by this Local Obligation Purchase Contract;

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in

equity, before or by any court, governmental agency, public board or body, pending or, to the knowledge of the Community Facilities District, threatened against the Community Facilities District or its properties or operations (i) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Local Obligations, (ii) in any way contesting or affecting the validity or enforceability of any of the Financing Documents or the Original Indenture, any proceedings of the Community Facilities District taken concerning the issuance or sale of the Local Obligations, the collection of the special tax securing the Local Obligations (the "Special Tax") or the existence or powers of the Community Facilities District relating to the issuance of the Local Obligations or (iii) which, if determined adversely to the Community Facilities District or its interests, would have a material and adverse effect on the consummation of the transactions contemplated by or the validity of the Financing Documents or the Original Indenture or on the operations of the Community Facilities District with respect to the Local Obligations;

(e) The execution and delivery of the Financing Documents and the delivery of the Original Indenture, and the consummation of the transactions therein and herein contemplated, and the fulfillment of or compliance with the terms and conditions thereof and hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Community Facilities District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Community Facilities District, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Financing Documents or the Original Indenture or the operations of the Community Facilities District with respect to the Local Obligations;

(f) The Community Facilities District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject, which breach or default may have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Financing Documents or the Original Indenture, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default under any such instrument;

(g) All approvals, consents, authorizations, certifications and other orders of any governmental authority, board, agency or commission having jurisdiction, and all filings with any such entities, which would constitute conditions precedent to or the failure to obtain which would materially adversely affect the performance by the Community Facilities District of its obligations under the Financing Documents or the Original Indenture have been duly obtained, and no further consent, approval, authorization or other action or filing with or by any governmental or regulatory authority having jurisdiction over the Community Facilities District is or will be required for the issue and sale of the Local Obligations or the consummation by the Community Facilities District of the other transactions described in the Financing Documents or

the Original Indenture;

(h) The Special Tax constituting the security for the Local Obligations has been duly and lawfully authorized under and pursuant to the Mello-Roos Community Facilities District Act of 1982 (the "Act") within the Community Facilities District and such Special Tax is secured by a valid and legally binding continuing lien on the land subject to the Special Tax as provided in the Act;

(i) The City Council, as legislative body of the Community Facilities District, has authorized and will annually levy and collect the Special Tax, in addition to amounts necessary to pay debt service on the Local Obligations, in an amount sufficient (subject to any maximum special tax permitted by law) to pay the Expenses arising directly from the administration or enforcement of the Local Obligations.

The execution and delivery of this Local Obligation Purchase Contract by the Community Facilities District shall constitute a representation by the Community Facilities District to the Authority that the representations and agreements contained in this Section 2 are true as of the date hereof; provided, that as to all matters of law the Community Facilities District is relying on the advice of counsel to the Community Facilities District; and provided further, that no member of the City Council, as legislative body of the Community Facilities District, shall be individually liable for the breach of any representation, warranty or agreement contained herein.

3. Conditions to the Purchase of the Local Obligations by the Authority. The obligation of the Authority to accept delivery of and pay for the Local Obligations on the Closing Date shall be subject, at the option of the Authority, to (i) the accuracy in all material respects of the representations and agreements on the part of the Community Facilities District contained herein as of the date hereof and as of the Closing Date, (ii) the accuracy in all material respects of the statements of the officers and other officials of the City for and on behalf of the Community Facilities District made in any certificates or other documents, furnished pursuant to the provisions hereof, and (iii) the performance by the Community Facilities District of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Financing Documents and the Original Indenture shall be in full force and effect in the form heretofore submitted to the Authority and there shall have been taken in connection with the issuance of the Local Obligations and with the transactions contemplated thereby and by this Local Obligation Purchase Contract, all such actions as, in the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), shall be necessary and appropriate;

(b) At the Closing Date, the Financing Documents and the Original Indenture shall not have been amended, modified or supplemented, except as may have been agreed to by the Authority;

(c) At or prior to the Closing Date, the Authority and the Trustee shall have received the following documents, in each case satisfactory in form and substance to the Authority:

(1) An executed copy of each of the Financing Documents and a copy of the Original Indenture;

(2) An unqualified approving opinion of Bond Counsel, dated the Closing Date and addressed to the Community Facilities District, as to the validity of the Local Obligations;

(3) An opinion of the City Attorney, dated the Closing Date and addressed to the Community Facilities District and the Authority, in substantially the form attached hereto as Exhibit B; and

(4) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence compliance by the Community Facilities District with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Community Facilities District contained herein, and the due performance or satisfaction by the Community Facilities District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District.

If the Community Facilities District shall be unable to satisfy the conditions to the Authority's obligations contained in this Local Obligation Purchase Contract, this Local Obligation Purchase Contract shall terminate and neither the Authority nor the Community Facilities District shall have any further obligation hereunder.

4. Expenses. All expenses and costs of the Community Facilities District and the Authority incident to the authorization, issuance and sale of the Local Obligations and the Authority Bonds, including fees and expenses of consultants, the Trustee, the appraiser, Bond Counsel and counsel for the Community Facilities District and the underwriting fees and expenses incurred by the Authority in connection with the sale of the Authority Bonds shall be paid by the Community Facilities District or the City on its behalf, and the Community Facilities District agrees that it will pay such expenses and costs from the proceeds of the Local Obligations.

5. Notices. Any notice or other communication to be given to the Community Facilities District under this Local Obligation Purchase Contract may be given by delivering the same in writing at the Community Facilities District's address set forth above, Attention: Finance Director, and any such notice or other communications required to be given to the Authority may be given by delivering the same in writing to the Authority at 50 Natoma Street, Folsom, California 95630, Attention: Treasurer. The approval of the Authority when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Authority and delivered to the Community Facilities District.

6. Parties In Interest; Governing Law. This Local Obligation Purchase Contract is made solely for the benefit of the Community Facilities District, the Authority and the Trustee and no other persons, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. This Local Obligation Purchase Contract shall be governed by the laws of the State of California.

7. Pledge; Assignment. The Community Facilities District hereby approves the pledge and assignment of all the Authority's right, title and interest in the Local Obligations to the Trustee under the Indenture for the benefit of the owners of the Authority Bonds.

8. Limitation on Liability. The Authority shall incur no liability hereunder or by reason hereof or arising out of the transactions contemplated hereby, and shall be under no obligation to purchase the Local Obligations hereunder, except from proceeds of the Authority Bonds available therefor held by the Trustee under, and subject to the conditions set forth in, the Indenture. The Community Facilities District shall incur no liability hereunder or by reason hereof or arising out of the transactions contemplated hereunder, except as otherwise provided in Sections 4 and 5 hereof, or be obligated to make any payments with respect to the Local Obligations, except from amounts pledged to the payment of the Local Obligations (including the Special Tax levied and collected in the Community Facilities District) pursuant to the terms thereof.

9. Counterparts. This Local Obligation Purchase Contract may be signed in two or more counterparts; all such counterparts, when signed by all parties, shall constitute but one single agreement.

FOLSOM RANCH FINANCING AUTHORITY

By _____
Stacey Tamagni
Treasurer

ACCEPTED AND AGREED TO:

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)

By _____
Stacey Tamagni
Finance Director of the City of Folsom

Exhibit A

Local Obligations Maturity Schedule and Redemption Provisions

Maturity Schedule

Maturity Date September 1	Principal Amount $	Interest Rate %

* Term Bonds

Redemption Provisions

Extraordinary Redemption. The Local Obligations are subject to extraordinary redemption by the Community Facilities District prior to their respective maturity dates, as a whole or in part on any interest payment date on and after [September 1, 2021], from funds derived by the Community Facilities District from prepayments of the Special Tax, upon mailed notice as provided in the Indenture, at the following redemption prices (computed upon the principal amount of the Local Obligations or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

[103]% if redeemed on an interest payment date on or after [September 1, 2021] through [March 1, 20__];

[102]% if redeemed on an interest payment date on [September 1, 20__] or [March 1, 20__];

[101]% if redeemed on an interest payment date on [September 1, 20__] or [March 1, 20__]; and

[100]% if redeemed on [September 1, 20__] or any interest payment date thereafter.

Optional Redemption. The Local Obligations are subject to optional redemption by the Community Facilities District prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from funds derived by the Community Facilities District from any source other than such Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount or such prepayments of the Special Tax, upon mailed notice as provided in the Indenture, at the following redemption prices (computed upon the principal amount of the Local Obligations or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

[103]% if redeemed on any date on or after [September 1, 20__] through [August 31, 20__];

[102]% if redeemed on any date from [September 1, 20__] through [August 31, 20__];

[101]% if redeemed on any date from [September 1, 20__] through [August 31, 20__]; and

[100]% if redeemed on [September 1, 20__] and any date thereafter.

Mandatory Sinking Fund Account Redemption of the Local Obligations. The Local Obligations maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive; and the Local Obligations maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive, in each case solely from Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount, upon mailed notice as provided in the Indenture, at a redemption price equal to one hundred per cent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption.

Minimum Sinking Fund Account Payments are established for the mandatory redemption and payment of the Local Obligations described in the paragraph above, which payments shall become due during the years ending on the dates and in the amounts as set forth in the following schedules (except that if any of the Local Obligations shall have been optionally redeemed or redeemed from property owner prepayments, the amounts of the Minimum Sinking Fund Account Payments shall be reduced proportionately by the principal amount of all such Local Obligations so redeemed), namely:

Local Obligation Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment $

*

* Maturity.

Local Obligation Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment $
*	

* Maturity.

Exhibit B

[Form of City Attorney Opinion]

[Closing Date]

Folsom Ranch Financing Authority
Folsom, California

City of Folsom
Community Facilities District No. 21
(White Rock Springs Ranch)
Folsom, California

Piper Sandler & Co.
Sacramento, California

U.S. Bank National Association
Los Angeles, California

City of Folsom Community Facilities District No. 21
(White Rock Springs Ranch)
Special Tax Bonds, Series 2021

Ladies and Gentlemen:

I have served as counsel to the City of Folsom (the "City") in connection with the issuance, sale and delivery of the above-referenced securities (collectively, the "Local Obligations") by the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District"), and this letter is being delivered pursuant to the Local Obligation Purchase Contract dated as of [_____], 2021 (the "Local Obligation Purchase Contract") by and between the Folsom Ranch Financing Authority (the "Authority") and the Community Facilities District, and all capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Local Obligation Purchase Contract.

As such counsel, I have examined and am familiar with (i) those documents relating to the existence, organization and operation of the Community Facilities District, including Resolution No. 10075, duly adopted by the City on February 13, 2018, establishing the Community Facilities District; (ii) Resolution No. [_____] of the City Council approving the issuance of the Local Obligations, the issuance of the Authority Bonds, the Financing Documents and the Official Statement (such resolutions referenced in (i) and (ii), together the "Resolutions"); (iii) all necessary documentation of the Community Facilities District relating to the authorization, execution and delivery of the Local Obligations and all of the Financing Documents; (iv) the Official Statement, dated [_____], 2021 (the "Official Statement") relating to the Authority Bonds; and (v) the Continuing Disclosure Certificate of the Community Facilities District, dated the date hereof (the "Continuing Disclosure Certificate") relating to the Authority Bonds.

Based on the foregoing, I am of the opinion that:

1. The Community Facilities District is a community facilities district duly organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California.

2. The Resolutions have been duly adopted at meetings of the City Council, acting as the legislative body of the Community Facilities District, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since the date of their respective adoption.

3. The Community Facilities District has the full legal right, power and authority to execute, deliver and perform its obligations and duties under the Financing Documents, the Original Indenture and the Continuing Disclosure Certificate, including the right and power under the Act to execute the Indenture.

4. The Community Facilities District has complied with the provisions of applicable law in all matters relating to the transactions contemplated by the Financing Documents, the Original Indenture and the Continuing Disclosure Certificate, and the Original Indenture is in full force and effect.

5. The Financing Documents; the Original Indenture; the Continuing Disclosure Certificate; the Letter of Representations of the Community Facilities District, dated [_____], 2021 (the "Community Facilities District Letter of Representations" and, together with the Financing Documents, the Original Indenture and the Continuing Disclosure Certificate, the "Community Facilities District Documents") and the Official Statement have each been duly and lawfully authorized, executed and delivered by the Community Facilities District, are each in full force and effect and, assuming due authorization, execution and delivery by the other parties thereto, each constitutes a legal, valid and binding agreement of the Community Facilities District enforceable against it in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California.

6. The First Supplemental Indenture and the Local Obligations have been duly and validly authorized, sold, executed, authenticated and delivered, as applicable, in accordance with the Act and with the Indenture.

7. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Community Facilities District of the Financing Documents or the Continuing Disclosure Certificate or the performance by the Community Facilities District of its respective obligations thereunder or under the Original Indenture.

8. The execution and delivery of the Financing Documents and the Continuing Disclosure Certificate by the Community Facilities District, and compliance with the provisions thereof and with the provisions of the Original Indenture, will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Community Facilities District, or any commitment, agreement or other instrument to which the Community Facilities District is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, resolution, judgment, order or decree to which the Community Facilities District (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Community Facilities District and its affairs.

9. The Local Obligations are valid and binding special tax obligations of the Community Facilities District payable from proceeds of the Special Tax and the other funds provided in the Indenture for such payment and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California, and the terms of the Act and of the Indenture;

10. Based upon my review of the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to my attention which would lead me to believe that the Official Statement (excluding therefrom the financial statements and the statistical data and the information concerning The Depository Trust Company, the book-entry system and the appendices thereto, as to which no opinion is expressed) as of its date and the date hereof contained or contains any untrue statement of a material fact with respect to the Community Facilities District or omitted or omits to state any material fact with respect to the Community Facilities District necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

11. Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to my knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of their members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Local Obligations or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the Community Facilities District Documents or under which a determination adverse to the City or the Community Facilities District would have a material adverse effect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the Community Facilities District to use the Special Tax levied within the Community Facilities District for the repayment of the Local Obligations or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Tax levied within the Community Facilities District for the repayment of the Local Obligations.

Very truly yours,

City Attorney

ATTACHMENT 6

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

BOND PURCHASE AGREEMENT

_____, 2021

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, California 95630

Ladies and Gentlemen:

Piper Sandler & Co., as underwriter (the "Underwriter"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Folsom Ranch Financing Authority (the "Authority"), which upon acceptance will be binding upon the Underwriter and the Authority. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Authority purchasing from the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") the Community Facilities District's Special Tax Bonds, Series 2021 (the "Special Tax Bonds") in the aggregate principal amount of $_____, and upon the Authority and the Community Facilities District satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Authority's acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 8:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Trust Agreement, dated as of _____ 1, 2021 (the "Trust Agreement"), by and among the Authority, U.S. Bank National Association, as trustee (the "Trustee") and the Community Facilities District. The Special Tax Bonds are being issued pursuant to an Indenture dated as of December 1, 2019 (the "Original District Indenture"), by and between the Community Facilities District and U.S. Bank National Association, as successor to MUFG Union Bank N.A., as trustee, as supplemented and amended by a First Supplemental Indenture (the "First Supplemental District Indenture, and together with the Original District Indenture as supplemented and amended, the "District Indenture"), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the "District Trustee").

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority and the

Authority hereby agrees to sell to the Underwriter all (but not less than all) of the $_____ aggregate principal amount of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be $_____ (being 100% of the aggregate principal amount thereof [plus/less] a [net] original issue [premium/discount] of $_____ and less an Underwriter's discount of $_____. From the proceeds of the Bonds, the Authority agrees to purchase the Special Tax Bonds from the Community Facilities District pursuant to the terms of the Local Obligation Purchase Contract (the "Local Obligation Purchase Contract"), dated _____, 2021, by and between the Community Facilities District and the Authority.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Revenues as provided in the Trust Agreement, the Official Statement (as hereinafter defined), and the Marks-Roos Local Bond Pooling Act of 1985, as amended, being Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Bond Law"). The issuance of the Bonds has been duly authorized by the Authority pursuant to Resolution No. _____-Folsom Ranch FA (the "Authority Resolution") adopted by the Board of Directors of the Authority on _____, 2021. A portion of the net proceeds of the Bonds will be used to purchase the Special Tax Bonds.

The Special Tax Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from Special Tax (as defined in the District Indenture) as provided in the District Indenture.

The Special Tax Bonds are issued under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Community Facilities District Act"). The issuance of the Special Tax Bonds, the preparation and distribution of the Preliminary Official Statement and the Local Obligation Purchase Contract have been duly authorized by the City Council of the City of Folsom (the "City Council") acting as the legislative body for the Community Facilities District, pursuant to Resolution No. 10359 (the "Community Facilities District Resolution"). The net proceeds of the Special Tax Bonds will be used, as indicated in the District Indenture, for the following purposes: (1) paying costs of issuance of the Bonds and the Special Tax Bonds; (2) funding the Required Bond Reserve for the Special Tax Bonds; (3) providing funds for the acquisition of certain public facilities; and (4) fund capitalized interest on the Special Tax Bonds to September 1, 2021.

Prior to the acceptance of this Purchase Agreement by the Authority, the Authority shall have caused to be delivered to the Underwriter: (i) the Letter of Representations of the Community Facilities District (the "District Letter of Representations") in substantially the form set forth in Exhibit B hereto; (ii) a Letter of Representations (the "Developer Letter of Representations") of Gragg Ranch Recovery Acquisition LLC (the "Developer") in substantially the form set forth in Exhibit C hereto; (iii) a letter of representations of Richmond American Homes of Maryland, Inc. ("Richmond American") in the form set forth in Exhibit G hereto; and (iv) a letter of representations of John Mourier Construction, Inc. ("JMC") in substantially the form set forth in Exhibit L hereto.

A. The Authority acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations and agreements made by the Authority herein and by the Community Facilities District in the District Letter of Representations, and the Authority

shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation or agreement made by the Authority herein is incorrect in any material respect.

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority, the Community Facilities District or the City of Folsom (the "City") with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority, the Community Facilities District or the City on other matters); and (iv) the Authority, the Community Facilities District and the City have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate.

B. Pursuant to the authorization of the Authority, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2021, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "Preliminary Official Statement." By its acceptance of this Purchase Agreement, the Authority hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Authority agrees to execute a final official statement relating to the Bonds (including any supplements and/or amendments thereto, the "Official Statement") which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Orrick Herrington & Sutcliffe LLP, the Community Facilities District's and the Authority's Bond Counsel ("Bond Counsel") and Disclosure Counsel ("Disclosure Counsel"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 3.N hereof. The Authority hereby authorizes the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Authority further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Trust Agreement, the District Indenture, this Purchase Agreement, the Local Obligation Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Authority, the Community Facilities District or the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the Community Facilities District will undertake for and on behalf of the Authority pursuant to the Continuing Disclosure Certificate, in the form attached to the Official Statement as Appendix D (the "Continuing Disclosure Certificate"), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Authority may otherwise agree, the Authority will deliver to the Underwriter, at the offices of Bond Counsel in Sacramento, California, or at such other location as may be mutually agreed upon by the Underwriter, the Community Facilities District and the Authority, the documents hereinafter mentioned; and the Authority will deliver to the Underwriter through the facilities of The Depository Trust Company ("DTC") in New

York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Authority and authenticated by the Trustee in the manner provided for in the Trust Agreement and the Bond Law at 8:00 a.m. California time, on _____, 2021 (the "Closing Date"), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in the first paragraph of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. Public Offering and Establishment of Issue Price.

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

B. The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit I, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor") and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

C. Except as otherwise set forth in Exhibit A, the Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

D. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-

the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

E. The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on: (A) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. "public" means any person other than an underwriter or a related party;

2. "underwriter" means: (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. "sale date" means the date of execution of this Purchase Agreement by all parties.

3. Representations and Covenants of the Authority. The Authority represents and covenants to the Underwriter that:

A. The Authority is a joint exercise of powers authority, duly organized and existing under the Constitution and laws of the State of California (the "State"), and formed pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code (the "JPA Act"), with full right, power and authority: (i) to enter into this Purchase Agreement; (ii) to enter into the Trust Agreement; (iii) to adopt the Authority Resolution authorizing the issuance of the Bonds and entry into this Purchase Agreement and the Trust Agreement and to take all other actions on the part of the Authority relating thereto (the "Authority Proceedings"); (iv) to issue, sell and deliver the Bonds to the Underwriter as provided herein; (v) to purchase the Special Tax Bonds; and (vi) to carry out and consummate the transactions on its part contemplated by this Purchase Agreement, the Trust Agreement and the Official Statement.

The Trust Agreement, the Bonds, the Local Obligation Purchase Contract and this Purchase Agreement are collectively referred to herein as the "Authority Documents."

B. By all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery by the Authority of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing Date be in compliance in all respects, with the terms of the Authority Documents that are applicable to the Authority.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Authority and the Bonds (other than statements pertaining to the book-entry system, as to which no view is expressed), does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement

will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the Authority and the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

E. As of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the Authority is not, and as of the Closing Date, will not be, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject; and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; which breach, default or event could have an adverse effect on the Authority's ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions of each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

F. At the time of acceptance hereof there is, and as of the Closing Date, there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending (notice of which has been served on the Authority) or to the knowledge of the Authority threatened, in which any such Action: (i) in any way questions the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Revenues (as defined in the Trust Agreement) or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Authority

Documents or the consummation of the transactions on the part of the Authority contemplated thereby; (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the Authority which may result in any material adverse change relating to the financial condition of the Authority; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, as of the time of acceptance hereof, there is, and as of the Closing Date, there will be no known basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

G. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

H. The Authority Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Authority represents that the Bonds, when issued, executed and delivered in accordance with the Trust Agreement and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Authority, entitled to the benefits of the Trust Agreement. The Trust Agreement creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Trust Agreement, subject in all cases to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

I. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certifications may not be relied upon.

J. Any certificate signed by any authorized officer of the Authority and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the Authority to the Underwriter as to the statements made therein.

K. The Authority will apply the proceeds of the Bonds in accordance with the Trust Agreement.

L. Between the date of this Purchase Agreement and the Closing Date, the Authority will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

M. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Authority will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Trust Agreement.

N. The Preliminary Official Statement was deemed final by a duly authorized officer of the Authority prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Authority hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Authority shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

The Authority hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Authority hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the Authority to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Authority shall constitute a representation to the Underwriter that the representations contained in this Section 3 are true as of the date hereof.

4. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations on the part of the Authority contained herein and of the Community Facilities District in the District Letter of Representations, to the accuracy in all material respects of the statements of the officers and other officials of the Authority made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Authority of its obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the Authority Resolution, the Community Facilities District Resolution, the Authority Documents and this Purchase Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds, the District Letter of Representations and the Continuing Disclosure Certificate shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Special Tax Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate. The Trust Agreement, the District Indenture, the Local Obligation Purchase Contract,

the Special Tax Bonds, the District Letter of Representations and the Continuing Disclosure Certificate are herein referred to collectively as the "District Documents."

B. At the Closing Date, except as was described in the Preliminary Official Statement, the Authority shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, and the performance by the Authority of its obligations under the Authority Documents, the Authority Resolution and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Authority of its obligations under the Authority Documents or the Authority Resolution.

C. At the Closing Date, except as described in the Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to in the District Letter of Representations or contemplated therein, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Community Facilities District Resolution, the District Documents, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Resolution and the District Documents or the performance of the conditions precedent to be performed by the Community Facilities District under the Community Facilities District Resolution and the District Documents.

D. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

E. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Trust Agreement or the District Indenture are not exempt from qualification under or other requirements of the Trust Agreement Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State of California officials authorized to do so;

4. The introduction, proposal or enactment of any amendment to the Federal or California Constitution or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Bonds, the Authority or the Community Facilities District, their property, income, securities (or interest thereon), the validity or enforceability of the Special Tax, or the ability of the Authority to purchase any Special Tax Bonds as contemplated by the Official Statement;

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, the Special Tax Bonds or obligations of the general character of the Bonds or the Special Tax Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

7. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the Authority, to sell the Bonds;

8. The filing or threat of an Action described Section 3.F hereof or Section M of the District Letter of Representations; or

9. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Authority.

F. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Authority by its Treasurer or other authorized officer;

2. The Authority Documents, duly executed and delivered by all parties thereto;

3. The Authority Resolution, together with a certificate of the Secretary of the Authority, dated as of the Closing Date, to the effect that such resolution is a true, correct and complete copy of the resolution duly adopted by the Board of Directors of the Authority;

4. The Community Facilities District Resolution, together with a certificate dated as of the Closing Date of the City Clerk, acting on behalf of the Community Facilities District to the effect that the Community Facilities District Resolution is a true, correct and complete copy of the one duly adopted by the City Council, acting as the legislative body of the Community Facilities District;

5. The District Documents duly executed and delivered by all parties thereto;

6. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Authority, of Bond Counsel, in substantially the form included as Appendix E to the Official Statement, together with a letter addressed to the Trustee to the effect that such opinion may be relied upon by the Trustee to the same extent as if such opinion was addressed to the Trustee;

7. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, in substantially the form attached hereto as Exhibit E;

8. An opinion, dated the Closing Date and addressed to the Authority and the Underwriter, of Hefner, Stark & Marois, LLP as counsel to the Developer, in substantially the form attached hereto as Exhibit F,

9. A certificate, dated the Closing Date and signed by the Treasurer of the Authority or other authorized officer, to the effect that: (i) the representations of the Authority contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Authority Documents and the Authority Resolution at or prior to the Closing Date;

10. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations made by the Community Facilities District contained in the District Letter of Representations are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, provided that any references as to the Preliminary Official Statement shall be deemed to be to the Official Statement; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under the District Documents prior to the Closing Date;

11. An opinion of the City Attorney of the City, as counsel to the Authority, dated the date of Closing and addressed to the Underwriter, the Authority, the Community Facilities District, the Trustee and the District Trustee, to the effect that:

(i) The Authority is a public body, corporate and politic, duly organized and validly existing as a joint powers authority under the laws of the State of California;

(ii) The Authority has full legal power and lawful authority to enter into the Authority Documents and to carry out the transactions contemplated under the Authority Documents;

(iii) The Authority Resolution was duly adopted at a regular meeting of the governing body of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iv) The Authority Documents have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(v) To the best knowledge of such counsel, the execution and delivery of the Authority Documents and the Official Statement and compliance with the provisions thereof under the circumstances contemplated thereby: (a) do not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound; and (b) do not and will not in any material respect or constitute on the part of the Authority a violation, breach of or default under any court order or consent decree to which the Authority is subject;

(vi) The Authority Documents and the Official Statement have been duly authorized by the Board of Directors of the Authority and executed on its behalf by an authorized officer of the Authority;

(vii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the Authority) or, to the City Attorney's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the Authority, or the titles of its members and officers to their respective offices; (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the collection of the Revenues or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties or obligations of the Authority with respect to the Revenues or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (e) in any way question or affect the Authority Documents or the transactions contemplated by the Authority Documents, the Official Statement, or any activity regarding the Bonds;

12. An opinion of the City Attorney of the City, dated the date of Closing and addressed to the Underwriter, the Authority, the Community Facilities District, the Trustee and the District Trustee to the effect that:

(i) The Community Facilities District is a community facilities district organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California;

(ii) The Community Facilities District Resolution has been duly adopted at a meeting of the City Council, acting as the legislative body of the Community Facilities District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Community Facilities District Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iii) The District Documents and the Official Statement have been duly and lawfully authorized, executed and delivered by the Community Facilities District and the District Documents constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California;

(iv) The Community Facilities District has the right and power under the Community Facilities District Act to execute the District Indenture and no other authorization for the execution thereof is required, and the District Indenture is in full force and effect;

(v) The Special Tax Bonds are valid and binding special tax obligations of the Community Facilities District payable from proceeds of the Special Tax and the other funds provided in the District Indenture for such payment and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California, and the terms of the Community Facilities District Act and of the District Indenture;

(vi) The District Indenture and the Special Tax Bonds have been duly and validly authorized, sold, executed, authenticated and delivered in accordance with the Community Facilities District Act and with the District Indenture;

(vii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of its members and officers to their respective offices; or (b) affect the validity of the District Documents or restrain or enjoin the repayment of the Special Tax Bonds or in any way contest or affect the validity of the District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the District Documents or under which a determination adverse to the City or the Community Facilities District would have a material adverse affect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the Community Facilities District to use the Special Tax levied within the Community Facilities District for the repayment of the Special Tax Bonds or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Tax levied within the Community Facilities District for the repayment of the Special Tax Bonds;

13. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds and the Special Tax Bonds, including certified copies of the Trust Agreement, the District Indenture and all resolutions of the City and the Authority relating thereto;

14. A certificate dated the Closing Date from NBS addressed to the Authority, the Community Facilities District and the Underwriter to the effect that: (i) the Special Tax (after payment of Priority Administrative Expenses) if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes would generate at least 110% of the annual debt service payable with respect to the Special Tax Bonds in each year, based on such assumptions and qualifications as shall be acceptable to the Underwriter; (ii) the Value of all Taxable Property, in aggregate, is at least three (3) times the aggregate Lien on such Taxable Property (as each such term is defined in the District Indenture; and (iii) the statements in the Official Statement provided by NBS concerning the Special Tax and the Rate and Method of Apportionment of the Special Taxes and all information supplied by it for use in the Official Statement as of the date of the Official Statement and as of the Closing Date did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

15. Certified copies of the general resolution of the Trustee and District Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee and District Trustee, which resolution authorizes the execution of the Trust Agreement, the District Indenture and the authentication of the Bonds and the Special Tax Bonds;

16. A certificate of the Trustee, addressed to the Underwriter, the Authority and the Community Facilities District dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and have full power and authority to perform their respective duties under the Trust Agreement and the District Indenture; (ii) the Trustee is duly authorized to execute and deliver the Trust Agreement and the District Indenture, to accept the obligations created by the Trust Agreement and the District Indenture and to authenticate the Bonds and the Special Tax Bonds pursuant to the terms of the Trust Agreement and the District Indenture, respectively; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the Special Tax Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the Special Tax Bonds and the acceptance and performance of the obligations created by the Trust Agreement and the District Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Trust Agreement and the District Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties;

17. An opinion of counsel to the Trustee, dated the Closing Date, addressed to the Underwriter, the Authority and the Community Facilities District to the effect that the Trustee is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Trust Agreement and the District Indenture, and that each of such documents has been duly authorized, executed and delivered by the Trustee and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as

such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

18. A certificate of the Authority dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

19. An opinion of Stradling Yocca Carlson & Rauth, counsel to the Underwriter ("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

20. A certificate of the Developer dated the Closing Date, substantially in the form attached as Exhibit D hereto;

21. A certificate of Richmond American dated the Closing Date, substantially in the form attached as part of Exhibit G hereto.

22. Opinions of counsel to Richmond American, dated the Closing Date and addressed to the Authority and the Underwriter, that contain the opinions attached hereto as Exhibits H-1 and H-2.

23. Continuing disclosure certificates of each of the Developer and Richmond American in the form attached as Appendix D to the Official Statement.

24. A certificate of JMC, dated the Closing Date, substantially in the form attached as part of Exhibit L hereto.

25. A certificate of the Appraiser, substantially in the form attached hereto as Exhibit J;

26. A certificate of the Market Absorption Consultant, substantially in the form attached hereto as Exhibit K; and

27. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations of the Authority contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority and the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District and the Authority in connection with the transactions contemplated hereby and by the District Indenture, the Trust Agreement, and the Official Statement.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Authority set forth in Section 6 hereof shall continue in full force and effect.

5. Conditions to the Obligations of the Authority.

A. The obligations of the Authority shall be subject to the satisfaction of the conditions contained in Section 4 of this Purchase Agreement.

B. If the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds contained in the Local Obligation Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Community Facilities District shall be under any further obligation hereunder, except that the obligations of the Authority set forth in Section 6 hereof shall continue in full force and effect.

6. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Authority shall pay only from the proceeds of the Bonds, or cause the Community Facilities District to pay out of the proceeds of the Special Tax Bonds or any other legally available funds of the City, the Community Facilities District or the Authority, but only as the Authority and such other party providing such services may agree, all expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, initial fees of the Trustee, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the Authority, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the Authority's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees of its counsel.

7. Notices. Any notice of other communication to be given to the City or the Authority under this Purchase Agreement may be given by delivering the same in writing to the City of Folsom, 50 Natoma Street, Folsom, CA, 95630, Attention: Finance Director; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co, 3626 Fair Oaks Blvd., Suite 100, Sacramento, CA, 95864, Attention: Dennis McGuire.

8. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Authority and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

9. Survival of Representations. The representations of the Authority under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Authority and regardless of delivery of and payment for the Bonds.

10. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

12. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Authority.

13. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

14. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

FOLSOM RANCH FINANCING AUTHORITY

By: _____
Its: Treasurer

EXHIBIT A

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

Schedule of Bond Maturities, Principal Amounts, Interest Rates and Initial Offering Prices

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Initial Offering Price*	*10% Test Used*	*Hold the Price Offering Rule Used*

[C] Priced to the optional redemption date of September 1, 20__, at ____%.

Optional Redemption. The Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20__, from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date from September 1, 20__ through August 31, 20__;

102% if redeemed on any date from September 1, 20__ through August 31, 20__;

101% if redeemed on any date from September 1, 20__ through August 31, 20__; and

100% if redeemed on September 1, 20__ and any date thereafter.

Extraordinary Redemption from Prepayment of Special Taxes. The Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on

any Interest Payment Date on and after March 1, 2020, solely from funds derived from extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on an Interest Payment Date on or after _____ 1, 20__ through March 1, 20__;

102% if redeemed on an Interest Payment Date on September 1, 20__ and March 1, 20__;

101% if redeemed on an Interest Payment Date on September 1, 20__ and March 1, 20__; and

100% if redeemed on September 1, 20__ and any Interest Payment Date thereafter.

Mandatory Sinking Fund Redemption of Bonds The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred per cent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred per cent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred per

cent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred per cent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment

† Maturity.

EXHIBIT B

LETTER OF REPRESENTATIONS OF THE COMMUNITY FACILITIES DISTRICT

_____, 2021

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Re: *City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2021*

Ladies and Gentlemen:

In connection with the proposed offer and sale of the above-referenced bonds (the "Special Tax Bonds"), the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") hereby represents and covenants to Piper Sandler & Co., as underwriter (the "Underwriter") of the Folsom Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"), as follows:

A. The City of Folsom (the "City") is duly organized and validly existing as a municipal corporation and charter city under the Constitution and laws of the State of California and the Charter and the Community Facilities District is a community facilities district organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California.

B. The City has duly authorized the formation of the Community Facilities District pursuant to resolutions and an ordinance duly adopted by the City Council (collectively, the "District Formation Resolution" and, together with Resolution No. _____ authorizing the issuance and sale of the Special Tax Bonds, the "District Resolutions") and the Community Facilities District Act. The City Council, acting as the legislative body of the Community Facilities District has duly adopted the Community Facilities District Resolutions, and has caused to be recorded in the real property records of the County of Sacramento, a notice of special tax lien (the "Notice of Special Tax Lien") (the Community Facilities District Formation Resolution and Notice of Special Tax Lien being collectively referred to herein as the "Formation Documents"). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended.

C. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the District Indenture, the Trust Agreement, the Continuing Disclosure Certificate and the Local Obligation Purchase Contract, and to carry out all transactions contemplated by each of such documents; (ii) to issue, sell and deliver its Special Tax Bonds to the Authority; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the District Indenture, the Trust Agreement, the Local Obligation Purchase Contract, the Special Tax Bonds, this Letter of Representations, the Continuing Disclosure Certificate and the Official Statement.

This Letter of Representations, the Trust Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the "District Documents."

D. The Community Facilities District has complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the District Documents, and immaterial noncompliance by the Community Facilities District, if any, will not impair the ability of the Community Facilities District to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of its Special Tax Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the District Documents.

E. Except as described in the Preliminary Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to the District Documents, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Community Facilities District of its obligations under the District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to the District Documents.

F. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the District Documents, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The District Documents conform as to form and tenor to the descriptions thereof contained in the Preliminary Official Statement.

H. The Special Tax Bonds are payable from the Special Tax, as set forth in the District Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Tax within the Community Facilities District will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Special Tax Bonds when due and payable, all as provided in the District Indenture. The Community Facilities District has covenanted to cause the

Special Tax to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes.

I. The District Indenture creates a valid pledge of, first lien upon and security interest in, the Special Tax, and in the moneys in the Special Tax Fund established pursuant to the District Indenture, on the terms and conditions set forth in the District Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District's knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Tax referred to in paragraph (H) hereof.

K. The information contained in the Preliminary Official Statement (other than statements therein pertaining to the Authority, DTC and its book-entry system and under the caption "PROPOSED PROPERTY DEVELOPMENT — Property Ownership," "— Development Plan and Status of Development" and "— Development Plans of Finance," as to which no view is expressed) does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (L) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

L. Up to and including 25 days after the End of the Underwriting Period, the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

M. There is no action pending (notice of which has been served on the Community Facilities District or the City) or to the best knowledge of the Community Facilities District threatened, in which any such action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the City to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the Special Tax Bonds or the payment or collection of the Special Tax or any amounts pledged or to be pledged to pay the principal of and interest on the Special Tax Bonds or the Bonds, or in any way contests or affects the validity of the Formation Documents or the District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds or the Special Tax Bonds from federal

or State income taxation, as applicable, or contests the powers of the City or the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the City authorized to do so shall be deemed a representation by the Community Facilities District to the Authority and the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

O. At or prior to the Closing, the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix D to the Official Statement. Except as disclosed in the Preliminary Official Statement, the City has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events in the last five years.

P. The Community Facilities District will apply the proceeds of its Special Tax Bonds in accordance with the District Indenture.

Q. Between the date of the Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement by and between the Authority and the Underwriter.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH)

By: _____
Finance Director of the City of Folsom

EXHIBIT C

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

LETTER OF REPRESENTATIONS OF
GRAGG RANCH RECOVERY ACQUISITION LLC

_____, 2021

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, California 95630

City of Folsom Community Facilities District No. 21
(White Rock Springs Ranch)
50 Natoma Street,
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") and to the Bond Purchase Agreement to be entered into in connection therewith (the "Purchase Agreement"). This Letter of Representations of Gragg Ranch Recovery Acquisition LLC (the "Letter of Representations") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Gragg Ranch Recovery Acquisition LLC, a Delaware limited liability company (the "Developer"), and the undersigned, on behalf of the Developer further certifies as follows:

1. The Developer is a limited liability company validly existing and in good standing under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California and has all requisite right, power and authority: (i) to execute and deliver this Letter of Representations; and (ii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, certain property within the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") is held in the name of the Developer or its Affiliates[1] (herein the "Property"). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned,[2] (a) the Developer and its Affiliates are not in breach of or in default under any applicable judgment or decree or any loan agreement, option agreement, development agreement, indenture, fiscal agent agreement, bond or note (collectively, the "Material Agreements") to which the Developer or its Affiliates are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default.

4. To the Actual Knowledge of the Undersigned, neither the Developer, nor any of its Affiliates is in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency.

5. Except as set forth in the Preliminary Official Statement, 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 against the Developer (with proper service of process or proper notice to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Affiliate (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Developer or any such Affiliate which if successful, is reasonably likely to materially and adversely affect the Developer's ability to

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[1] "Affiliate" means, with respect to a Person (i) any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person, and (ii) for whom information, including financial information or operating data, concerning such Person referenced in clause (i) is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to the Developer's development plans with respect to its Property and the payment of its Special Tax on the Property prior to delinquency, or such Person's assets or funds that would materially affect the Developer's ability to develop its Property as described in the Preliminary Official Statement or to pay its Special Tax on the Property prior to delinquency). "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.

[2] As used in this Letter of Representations, the phrase "Actual Knowledge of the Undersigned" shall mean the knowledge of the undersigned as of the date hereof obtained from interviews with such current officers and responsible employees of the Developer and its Affiliates as the undersigned has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth herein. 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 Developer's current business and operations.

complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax or *ad valorem* tax obligations on its Property (to the extent the responsibility of the Developer) prior to delinquency.

6. To the Actual Knowledge of the Undersigned as of the date thereof, the Preliminary Official Statement, solely with respect to information contained therein with respect to the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) as set forth under the caption "PROPOSED PROPERTY DEVELOPMENT" is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7. The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Affiliates which it controls 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 seeks to challenge or overturn the formation of the Community Facilities District, to challenge the adoption of Ordinance No. 1252 of the City levying the Special Tax within the Community Facilities District, to invalidate the Community Facilities District or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the amended notice of special tax lien relating thereto. The foregoing covenant shall not prevent the Developer in any way from bringing any other action, suit or proceeding including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Community Facilities District's Rate and Method of Apportionment of Special Taxes for the Community Facilities District pursuant to which the Special Tax is levied, or (b) an action or suit with respect to the application or use of the Special Tax levied and collected.

8. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Developer is not aware that any other public debt secured by a tax or assessment on the Property exists or is in the process of being authorized or any assessment districts or community facilities districts have been or are in the process of being formed that include any portion of the Property.

9. The Developer has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that the Developer has been delinquent at one time or another in the payment of ad valorem property taxes, special assessments or special taxes. However, except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, neither the Developer nor any Affiliate is currently in default in, or in the last five (5) years has ever defaulted to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property owned by the Developer or any Affiliate within the boundaries of a community facilities district or an assessment district within California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district

financing or (b) resulted in a foreclosure action being commenced against the Developer or any such Affiliate.

10. The Developer intends to comply with the provision of the Mello-Roos Community Facilities District Act of 1982, as amended, relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

11. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. To the Actual Knowledge of the Undersigned, Affiliates of the Developer are able to pay their bills as they become due and no legal proceedings are pending against any Affiliates of the Developer (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

13. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 6 hereof, 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 undersigned 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, the Developer shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the City and to the Underwriter.

14. For the period through 25 days after the "End of the Underwriter Period" as defined in the Purchase Agreement, if any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City, to amend or supplement

the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Developer shall reasonably cooperate with the City and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

15. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit D to the Purchase Agreement.

16. On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have met with counsel to the Developer for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or authorized representative of Developer and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Developer.

Gragg Ranch Recovery Acquisition LLC
a Delaware limited liability company

By: _____
[Name], Authorized Representative

EXHIBIT D

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

CLOSING CERTIFICATE OF GRAGG RANCH RECOVERY ACQUISITION LLC

[Closing Date]

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA, 95630

City of Folsom Community Facilities District No. 21
(White Rock Springs Ranch)
50 Natoma Street
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") and to the Bond Purchase Agreement, dated _____, 2021 (the "Purchase Agreement"), entered into in connection therewith. This certificate is delivered by Gragg Ranch Recovery Acquisition LLC, a Delaware limited liability company (the "Developer") pursuant to the Purchase Agreement. Capitalized terms used herein or in the Letter of Representations (defined below) and not otherwise defined have the meanings ascribed to them in the Purchase Agreement. A copy of a Letter of Representations (the "Letter of Representations"), dated _____, 2021, delivered by the Developer, is attached hereto as Exhibit A.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement relating to the Bonds. Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 6 of the Letter of Representations relating to the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and

contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. The undersigned has executed this Certificate solely in his or her capacity as an officer of Developer 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 Developer.

GRAGG RANCH RECOVERY ACQUISITION LLC, a Delaware limited liability company

By: Paulson REF II West, LLC
a Delaware limited liability company,
Managing Member

By: _____
Jonathan Shumaker,
Authorized Signatory

EXHIBIT E

SUPPLEMENTAL OPINION OF BOND COUNSEL

[Closing Date]

Piper Sandler & Co., as Underwriter
Sacramento, California

Folsom Ranch Financing Authority
City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch)
Special Tax Revenue Bonds, Series 2021
(Supplemental Opinion)

Ladies and Gentlemen:

This letter is addressed to you, as Underwriter, pursuant to Section 4.F.7. of the Bond Purchase Agreement, dated _____, 2021 (the "Purchase Agreement"), between you and the Folsom Ranch Financing Authority (the "Authority"), providing for the purchase of $_____ principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement, dated as of _____ 1, 2021 (the "Trust Agreement"), among the Authority, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement or, if not defined in the Trust Agreement, in the Purchase Agreement.

We have delivered our final legal opinion (the "Bond Opinion") as bond counsel to the Authority concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Authority. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel to the Authority, we have reviewed the Purchase Agreement; the Trust Agreement; the Tax Certificate; certain portions of the official statement of the Authority, dated _____, 2021, with respect to the Bonds (the "Official Statement"); opinions of counsel to the Authority, the Community Facilities District and the Trustee; certificates of the Authority, the Community Facilities District, the Trustee, Integra Realty Resources (the "Appraiser"), NBS (the "Special Tax Consultant"), Gragg Ranch Recovery Acquisition LLC (the "Developer"), Richmond American Homes of Maryland, Inc. ("Richmond American"), John Mourier Construction, Inc. ("JMC") and others; and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person,

whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement, the Local Obligations Indenture, the Tax Certificate and the Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers authorities and community facilities districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Trust Agreement or the Local Obligations Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. We also express no opinion regarding plans, specifications, maps, financial reports or other engineering or financial details of the proceedings, or upon the Rate and Method of Apportionment for the Community Facilities District or the validity of the Special Tax levied upon any individual parcel.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Purchase Agreement has been duly executed and delivered by, and is a valid and binding agreement of, the Authority.

3. The statements contained in the Official Statement under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "TAX MATTERS," and in APPENDIX E—"PROPOSED FORM OF OPINION OF BOND COUNSEL" and APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS," excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Trust Agreement, and the form and content of our Bond Opinion, are accurate in all material respects.

4. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 3 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects to the printed version. In our capacity as bond counsel to the Authority in connection

with issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of the Community Facilities District, the City of Folsom, the Authority, their counsel, representatives of the Developer and Richmond American and their counsel, the Appraiser, the Special Tax Consultant and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the Authority, the Community Facilities District, and others and on the records, documents, certificates, opinions and matters herein mentioned, subject to the limitations on our role as bond counsel to the Authority, we advise you as a matter of fact and not opinion that no facts came to the attention of the attorneys in our firm rendering legal services with respect to the Official Statement which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, absorption, real estate or environmental matters, any statements about compliance with prior continuing disclosure undertakings, or any information about book-entry, DTC, ratings, rating agencies, underwriters, underwriting, and the information contained in Appendices A, B, D, F, G and H included or referred to therein or omitted therefrom, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.

This letter is furnished by us as bond counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriter of the Bonds, is solely for your benefit as such Underwriter in connection with the original issuance of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

EXHIBIT F

OPINION OF DEVELOPER'S COUNSEL

[Closing Date]

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Re: $_____ Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021

Ladies and Gentlemen:

We have acted as counsel to Gragg Ranch Recovery Acquisition LLC, a Delaware limited liability company (the "Developer") in connection with the issuance and sale by the Folsom Ranch Financing Authority (the "Issuer") of $_____ Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") to provide funds to finance the purchase of limited obligation special tax bonds, issued by the City of Folsom (the "City") for the benefit of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District"). This opinion is rendered pursuant to the Bond Purchase Agreement dated _____, 2021 (the "Bond Purchase Agreement"), entered into in connection therewith. Capitalized terms used herein without definition shall have the meanings set forth in the Bond Purchase Agreement.

In rendering the opinions set forth herein, we have reviewed and examined such documents as we have determined to be appropriate, including the following documents:

1. The Bond Purchase Agreement;

2. The Preliminary Official Statement and the Final Official Statement (together, the "Official Statement");

3. The Developer Continuing Disclosure Certificate dated _____, 2021, executed by Developer (the "Developer Disclosure Certificate"); and

4. Letter of Representations of Gragg Ranch Recovery Acquisition LLC, dated _____, 2021, and the Closing Certificate of Gragg Ranch Recovery Acquisition LLC, dated _____, 2021, both as required pursuant to the Bond Purchase Agreement (collectively, the "Developer Certificate").

With respect to factual matters underlying our opinions herein, we have made no independent investigation or inquiry and have relied solely upon the Developer Certificate. We advise you that the phrase "to our knowledge," as used herein, means that no facts have come to our attention, based upon an inquiry of attorneys in this firm who devote substantive legal attention to Developer, or as a result of our examination of the Developer Certificate, that indicate to us anything contrary to the statement to which the phrase relates. Except as expressly set forth above, the phrase does not mean that we have conducted any investigation or inquiry or performed any other examination or review. We have no reason to believe that any factual matters or assumptions relied upon by us are not true, correct and complete.

Our opinions herein are limited to the internal laws of the State of California and the federal laws of the United States of America. We express no opinion whatsoever with respect to the laws of any other jurisdiction and assume no responsibility for the applicability of such laws.

In rendering our opinions herein, we have assumed the following, with your approval:

i. The genuineness and authenticity of all signatures on original documents submitted to us (other than any signatures on behalf of Developer); the authenticity and completeness of all documents submitted to us as originals; the conformity to originals of all documents submitted to us as copies; where any signature, other than any signature on behalf of Developer purports to have been made in a corporate, governmental, fiduciary or other capacity, the person who affixed such signature had the full power and authority to do so;

ii. The due authorization, execution and delivery of the applicable agreements by the parties thereto, other than the Developer, and the legality, validity, binding effect and enforceability against such parties of their respective obligations under such agreements;

iii. The truth, accuracy and completeness of all factual representations and warranties of all parties under the documents described in paragraphs 1 through 4, above;

iv. The constitutionality or validity of a relevant statute, rule, regulation or agency action is not in issue unless a reported decision in the State of California has specifically addressed but not resolved, or has established, its unconstitutionality or invalidity; and

v. All official public records relied upon by us are accurate and complete.

Based upon the foregoing and in reliance thereon, and based on our examination of such questions of law as we have deemed appropriate under the circumstances, and subject to any further assumptions, comments, exceptions, qualifications and limitations set forth below, as of the date hereof, it is our opinion that:

1. Developer is a limited liability company validly existing and in good standing as a limited liability company under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California, and has full power and authority to enter into the Developer Disclosure Certificate.

2. The Developer has duly and validly executed and delivered the Developer Disclosure Certificate, and the Developer Disclosure Certificate constitutes the legal, valid and binding obligation of the Developer, enforceable against Developer in accordance with its terms.

3. To our knowledge, the execution and delivery by the Developer of the Developer Disclosure Certificate and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under any agreement or other instrument to which Developer is a party.

4. To our knowledge, Developer is not in violation of any provision of or in default under, its organizational documents or any agreement or other instrument, violation or default under which would materially and adversely affect the business, properties, assets, liabilities or conditions (financial or other) of the Developer with respect to Developer's ability to develop real property owned by Developer within the Community Facilities District.

5. To our knowledge, except as set forth in the Official Statement, there is no litigation pending against Developer (with service of process to Developer having been duly given and completed) or overtly threatened against Developer which would materially and adversely affect the validity or enforceability of the Developer Disclosure Certificate, Developer's ability to complete the development of its property as proposed in the Official Statement or to pay the Special Tax.

6. Without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement under the captions, "INTRODUCTION – Property Ownership"; "PROPOSED PROPERTY DEVELOPMENT"; and "CONTINUING DISCLOSURE;" (except that no opinion or belief need to be expressed as to any information relating to The Depository Trust Company, or any information relating to CUSIP numbers, or with respect to any financial, statistical or engineering information, data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, assessed valuations or appraised values, or to any information which is attributable to a source other than Developer, contained in the Official Statement), no facts came to our attention during the course of our representation of Developer that would lead us to believe that the information under said captions of the Official Statement relating to the Developer and the Developer's organizations, activities, properties and financial condition, and its proposed development of the Property, contains any untrue statement of a material fact or omits any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In addition, all of our opinions expressed hereinabove are specifically subject to and limited by the following:

a) We express no opinion as to matters governed by any laws other than the substantive laws of California which are in effect as of the date hereof, and we assume no obligation to modify or supplement this opinion with respect to changes in such laws after the date hereof.

b) As counsel to the Developer in this matter, we have not rendered financial advice to the Developer and do not represent, by this opinion or otherwise, that we have reviewed or made any assessment about, nor do we offer any opinion about, the financial condition of the Developer, past, present or future, including any financial information contained in the Developer Disclosure Certificate; nor have we reviewed the financial feasibility of this transaction or those matters which the proceeds of the Bonds will fund or any of it components and, accordingly, we offer no opinion whatsoever regarding such financial feasibility.

c) The effect of laws or court decisions relating to bankruptcy, insolvency, fraudulent conveyance, equitable subordination, reorganization, arrangement, moratorium or other laws or court decisions relating to or affecting creditors' rights generally.

d) Limitations imposed by California or federal law or equitable principles upon the availability of the remedy of specific performance of any of the remedies, covenants or other provisions of any document or agreement and upon the availability of injunctive relief or other equitable remedies.

In addition, we express no opinion as to the title of the property within the Community Facilities District or any entitlements, permits, approvals or other assets relating to the Developer's development of its property as proposed in the Official Statement.

We express no opinion as to any matter other than as expressly set forth above, and, in conjunction therewith, specifically express no opinion concerning the application of or compliance with any federal securities law, including, but not limited to, the Securities Act of 1933, as amended, and the Trust Indenture Act of 1939, as amended, any state securities or "Blue Sky" law, or any federal, state or local tax law, as respecting the Bonds.

This letter is intended solely for your use in relation to the Bond Purchase Agreement and may not be reproduced or filed publicly or relied upon for any other purpose by you or for any purpose whatsoever by any other party without the express written consent of the undersigned except that this opinion may be copied and distributed as part of a closing book of the bond transaction documents, provided that such distribution shall not expand in any way the permitted uses of this letter.

We assume no responsibility for the effect of any fact or circumstance occurring subsequent to the date of this letter, including, without limitation, legislative or other changes in the law. Further, we assume no responsibility to advise you of any facts or circumstances of which we become aware after the date hereof, regardless of whether or not they may affect our opinions herein. This opinion is given as of the date hereof, and we assume no obligation to update our opinions herein after the date hereof.

Very truly yours,

HEFNER, STARK & MAROIS, LLP

By

Timothy D. Taron

EXHIBIT G

FORM OF RICHMOND AMERICAN LETTER OF REPRESENTATIONS

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

_____, 2021

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") and to the Bond Purchase Agreement to be entered into in connection therewith (the "Purchase Agreement"). This Letter of Representations of Richmond American Homes of Maryland, Inc. (the "Letter of Representations") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Richmond American Homes of Maryland, Inc., a Maryland corporation (the "Builder"), and the undersigned, on behalf of the Builder, further certifies as follows:

1. The Builder is a validly existing corporation and in good standing under the laws of the State of Maryland, is duly registered to transact intrastate business as a foreign corporation and in good standing in the State of California, and has all requisite corporate right, power and authority: (i) to execute and deliver this Letter of Representations; and (ii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, the Builder owns certain property (herein the "Property") within City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District"). The undersigned, on behalf of the Builder, makes the representations herein with respect to all such Property.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned (as defined below), (a) the Builder and its Affiliates[1] are not in breach of or in default under any applicable judgment or decree or any loan agreement, option agreement, development agreement, indenture, fiscal agent agreement, bond or note (collectively, the "Material Agreements") to which the Builder or its Affiliates are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the Builder's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Builder) prior to delinquency and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default.

4. To the Actual Knowledge of the Undersigned[2], neither the Builder nor any of its Affiliates is in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect the Builder's ability complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Builder) prior to delinquency.

5. Except as set forth in the Preliminary Official Statement, 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 against the Builder (with proper service of process to the Builder having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Affiliate (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Builder or any such Affiliate which if successful, is reasonably likely to materially and adversely affect the Builder's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax or *ad valorem* tax obligations on its Property (to the extent the responsibility of the Builder) prior to delinquency.

6. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information set forth therein under the captions "PROPOSED PROPERTY DEVELOPMENT—Property Ownership – *Richmond Purchase and Sale Agreement*," "— Development Plan and Status of Development," "— Development Plans of Finance—*Richmond Plan*

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[1] "**Affiliate**" means, with respect to the Builder, any other Person: (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Builder, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (*i.e.*, information relevant to: (a) the Builder's development plans with respect to its Property and the payment of its Special Tax on the Property prior to delinquency; or (b) such Person's assets or funds that would materially affect the Builder's ability to develop its Property as described in the Preliminary Official Statement or to pay its Special Tax on the Property (to the extent the responsibility of the Builder) prior to delinquency). "**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.

[2] "**Actual Knowledge of the Undersigned**" shall mean the actual (as opposed to constructive) knowledge that the undersigned currently has as of the date of this Letter of Representations or has obtained from (i) interviews with such current officers and responsible employees of the Builder as the undersigned has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) a review of such documents as the undersigned determined were reasonably necessary to obtain knowledge of the matters set forth in this Letter of Representations. 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 Builder's current business and operations. The undersigned has not contacted individuals who are no longer employed by the Builder.

of Finance, " and "CONTINUING DISCLOSURE – The Developer and Richmond—*Richmond*" but, in each caption, solely as such information pertains to Builder, its Affiliates, the Property, Builder's development of the Property and Builder's contractual arrangements with respect thereto (excluding therefrom in all cases (a) any statements regarding any other property owner or the property owned by a property owner other than the Builder, (b) any information on appraised and market values, and annual special tax rates and ratios, including information regarding the Appraisal and Market Absorption Study (as such terms are defined in the Preliminary Official Statement), and (c) any information which is identified as having been provided by a source other than the Builder) is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7. The Builder covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Builder and its Affiliates which it controls 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 seeks to challenge or overturn the formation of the Community Facilities District, to challenge the adoption of Ordinance No. 1252 of the Community Facilities District levying the Special Tax within the Community Facilities District, to invalidate the Community Facilities District or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notice of special tax lien relating thereto. The foregoing covenant shall not prevent the Builder or any Affiliate in any way from bringing any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, including, without limitation, (a) contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate, Method of Apportionment, and Manner of Collection of Special Taxes pursuant to which the Special Tax is levied, (b) with respect to the application or use of the Special Tax levied and collected, or (c) to enforce the obligations of the Authority, the City, and/or the Community Facilities District under any agreements among the Builder and its Affiliates, the Authority, the City, and/or the Community Facilities District or to which the Builder or its Affiliates is a party or beneficiary.

8. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Builder is not aware that any other public debt secured by a tax or assessment on the Property exists or is in the process of being authorized or any assessment districts or community facilities districts have been or are in the process of being formed that include any portion of the Property.

9. The Builder has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that the Builder has been delinquent at one time or another in the payment of ad valorem property taxes, special assessments or special taxes. However, except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Builder is not currently in default in, or, in the last five 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 (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) was not cured prior to the institution of any enforcement action with a court of law.

10. Builder intends to comply with the provision of the Mello-Roos Community Facilities District Act of 1982, as amended relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

11. To the Actual Knowledge of the Undersigned, the Builder is able to pay its bills as they become due and no legal proceedings are pending against the Builder (with proper service of process to the Builder having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Builder may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. To the Actual Knowledge of the Undersigned, Affiliates of the Builder are able to pay their bills as they become due and no legal proceedings are pending against any Affiliates of the Builder (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Builder may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

13. If between the date hereof and the Closing Date any event relating to or affecting the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, loans of such Affiliates) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 6 hereof, 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 undersigned shall notify the Authority and the Underwriter and if in the opinion of counsel to the Authority or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Builder shall reasonably cooperate with the Authority in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the Authority and to the Underwriter.

14. The Builder agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit A.

15. On behalf of the Builder, I have reviewed the contents of this Letter of Representations and have met with counsel to the Builder for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or authorized representative of Builder and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Builder.

Richmond American Homes of Maryland, Inc.
a Maryland corporation

By:_____
Oren Hershkovich,
Division President, Northern California

EXHIBIT A

FORM OF RICHMOND AMERICAN CLOSING CERTIFICATE

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

CLOSING CERTIFICATE OF RICHMOND AMERICAN HOMES OF MARYLAND, INC.

[CLOSING DATE]

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") and to the Bond Purchase Agreement, dated _____, 2021 (the "Purchase Agreement"), entered into in connection therewith. This Closing Certificate of Richmond American Homes of Maryland, Inc., a Maryland corporation (the "Closing Certificate") is delivered by Richmond American Homes of Maryland, Inc., a Maryland corporation (the "Builder") pursuant to the Purchase Agreement. Capitalized terms used herein or in the Letter of Representations (defined below) and not otherwise defined have the meanings ascribed to them in the Letter of Representations of Richmond American Homes of Maryland, Inc. (the "Letter of Representations"), dated _____, 2021, delivered by the Builder.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Builder, and the undersigned, on behalf of the Builder, further certifies as follows:

1. The Builder has received the final Official Statement dated _____, 2021 relating to the Bonds (the "Official Statement"). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 6 of the Letter of Representations relating to the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, loans of such Affiliates) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriter Period" as defined in the Purchase Agreement to be the date hereof, if any event relating to or affecting the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, loans of such Affiliates) shall occur and cause the information under the sections of the Official Statement indicated in Paragraph 6 of the Letter of Representations 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 undersigned shall notify the Authority and the Underwriter and if in the opinion of the Underwriter or counsel to the Authority, it is necessary to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Builder shall reasonably cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

The undersigned has executed this Closing Certificate solely in his or her capacity as an officer or representative of Builder and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Builder.

Richmond American Homes of Maryland, Inc., a
Maryland corporation

By: _____
Oren Hershkovich,
Division President, Northern California

EXHIBIT H-1

OPINION OF RICHMOND AMERICAN COUNSEL

[Closing Date]

Folsom Ranch Financing Authority
c/o City of Folsom
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Re: ***$_____ Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds Series 2021***

Dear Ladies and Gentlemen:

We have acted as special counsel to Richmond American Homes of Maryland, Inc., a Maryland corporation (the "Developer"), in connection with the issuance of the above-referenced bonds (the "2021 Bonds") by the Folsom Ranch Financing Authority (the "Authority"). All real property located within the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") and owned by the Developer is referred to herein as the "Property." The 2021 Bonds are being sold to Piper Sandler & Co., as Underwriter (the "Underwriter"). This opinion letter is being delivered to you pursuant to Section 4(F)(22) of the Bond Purchase Agreement, dated _____, 2021, between the Authority and the Underwriter (the "Purchase Agreement").

In rendering the opinions hereinafter expressed, we have examined the following documents:

(a) Official Statement, dated _____, 2021, prepared in conjunction with the issuance and sale of the 2021 Bonds (the "Official Statement");

(b) Developer Continuing Disclosure Certificate – Richmond, dated as of _____, 2021 (the "Continuing Disclosure Document"), executed by the Developer;

(c) Letter of Representations of Richmond American Homes of Maryland, Inc., dated _____, 2021, and Closing Certificate of Richmond American Homes of Maryland, Inc., dated _____, 2021, each executed by the Developer (the "Developer Certificates");

(d) Certificate of Status of the Developer from the California Secretary of State dated _____, 2021 (the "Certificate of Status of the Developer"); and

(e) Such other agreements, contracts and documents as we deemed relevant for the purposes of this opinion letter.

In addition, we have made such legal and factual inquiries and examinations as we deemed necessary for the purpose of rendering this opinion letter.

We call to your attention that we are not general counsel to the Developer and do not represent the Developer on a continuing basis. Rather, we are representing the Developer solely in connection with its interactions with the Authority, the Community Facilities District and the City of Folsom (the "City") in connection with the issuance of the 2021 Bonds.

Whenever our opinions herein with respect to the existence or absence of facts is indicated to be based on our knowledge, it is intended to signify that during the course of our representation of the Developer as herein described, no information has come to the attention of the lawyers in our firm actively representing the Developer in the matters described herein which would give them current actual knowledge of the existence or absence of such facts. Please be advised that only John P. Yeager and Sandra A. Galle have been so actively representing the Developer. Except to the extent expressly set forth herein, we have not undertaken any independent investigations to determine the existence or absence of such facts, and no inference as to our knowledge of the existence or absence of such facts should be drawn from our representation of the Developer.

As to certain factual matters (which we have not independently established or verified), including, without limitation, the status of the development of the Property by the Developer and existing development entitlements and future development entitlements which must be obtained in order for the Developer to complete the development of the Property, we have relied upon statements, certificates and other assurances of public officials and of certain officers and agents of the Developer, as well as employees and/or consultants of the Developer.

In expressing the opinions below, we have assumed, without inquiry or investigation, (i) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as copies or as exhibits, and the authenticity of such originals of such latter documents; (ii) the due execution and delivery of the Continuing Disclosure Document by the Developer; (iii) that the Developer was, at the time of executing and delivery of the Continuing Disclosure Document and as of the effective date of the Continuing Disclosure Document, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation; (iv) that the Developer has the power and authority to execute and deliver the Continuing Disclosure Document and to perform its obligations thereunder and all such actions have been duly and validly authorized by all necessary proceedings on the part of the Developer; (v) that there are no oral or written terms or conditions agreed to by the Authority, the Community Facilities District, the City, or the Developer which would have an effect on the opinions rendered herein; (vi) that there has not been any mutual mistake of fact or misunderstanding which would have an effect on the opinions rendered herein; and (vii) that all parties have complied with any requirement of good faith and fair dealing, noncompliance with which would have an effect on the opinions rendered herein. We have made no examination of, and express no opinion as to, title to the Property or the viability of the development of the Property by the Developer as described in the Official Statement.

Based solely upon and subject to the foregoing as well as to the qualifications, limitations, exclusions, exceptions, assumptions and other matters set forth herein, we are of the opinion that:

1. Based solely upon the Certificate of Status of the Developer, the Developer is qualified as a foreign corporation to transact business and is in good standing in the State of California.

2. The Continuing Disclosure Document constitutes the legally valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms.

3. Without having undertaken to determine independently the accuracy, completeness, or fairness of the statements contained in the Official Statement, but based solely on (i) our limited capacity as special counsel to the Developer, (ii) the representations of the Developer and/or its employees and/or consultants, and our reliance thereon, and (iii) our review of the Official Statement, no facts have come to our attention during the course of our representation of the Developer as described herein which caused us to believe that the statements describing the Developer, its Affiliates (as defined in the Developer Certificates), the Property, the Developer's development and financing plans, the Developer's contractual arrangements, and the Developer's prior compliance with its continuing disclosure obligations (but only as to such statements as are set forth under the sections of the Official Statement captioned "PROPOSED PROPERTY DEVELOPMENT—Property Ownership – *Richmond Purchase and Sale Agreement*," "— Development Plan and Status of Development," "— Development Plans of Finance—*Richmond Plan of Finance*," and "CONTINUING DISCLOSURE – The Developer and Richmond—*Richmond*") (excluding therefrom in all cases (a) any financial statements and other financial, statistical, economic or engineering information, data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, (b) any information about valuation, appraisals, absorption or environmental matters included or referenced therein, including, without limitation, any information describing or summarizing all or any part of the Appraisal (as such term is defined in the Official Statement), and (c) any information which is identified as having been provided by a source other than the Developer), as of the date thereof did, and as of the date hereof do, 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.

(i)

Our opinions set forth in this opinion letter are subject to the following assumptions, exceptions, qualifications, limitations and exclusions, in addition to those assumptions, exceptions, qualifications, limitations and exclusions set forth above:

A. The foregoing opinions are qualified to the extent that (i) the legality, validity, binding nature and enforceability of the Continuing Disclosure Document may be limited by and subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors now or hereafter in effect (including, without limitation, any law pertaining to preferential or fraudulent transfers), or may be limited by and subject to legal or general principles of equity (whether such enforceability is considered in a proceeding in equity or at law), conscionability, reasonableness, good faith or fair dealing, whether relating to creditors' rights or otherwise, and (ii) any remedy of specific performance and injunctive and other forms of equitable relief are subject to certain equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

B. We express no opinion as to (i) any matters related to architecture, construction, engineering, or the seismic or environmental condition of the Property (except as specifically set forth in paragraph 3 above), including, without limitation, any matters relating to the handling, storage, transportation or disposal of hazardous or toxic materials, (ii) any laws, rules or regulations relating thereto, and/or (iii) any other scientific or professional field as such opinion would be beyond the scope of any opinion expressed herein.

C. We express no opinion on the enforceability under certain circumstances of provisions to the effect that rights or remedies are not exclusive, that rights or remedies may be exercised without notice, that every right or remedy is cumulative and may be exercised in addition to or with any other right or remedy, that the election of a particular remedy or remedies does not preclude recourse to one or more other remedies, or that the failure to exercise or delay in exercising rights or remedies will not operate as a waiver of any such right or remedy.

D. We express no opinion as to (i) any rights of set-off (other than as provided by Section 3054 of the California Civil Code, as interpreted by applicable judicial decisions); (ii) the enforceability of any provision providing for indemnification for claims, losses or liabilities to the extent such indemnification is prohibited by applicable law or contrary to public policy; or (iii) the enforceability of any provisions or agreement designating a party as an agent or attorney-in-fact, except where an agent or attorney-in-fact executed the Continuing Disclosure Document on behalf of the Developer.

E. We express no opinion as to the legality, validity, binding nature or enforceability (whether in accordance with its terms or otherwise) of any provision insofar as it provides for the payment or reimbursement of costs and expenses in excess of a reasonable amount determined by any court or other tribunal (further, we wish to bring to your attention that to the extent any such provision provides for the payment of attorneys' fees in litigation, under California law such attorneys' fees may be granted only to the prevailing party and such provisions are deemed to extend to both parties, notwithstanding that such provisions by their express terms benefit only one party).

F. We express no opinion regarding any laws or regulations involving taxes, including without limitation, we express no opinion as to the exclusion from gross income for federal income tax purposes of the interest on the 2021 Bonds, or the exemption of the interest on the 2021 Bonds from the State of California personal income taxes.

G. Except as specifically set forth in paragraph 3 above, we express no opinion as to (i) compliance with the anti-fraud provisions of applicable federal and state securities or other laws, rules or regulations or (ii) the applicability or effect on the subject transaction of the securities laws of the State of California or the federal laws of the United States of America, including but not limited to the Securities Act of 1933, as amended.

H. We are licensed to practice law only in the State of California. Accordingly, we are opining only as to the internal laws (excluding laws relating to conflicts of laws) of the State of California and the federal laws of the United States of America, and assume no responsibility as to the applicability or effect of the laws of any other jurisdiction.

I. Whenever we have stated that we have assumed any matter of fact, it is intended to indicate that we have assumed such matter without making any factual, legal or other inquiry or investigation, and without expressing any opinion or conclusion of any kind concerning such matter.

J. This opinion letter is furnished to you specifically in connection with the issuance of the 2021 Bonds pursuant to the terms of the Purchase Agreement, and solely for your information and benefit. It may not be utilized, relied on, quoted or distributed to any other person by you in any other connection, and it may not be utilized, relied on or quoted by any other person for any purpose, without in each instance our express prior written consent; provided, however, a copy may be included in the transcript of the proceedings for the 2021 Bonds.

K. The opinions expressed herein are given on the date hereof and are based on the facts (as we know, believe or have assumed them to be) and law as in effect on the date hereof. We undertake neither to supplement or update this opinion letter nor undertake to advise you or any other party if there is a change in law or facts or new facts come to our attention subsequent to the date hereof which may affect the opinions expressed above and/or which may cause us to amend any portion of this opinion letter in full or in part. If future acts or omissions of the parties may serve to modify, alter or change the circumstances under which the opinions herein were rendered, our opinions set forth in this opinion letter shall remain as if such future acts or omissions did not occur. Also, actions, conduct or omissions by a party may create a situation of waiver, estoppel or novation which would supplant the opinions set forth in this opinion letter.

Very Truly Yours,

O'NEIL LLP

EXHIBIT H-2

OPINION OF RICHMOND AMERICAN COUNSEL

[Closing Date]

Folsom Ranch Financing Authority
c/o City of Folsom
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Re: **Folsom Ranch Financing Authority**
City of Folsom
Community Facilities District No. 21
(White Rock Springs Ranch)
Special Tax Revenue Bonds Series 2021

Ladies and Gentlemen:

I am corporate counsel to Richmond American Homes of Maryland, Inc., a Maryland corporation (the "Developer"). I have been asked to provide this opinion in connection with the issuance of the above-referenced bonds (the "Bonds") by the Folsom Ranch Financing Authority. The Bonds are being sold to Piper Sandler & Co., as underwriter (the "Underwriter"). This opinion is being delivered to you pursuant to Section 4(F)(22) of the Bond Purchase Agreement, dated _____, 2021, between the Authority and the Underwriter (the "Purchase Agreement").

I have made such legal and factual inquiries and examinations as I deemed necessary for the purposes of this opinion. Whenever my opinion herein with respect to the existence or absence of facts is indicated to be based on my knowledge, it is intended to signify that during the course of my representation of the Developer, no information has come to my attention which would give me current actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigations to determine the existence or absence of such facts, and no inference as to my knowledge of the existence or absence of such facts should be drawn from my representation of the Developer.

As to certain factual matters material to my opinion, I have relied upon statements, certificates and other assurances of public officials and of certain officers and authorized agents of the Developer, as well as employees and/or consultants of the Developer, which factual matters I have not established or verified.

In expressing the opinion below, I have assumed, without inquiry or investigation, the genuineness of all signatures (other than those of the Developer), the authenticity of all documents submitted to me as originals, the conformity to original documents of documents submitted to me as copies or as exhibits, and the authenticity of such originals of such latter documents.

My opinion is limited to the Subject State Law (as defined below) and the laws of the United States.

Based solely upon and subject to the foregoing, as well as to the qualifications, limitations, exclusions, exceptions, assumptions and other matters set forth herein, I am of the opinion that:

1. Based on the certificate of good standing issued by the State of Maryland, attached as Exhibit A, the Developer is a Maryland corporation duly and validly organized and existing under the laws of the State of Maryland.

2. The Developer has duly and validly authorized the execution and delivery of the Developer Continuing Disclosure Certificate – Richmond, dated as of _____, 2021 (the "Continuing Disclosure Document"), and the Continuing Disclosure Document has been duly executed and delivered by the Developer.

3. To my knowledge, the Developer is not in violation of any provision of, or in default under, the Developer's Articles of Incorporation, as amended, and its Amended and Restated Bylaws (the "Developer Organizational Documents"), or any agreement or other instrument to which the Developer is party, the violation of or default under which would materially and adversely affect the business, properties, assets, liabilities or conditions (financial or other) of the Developer.

This opinion letter is limited to the matters expressly stated herein and the opinion set forth herein is qualified and limited in the following respects and is subject to the following assumptions, exceptions, qualifications, limitations, and exclusions, in addition to those assumptions, exceptions, qualifications, limitations, and exclusions set forth above:

A. I express no opinion on the subject of Federal and state securities laws, rules or regulations.

B. I call your attention to the fact that I am licensed to practice law only in the State of Colorado and do not express any opinion concerning matters affected by laws other than laws of the State of Colorado (the "Subject State Law") and the federal laws of the United States of America. Accordingly, in rendering the foregoing opinion, I have assumed, with your consent, and without any inquiry or investigation in respect thereof, that insofar as the opinion expressed above relate to matters governed by State law other than the Subject State Law, the relevant laws, and their application to such matters, are and would be the same as the laws which would be applicable to such matters if they were governed by and construed and enforced in accordance with the laws (other than the law governing choice of law matters) of the State of Colorado. I express no opinion as to the effect that the laws and decisions of courts of any jurisdiction may have upon such opinion, and I assume no responsibility as to the applicability or effect of the laws of any other jurisdiction.

C. Whenever I have stated that I have assumed any matter of fact, it is intended to indicate that I have assumed such matter without making any factual, legal or other inquiry or investigation, and without expressing any opinion or conclusion of any kind concerning such matter.

D. This opinion letter is furnished to you specifically in connection with the Purchase Agreement, and solely for your information and benefit. It may not be utilized, relied on, quoted or distributed to any other person, and it may not be utilized, relied on or quoted by any other person for any purpose, without in each instance my express prior written consent, provided, however, a copy of this letter may be included in the transcript of the proceedings for the Bonds.

E. The opinion expressed herein is based on the facts (as I know, believe or have assumed them to be) and law as in effect on the date of this opinion letter and, as such, the opinion expressed herein shall be effective only as of the date of this letter. I neither undertake to supplement or update this opinion letter nor undertake to advise you or any other party if there is a change in law or facts or new facts come to my attention subsequent to the date hereof which may affect the opinion expressed above and/or which may cause me to amend any portion of this opinion letter in full or in part. Furthermore, future acts or omissions of the parties may serve to modify, alter or change the circumstances under which this opinion letter was prepared and upon which the opinion herein was rendered. Also, actions, conduct or omissions by a party may create a situation of waiver, estoppel or novation which would supplant the opinion set forth in this opinion letter. This opinion shall not be construed as a guarantee that a court considering such matters would not rule in a manner contrary to the opinion set forth above.

Very truly yours,

_____

Secretary and Corporate Counsel
M.D.C. Holdings, Inc.

EXHIBIT I

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (the "**PJC**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "**Bonds**").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) PJC offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2021, by and between PJC and the Issuer, PJC has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the _____, 2021 (the Sale Date), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Folsom Ranch Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2021.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents PJC's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick Herrington & Sutcliffe LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By:_____
Name:_____

Dated: _____, 2021

SCHEDULE A

(*Attached*)

SCHEDULE B

PRICING WIRE

(*Attached*)

EXHIBIT J

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

CERTIFICATE OF APPRAISER

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, CA, 95630

City of Folsom Community Facilities District No. 21
(White Rock Springs Ranch)
50 Natoma Street,
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

The undersigned hereby states and certifies:

1. That he is an authorized principal of Integra Realty Resources (the "Appraiser") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Appraiser has prepared an appraisal report, dated [February 9, 2021] (the "Appraisal Report"), on behalf of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") and the Folsom Ranch Financing Authority (the "Authority") in connection with the Preliminary Official Statement, dated _____, 2021 (the "Preliminary Official Statement") and the Official Statement dated _____, 2021 ("Official Statement"), for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds").

3. That the Appraiser hereby consents to the reproduction and use of the Appraisal Report appended to the Preliminary Official Statement and the Official Statement. The Appraiser also consents to the references to the Appraiser and the Appraisal made in the Preliminary Official Statement and the Official Statement.

4. In the opinion of the Appraiser the assumptions made in the Appraisal Report are reasonable. Since the date of value of the Appraisal Report, the Appraiser is not aware of any facts that would cause its opinion of value of the taxable property in the Community Facilities District to be lower than the value in the Appraisal.

5. Each of the parcels appraised by the Appraiser is encompassed within the Community Facilities District as set forth in the boundary map of the Community Facilities District.

6 That, as of the date of the Official Statement and as of the date hereof, the Appraisal Report appended to the Official Statement, to the best of my knowledge and belief, and subject to all of the Limiting Conditions and Major Assumptions set forth in the Appraisal Report, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and no events or occurrences have been ascertained by us or have come to our attention that would substantially change the estimated values stated in the Appraisal Report. However, we have not performed any procedures since the date of the Appraisal Report to obtain knowledge of such events or occurrences nor are we obligated to do so in the future.

7. The Community Facilities District and the Underwriter, Piper Sandler & Co., are entitled to rely on the Certificate.

Dated: [Closing Date]

INTEGRA REALTY RESOURCES

By: _____
Authorized Representative

EXHIBIT K

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

CERTIFICATE OF MARKET ABSORPTION CONSULTANT

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, CA, 95630

City of Folsom
50 Natoma Street,
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

The undersigned hereby states and certifies:

1. That he is an authorized principal of The Gregory Group (the "Market Absorption Consultant") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Market Absorption Consultant has prepared an Market report attached as Appendix H to the Preliminary Official Statement and Official Statement (as defined below) (the "Market Report"), on behalf of the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") and the Folsom Ranch Financing Authority (the "Authority") in connection with the Preliminary Official Statement, dated _____, 2021 (the "Preliminary Official Statement") and the Official Statement dated _____, 2021 ("Official Statement"), for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds Series 2021 (the "Bonds").

3. That the Market Absorption Consultant hereby consents to the reproduction and use of the Market Report appended to the Preliminary Official Statement and the Official Statement. The Market Absorption Consultant also consents to the references to the Market Absorption Consultant and the Market Report made in the Preliminary Official Statement and the Official Statement.

4. In the opinion of the Market Absorption Consultant the assumptions made in the Market Report are reasonable. Since the date of the Market Report, the Market Absorption Consultant is not aware of any facts that would cause its opinion as to the timing of home sales in the Community Facilities District to be different than the Market Report.

5 That, as of the date of the Official Statement and as of the date hereof, the Market Report appended to the Official Statement, to the best of my knowledge and belief, and subject to all of the limiting conditions and major assumptions set forth in the Market Report, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and no events or occurrences have been ascertained by us or have come to our attention that would substantially change the estimated values stated in the Market Report. However, we have not performed any procedures since the date of the Market Report to obtain knowledge of such events or occurrences nor are we obligated to do so in the future.

7. The Community Facilities District and the Underwriter, Piper Sandler & Co., are entitled to rely on the Certificate.

Dated: [Closing Date]

THE GREGORY GROUP

By: _____
Authorized Representative

EXHIBIT L

FORM OF JOHN MOURIER CONSTRUCTION LETTER OF REPRESENTATIONS

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

_____, 2021

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") and to the Bond Purchase Agreement to be entered into in connection therewith (the "Purchase Agreement"). This Letter of Representations of John Mourier Construction (the "Letter of Representations") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of John Mourier Construction, Inc., a California corporation (the "Builder"), and the undersigned, on behalf of the Builder, further certifies as follows:

1. The Builder is a validly existing corporation and in good standing under the laws of the State of California, is duly registered to transact business and in good standing in the State of California, and has all requisite corporate right, power and authority: (i) to execute and deliver this Letter of Representations; and (ii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, the Builder owns certain property (herein the "Property") within City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District"). The undersigned, on behalf of the Builder, makes the representations herein with respect to all such Property.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned (as defined below), (a) the Builder and its Affiliates[1] are not in breach of or in default under any applicable judgment or decree or any loan agreement, option agreement, development agreement, indenture, fiscal agent agreement, bond or note (collectively, the "Material Agreements") to which the Builder or its Affiliates are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the Builder's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Builder) prior to delinquency and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default.

4. To the Actual Knowledge of the Undersigned[2], neither the Builder nor any of its Affiliates is in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect the Builder's ability complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Builder) prior to delinquency.

5. Except as set forth in the Preliminary Official Statement, 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 against the Builder (with proper service of process to the Builder having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Affiliate (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Builder or any such Affiliate which if successful, is reasonably likely to materially and adversely affect the Builder's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax or *ad valorem* tax obligations on its Property (to the extent the responsibility of the Builder) prior to delinquency.

6. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information set forth therein under the captions "INTRODUCTION—Property Ownership," "PROPOSED PROPERTY DEVELOPMENT—Property Ownership," "— Development Plan and Status of Development," and "— Development Plans of Finance—*JMC Plan*

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[1] "**Affiliate**" means, with respect to the Builder, any other Person: (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Builder, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (*i.e.*, information relevant to: (a) the Builder's development plans with respect to its Property and the payment of its Special Tax on the Property prior to delinquency; or (b) such Person's assets or funds that would materially affect the Builder's ability to develop its Property as described in the Preliminary Official Statement or to pay its Special Tax on the Property (to the extent the responsibility of the Builder) prior to delinquency). "**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.

[2] "**Actual Knowledge of the Undersigned**" shall mean the actual (as opposed to constructive) knowledge that the undersigned currently has as of the date of this Letter of Representations or has obtained from (i) interviews with such current officers and responsible employees of the Builder as the undersigned has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) a review of such documents as the undersigned determined were reasonably necessary to obtain knowledge of the matters set forth in this Letter of Representations. 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 Builder's current business and operations. The undersigned has not contacted individuals who are no longer employed by the Builder.

of Finance" but, in each caption, solely as such information pertains to Builder, its Affiliates, the Property, Builder's development of the Property and Builder's contractual arrangements with respect thereto (excluding therefrom in all cases (a) any statements regarding any other property owner or the property owned by a property owner other than the Builder, (b) any information on appraised and market values, and annual special tax rates and ratios, including information regarding the Appraisal and Market Absorption Study (as such terms are defined in the Preliminary Official Statement), and (c) any information which is identified as having been provided by a source other than the Builder) is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7. The Builder covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Builder and its Affiliates which it controls 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 seeks to challenge or overturn the formation of the Community Facilities District, to challenge the adoption of Ordinance No. 1252 of the Community Facilities District levying the Special Tax within the Community Facilities District, to invalidate the Community Facilities District or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notice of special tax lien relating thereto. The foregoing covenant shall not prevent the Builder or any Affiliate in any way from bringing any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, including, without limitation, (a) contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate, Method of Apportionment, and Manner of Collection of Special Taxes pursuant to which the Special Tax is levied, (b) with respect to the application or use of the Special Tax levied and collected, or (c) to enforce the obligations of the Authority, the City, and/or the Community Facilities District under any agreements among the Builder and its Affiliates, the Authority, the City, and/or the Community Facilities District or to which the Builder or its Affiliates is a party or beneficiary.

8. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Builder is not aware that any other public debt secured by a tax or assessment on the Property exists or is in the process of being authorized or any assessment districts or community facilities districts have been or are in the process of being formed that include any portion of the Property.

9. The Builder has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that the Builder has been delinquent at one time or another in the payment of ad valorem property taxes, special assessments or special taxes. However, except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Builder is not currently in default in, or, in the last five 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 (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) was not cured prior to the institution of any enforcement action with a court of law.

10. Builder intends to comply with the provision of the Mello-Roos Community Facilities District Act of 1982, as amended relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

11. To the Actual Knowledge of the Undersigned, the Builder is able to pay its bills as they become due and no legal proceedings are pending against the Builder (with proper service of process to the Builder having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Builder may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. To the Actual Knowledge of the Undersigned, Affiliates of the Builder are able to pay their bills as they become due and no legal proceedings are pending against any Affiliates of the Builder (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Builder may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

13. If between the date hereof and the Closing Date any event relating to or affecting the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, loans of such Affiliates) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 6 hereof, 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 undersigned shall notify the Authority and the Underwriter and if in the opinion of counsel to the Authority or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Builder shall reasonably cooperate with the Authority in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the Authority and to the Underwriter.

14. The Builder agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit A.

15. On behalf of the Builder, I have reviewed the contents of this Letter of Representations and have met with counsel to the Builder for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or authorized representative of Builder and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Builder.

John Mourier Construction, Inc.
a California corporation

By:_____
[Authorized Officer]

EXHIBIT A

FORM OF JOHN MOURIER CONSTRUCTION CLOSING CERTIFICATE

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

CLOSING CERTIFICATE OF JOHN MOURIER CONSTRUCTION, INC.

[Closing Date]

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Blvd., Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") and to the Bond Purchase Agreement, dated _____, 2021 (the "Purchase Agreement"), entered into in connection therewith. This Closing Certificate of John Mourier Construction, Inc. (the "Closing Certificate") is delivered by John Mourier Construction, Inc., a California corporation (the "Builder") pursuant to the Purchase Agreement. Capitalized terms used herein or in the Letter of Representations (defined below) and not otherwise defined have the meanings ascribed to them in the Letter of Representations of John Mourier Construction (the "Letter of Representations"), dated _____, 2021, delivered by the Builder.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Builder, and the undersigned, on behalf of the Builder, further certifies as follows:

1. The Builder has received the final Official Statement dated _____, 2021 relating to the Bonds (the "Official Statement"). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 6

of the Letter of Representations relating to the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, loans of such Affiliates) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriter Period" as defined in the Purchase Agreement to be the date hereof, if any event relating to or affecting the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, loans of such Affiliates) shall occur and cause the information under the sections of the Official Statement indicated in Paragraph 6 of the Letter of Representations 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 undersigned shall notify the Authority and the Underwriter and if in the opinion of the Underwriter or counsel to the Authority, it is necessary to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Builder shall reasonably cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

The undersigned has executed this Closing Certificate solely in his or her capacity as an officer or representative of Builder and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Builder.

John Mourier Construction, Inc., a California corporation

By: _____
[Authorized Officer]

ATTACHMENT 7

DISTRICT CONTINUING DISCLOSURE CERTIFICATE

THIS DISTRICT CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of _____, 2021, is executed and delivered by the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District") relative to the Folsom Ranch Financing Authority (the "Authority") in connection with the issuance by the Authority of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement (the "Trust Agreement"), among the District, the Authority and U.S. Bank National Association (the "Trustee"). The District covenants and agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. The Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Annual Report Date" means the date in each year that is nine months after the end of the District's fiscal year, which date, as of the date of this Disclosure Certificate, is April 1.

"Dissemination Agent" shall mean NBS, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA System" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"Financial Obligation" means, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(7), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include Municipal Securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" means any of the events listed in subsection (a) of Section 5 hereof.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" means the Official Statement, dated _____, 2021, relating to the Bonds.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 hereof, not later than the Annual Report Date, commencing with the report for the 2020-21 Fiscal Year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the District's fiscal year changes, it shall, or shall instruct the Dissemination Agent to, give notice of such change in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent.

(c) If the Dissemination Agent is other than the District, then not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. If the District is unable to provide the Annual Report to the MSRB by the Annual Report Date, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A to the Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was so provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 3 hereof, the Annual Report shall contain unaudited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. If the District's financial statement is included or consolidated with the financial statement for the City of Folsom (the "City"), then the District shall file the City's audited financial statements as its own.

(b) The following information:

(i) The principal amount of Bonds Outstanding as of the December 31 next preceding the Annual Report Date along with a debt service schedule for the Bonds Outstanding as of such date;

(ii) The balance in each reserve account for the Local Obligations, and a statement of the required bond reserve amount, as of the December 31 next preceding the Annual Report Date;

(iii) The total assessed value of all parcels within the District on which the Special Taxes are levied, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, and a statement of assessed value-

to-lien ratios therefor based on special tax and assessment debt, either by individual parcel or by categories (e.g., "below 3:1," "3:1 to 4:1" etc.);

(iv) The Special Tax delinquency rate for the District as of the December 31 next preceding the Annual Report Date; the number of parcels within the District delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the District; provided, however, that parcels with aggregate delinquencies of $1,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category;

(v) The status of foreclosure proceedings and a summary of the results of any foreclosure sales in the District as of the December 31 next preceding the Annual Report Date;

(vi) The identity of any property owner, representing more than 5% of the Special Tax levy, delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date;

(vii) All tentative and final maps approved and/or recorded within the District, describing the gross acres, the planned commercial acres and the number and type of planned residential dwelling units;

(viii) The number of new building permits issued and a description of the purpose of such permits (e.g., new single-family, new multi-family, new commercial, new industrial);

(ix) A land ownership summary listing the top ten Special Tax payers for the District, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date; and

(x) For each immediately preceding Fiscal Year, the amount of the Maximum Special Tax and the actual Special Tax levied within the District, with such amounts reported separately for Developed Property, Small Lot Final Map Property and Large Lot Property; provided, however, that once all Taxable Property within the District is Developed Property, the Maximum Special Tax and the actual Special Tax levied may each be shown on an aggregate basis in the Annual Report. For the purposes of this subparagraph (x), all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Rate and Method of Apportionment for the District.

In addition to any of the information expressly required to be provided under this Section, as set forth above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the security.

(vi) Defeasances.

(vii) Tender offers.

(viii) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ix) Rating changes.

(x) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial Obligation of the District, any of which reflect financial difficulties.

(b) The District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds, if material:

(i) Modifications to rights of Bond holders.

(ii) Bond calls.

(iii) Release, substitution or sale of property securing repayment of the Bonds.

(iv) Non-payment related defaults.

(v) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vi) Appointment of a successor or additional trustee or the change of name of a trustee.

(vii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the District, any of which affect Bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the District shall determine if such event would be material under applicable federal securities laws.

(d) If the District learns of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable federal securities laws, the District shall notify the Dissemination Agent thereof in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (e) of this Section. If in response to a request under subsection (b) of this Section, the District determines that the Listed Event would not be material under applicable Federal securities law, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e) of this Section.

(e) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (ii) of subsection (b) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 3 hereof, Section 4 hereof or subsections (a) and (b) of Section 5 hereof, it may only be made in connection with a

change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial statements or information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be given in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of outstanding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under the Disclosure Certificate in the event of any failure of the District to comply with the Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Trust Agreement. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Certificate. The Dissemination Agent shall have only such duties

as are specifically set forth in this Disclosure Certificate, and the 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 obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH)

By: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Folsom Ranch Financing Authority

Name of Issue: Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021

Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2021, executed by the District for the benefit of the Holders and Beneficial Owners of the above-referenced bonds. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH)

By: _____
Finance Director of the City of Folsom

ATTACHMENT 8

PRELIMINARY OFFICIAL STATEMENT DATED [_____], 2021

NEW ISSUE-BOOK-ENTRY ONLY **NOT RATED**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$[12,000,000]*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

Dated: Date of Delivery **Due: September 1, as shown on inside front cover**

The Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds") are being issued by the Folsom Ranch Financing Authority (the "Authority") to provide funds to finance the purchase of limited obligation special tax bonds (the "Local Obligations"), issued by the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District"). The purchase price of the Local Obligations will be used to finance the acquisition and construction of certain public facilities, fund a debt service reserve account, fund capitalized interest to September 1, 2021, and pay certain costs of issuance of the Local Obligations and Bonds.

The Bonds are being issued by the Authority pursuant to a Trust Agreement (the "Trust Agreement") among the District, the Authority and U.S. Bank National Association, as trustee (the "Trustee") and will be secured by a pledge of the Trust Estate, as defined herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are special, limited obligations of the Authority. The Bonds are payable solely from and secured by the Trust Estate of the Authority pledged under the Trust Agreement, consisting primarily of payments received by the Authority from the District under the Local Obligations, which payments are secured by a lien of the Special Taxes (defined herein) levied upon property within the District, as more fully described herein. Payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due.

The Local Obligations are secured by the lien of the net Special Taxes on parity with the 2019 CFD Obligations and any Additional Local Obligations (each defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations."

The Local Obligations Indenture (defined herein) for the Local Obligations establishes a debt service reserve fund (the "Local Obligations Reserve Fund") with a debt service reserve account therein for the Local Obligations (the "Local Obligations Reserve Account"). Pursuant to the Local Obligations Indenture, a deposit is being made to the Local Obligations Reserve Account for the Local Obligations. **Amounts available from the Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal and interest on the Bonds**. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—*Local Obligations Reserve Account*."

The Bonds are being issued only as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and interest thereon is payable on March 1 and September 1 of each year, commencing September 1, 2021, by the Trustee to DTC. DTC will in turn remit principal or redemption price and interest to the DTC participants, which will in turn remit such principal or redemption price and interest to the Beneficial Owners of the Bonds, as described herein. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form in the principal amount of $5,000 or integral multiple thereof. Purchasers of the Bonds will not receive instruments representing their interest in the Bonds purchased. See APPENDIX F—"DTC AND THE BOOK–ENTRY ONLY SYSTEM."

The Bonds are subject to optional, extraordinary and mandatory redemption as described herein.* See "THE BONDS—Redemption Provisions."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF FOLSOM (THE "CITY"), THE AUTHORITY, THE STATE OF CALIFORNIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST

* Preliminary, subject to change.

ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE B NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR THE CITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM PAYMENT ON THE LOCAL OBLIGATIONS FROM THE PAYMENT OF THE SPECIAL TAXES LEVIED WITHIN THE DISTRICT AS MORE FULLY DESCRIBED HEREIN.

The Bonds are not rated by any rating agency. Investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. See "CERTAIN RISKS TO BONDHOLDERS" for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains information for general reference only and it is *not* a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Maturity Schedule, Interest Rates, Prices and CUSIPS
(See inside front cover)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority and the District by the City Attorney. Certain legal matters will be passed upon for the Underwriter by Stradling, Yocca, Carlson & Rauth, a Professional Corporation. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about [_____], 2021.

Piper Sandler & Co.

The date of this Official Statement is _____, 2021.

$[12,000,000]*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

MATURITY SCHEDULE, INTEREST RATES, PRICES AND CUSIPS

Maturity (September 1)	Principal Amount	Interest Rate	Price	CUSIP No.† (344414)
	$	%		

$_____ _____% Term Bond maturing September 1, 20__ Price _____ (CUSIP No.† 344414____)
$_____ _____% Term Bond maturing September 1, 20__ Price _____ (CUSIP No.† 344414____)

* Preliminary, subject to change.

No dealer, broker, salesperson or other person has been authorized by the Authority, the District or the Underwriter to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been obtained from sources which are believed to be reliable, but such information is neither guaranteed as to accuracy or completeness, nor is it to be construed as a representation of such by the Authority, the District or the Underwriter. The information and expressions of opinion stated herein are subject to change without notice; and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the District or the property owners in the District, or in the condition of the property in the District, since the date hereof.

The summaries and references to the Trust Agreement, the Mello-Roos Act, the Local Obligations Indenture and to other statutes and documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement including any amendment or supplement hereto is intended to be deposited with one or more depositories.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES SET FORTH ON THE INSIDE FRONT COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

[Insert vicinity and state map of Folsom Plan Area]

City of Folsom
Boundary Map for Community Facilities District No. 21 (White Rock Springs Ranch)

AUTHORITY GOVERNING BOARD/CITY COUNCIL

Mike Kozlowski, *Chair / Mayor*
Sarah Aquino, *Vice Chair / Vice Mayor*
Kerri Howell, *Member / Councilmember*
Rosario Rodriguez, *Member / Councilmember*
YK Chalamcherla, *Member / Councilmember*

AUTHORITY/CITY STAFF

Elaine Andersen, *Executive Director / City Manager*
Stacey Tamagni, *Treasurer / Finance Director*
Steven Wang, Esq., *General Counsel / City Attorney*
Christa Freemantle, *Secretary / City Clerk*

SPECIAL SERVICES

BOND AND DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.

TRUSTEE

U.S. Bank National Association

SPECIAL TAX CONSULTANT

NBS

APPRAISER

Integra Realty Resources

MARKET ABSORPTION ANALYST

The Gregory Group

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$[12,000,000]*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21
(WHITE ROCK SPRINGS RANCH)
SPECIAL TAX REVENUE BONDS
SERIES 2021

INTRODUCTION

The description and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the Trust Agreement (defined below) or the Local Obligations Indenture (defined below), as applicable.

General

This Official Statement, including the cover page, the inside cover page and the Appendices hereto, is provided to furnish certain information in connection with the issuance and sale by the Folsom Ranch Financing Authority (the "Authority") of $[12,000,000]* aggregate principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds").

Authority for Issuance

The Bonds will be issued pursuant to the provisions of the Trust Agreement (the "Trust Agreement") among the Authority, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District"), and U.S. Bank National Association, as trustee (the "Trustee"), as authorized pursuant to a resolution of the Authority. The Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The Bonds will be issued as fully registered bonds in book-entry form, in denominations of $5,000 each or any integral multiple thereof and will be dated the date of delivery thereof and bear interest at the rates set forth on the inside front cover page hereof. See "THE BONDS—Description of the Bonds."

Purpose

The Bonds are being issued to finance the purchase of the limited obligation special tax bonds (the "Local Obligations"), issued by the District pursuant to an Indenture (as supplemented and amended, the "Local Obligations Indenture") between the District and U.S. Bank National Association, as successor to MUFG Union Bank, N.A., as trustee (the "Local Obligations Trustee"), as supplemented and amended by a First Supplemental Indenture (the "First Supplemental Indenture") between the District and the Local Obligations Trustee. The purchase price of the Local Obligations will be used to finance the acquisition and construction of certain public facilities, fund a debt service reserve account, fund capitalized interest to September 1, 2021, and pay certain costs of issuance of the Local Obligations and Bonds. See "PLAN OF FINANCE" and "THE COMMUNITY FACILITIES DISTRICT."

* Preliminary, subject to change.

The Local Obligations are authorized pursuant to (i) the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, *et seq.* of the California Government Code (the "Mello-Roos Act"), (ii) a resolution of the City Council of the City of Folsom (the "City") as legislative body of the District adopted on [March 23], 2021, and (iii) the Local Obligations Indenture. The Local Obligations are payable from the special taxes authorized to be levied and collected annually upon taxable real property within the District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—General."

Security for the Bonds

The Bonds are special, limited obligations of the Authority, payable from and secured by the Trust Estate (as defined herein) received by the Authority consisting primarily of payments received from the District as debt service payments on the Local Obligations.

The Local Obligations will be issued with an annual scheduled debt service schedule that results in at least 110% annual debt service coverage for the Local Obligations and the 2019 CFD Obligations from Maximum Special Tax revenues, net of Priority Administrative Expenses (each as defined below). Although the scheduled payments under the Local Obligations are sufficient, in the aggregate, to provide the Authority with moneys to pay the principal of, premium, if any, and interest on the Bonds when due (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"), investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. See "CERTAIN RISKS TO BONDHOLDERS" below.

The Local Obligations are secured by a pledge of special taxes received by the District (the "Special Tax" or the "Special Taxes," as the context requires) (including any prepayment thereof and proceeds from foreclosure sales pursuant to the Local Obligations Indenture), net of Priority Administrative Expenses, and the Local Obligations Reserve Account established under the Local Obligations Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The Special Taxes are included on the regular property tax bill sent to the record owners of taxable properties within the District. The District has covenanted in the Local Obligations Indenture to commence judicial foreclosure proceedings against property with delinquent Special Taxes and to diligently pursue such proceedings to completion; provided, however, that the District is not obligated under the Local Obligations Indenture to commence such judicial foreclosure proceedings on any delinquent installment of the Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the County of Sacramento (the "County") pursuant to the Teeter Plan (described below). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Payment of the Local Obligations," "—Special Tax Authorization," "—Covenant for Foreclosure" and "—The Teeter Plan."

The Special Taxes secure only the Local Obligations and the 2019 CFD Obligations (as defined herein). For this reason, a delinquency or default in the payment of Special Taxes could cause a default in the payments of principal and interest on the Bonds if moneys in the Local Obligations Reserve Account are insufficient to make up the deficit in debt service for the Local Obligations caused by such delinquency or nonpayment.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE DISTRICT, THE AUTHORITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR THE

CITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM DEBT SERVICE PAYMENTS ON THE LOCAL OBLIGATIONS FROM THE PAYMENT OF THE SPECIAL TAXES LEVIED WITHIN THE DISTRICT AS MORE FULLY DESCRIBED HEREIN.

Property Ownership

As of February 1, 2021, a substantial portion of the property within the District (approximately 42%) was owned by Gragg Ranch Recovery Acquisition LLC (the "Developer"), which is a wholly owned subsidiary of Paulson Real Estate Fund II, LP, a real estate investment fund. The Developer acquired the entirety of the property within the District in 2014 and has been selling certain portions of the District to merchant builders for further development.

The District is comprised of nine sequentially numbered "villages" and an additional neighborhood referred to as the "Carr Trust." Property within the District is in various stages of development, which is anticipated to be completed in two main phases. Development within the District is planned to include 136 single family units and 287 single family high density units, for a total of 423 units. Phase 1 of development includes the Carr Trust and Villages 1, 8 and 9 and is entitled for a total of 207 units at the time of full build-out, comprised of 86 single family units and 121 single family high density units. Phase 2 of development includes Villages 2 through 7 and is entitled for a total of 216 units at the time of full build-out, comprised of 50 single family units and 166 single family high density units.

The Developer sold Village 1, which is entitled for 93 single family high density units, in graded condition to Richmond American Homes of Maryland, Inc., a Maryland corporation ("Richmond"), a merchant builder, in September 2019. The Developer also sold the Carr Trust property, which is entitled for 28 single family high density units, in finished lot condition to Richmond, which the Developer delivered in January 2020.

The Developer sold Village 8, which is entitled for 44 single family units, to WRS 8-9, LLC ("WRS"), a California limited liability company, in August 2020. WRS's sole member, LJM Holding Company, Inc. ("LJM"), is headed by John L. Mourier III, as president. WRS has contracted with JMC Homes, a merchant builder, for the construction of the homes in Village 8. JMC Homes, a California corporation, is a wholly owned subsidiary of LJM.

The Developer is under contract to sell Village 9, which is entitled for 42 single family units, in finished lot condition to Richmond, which the Developer expects to deliver in June 2021. The property in the Carr Trust, Village 1, Village 8 and Village 9 constitutes "White Rock Phase 1."

The Developer sold Villages 2 and 3, which are collectively entitled for 81 single family high density units, in finished lot condition to Richmond in January 2021. The Developer is under contract to sell Villages 4, 5, 6 and 7, which are collectively entitled for 21 single family units and 114 single family high density units, in finished lot condition to Lennar Homes ("Lennar"), which the Developer expects to deliver in June 2021. The property in the Villages 2, 3, 4, 5, 6 and 7 constitutes "White Rock Phase 2."

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The following table summarizes the anticipated merchant builders, the phase for development (Phase 1 or Phase 2), the zoning designation (single family "SF" or single family high density "SFHD") for the lots, the status of the final map and the number of units expected at full build-out.

Property	Merchant Builder	Development Phase	Zoning	Map Status	Total Units
Carr Trust	Richmond	1	SFHD	final small lot - recorded	28
Village 1	Richmond	1	SFHD	final small lot - recorded	93
Village 2	Richmond	2	SF	final small lot - recorded	29
Village 3	Richmond	2	SFHD	final small lot - recorded	52
Village 4	Lennar[(1)]	2	SFHD	final small lot - recorded	50
Village 5	Lennar[(1)]	2	SF	final small lot - recorded	21
Village 6	Lennar[(1)]	2	SFHD	final small lot - recorded	24
Village 7	Lennar[(1)]	2	SFHD	final small lot - recorded	40
Village 8	WRS[(2)]	1	SF	final small lot - recorded	44
Village 9	Richmond[(3)]	1	SF	final small lot - recorded	42
TOTAL					**423**

(1) Lennar has contracted to purchase the Village 4, 5, 6 and 7 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Lennar Purchase and Sale Agreement."

(2) WRS has contracted with JMC Homes, a related entity, for the construction of the Village 8 homes.

(3) Richmond has contracted to purchase the Village 9 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Richmond Purchase and Sale Agreement."

Source: Developer

Property Values

An appraisal of the property within the District dated March 1, 2021 (the "Appraisal") was prepared by Integra Realty Resources, Sacramento, California (the "Appraiser"). The purpose of the appraisal was to estimate the aggregate value of the fee simple interest, subject to the special tax and based upon a hypothetical condition, for all of the taxable property within the District. Subject to the assumptions, hypothetical condition and limiting conditions contained in the Appraisal, the Appraiser estimated that the taxable property within the District had an estimated aggregate value of $105,434,000 as of February 1, 2021. See "THE COMMUNITY FACILITIES DISTRICT—Property Values."

Market Absorption Study

A market absorption study with respect to the development of the property within the District dated February 2021 (the "Market Absorption Study") was prepared by The Gregory Group, of Folsom, California (the "Absorption Analyst"). The Market Absorption Study estimated the probable absorption schedules for the residential units proposed to be developed in the District. See "THE COMMUNITY FACILITIES DISTRICT—Market Absorption Study."

Bondholders Risks

Investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. For a discussion of certain considerations relevant to an investment in the Bonds, in addition to the other matters set forth herein, see "CERTAIN RISKS TO BONDHOLDERS." Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

COVID-19 and Impact of the Novel Coronavirus

The outbreak of COVID-19, a respiratory disease caused by a novel coronavirus, has been declared a pandemic by the World Health Organization. On March 4, 2020, Governor Gavin Newsom declared a state of emergency to help the State prepare and respond to the COVID-19 outbreak. On March 13, 2020, President Donald Trump declared a national state of emergency. On March 19, 2020, the Governor issued a statewide Order, Executive Order N-33-20, directing all residents to heed State public health directives to stay home or at their place of residence except as needed to maintain continuity of operations of critical infrastructure sectors during the COVID-19 response. Since that time the State, the County and the City have undergone varying degrees of limited reopening. On August 28, 2020, the State released guidance regarding re-opening certain types of businesses based on a county-by-county approach where each county is assigned a tier based on COVID-19 case rates within each county. As a result of a significant decrease in available intensive care unit beds in the State, on December 3, 2020, the Governor announced a Regional Stay at Home Order. On January 12, 2021, based on projected increases in the availability of intensive care unit beds, the Governor lifted the Regional Stay at Home Order which allowed for limited re-opening of businesses based on the tiered system described above.

According to the Developer, residential construction workers were exempt from the stay-at-home orders and development of the property within the District has continued. As of February 15, 2021, neither the Developer, Richmond nor WRS have experienced any delays with obtaining the necessary approvals from the City for development to continue, and neither Richmond nor WRS have experienced any cancellations of sales contracts due to COVID-19. Neither the Developer, Richmond, WRS, the City nor the District can guarantee that the spread of COVID-19 will not cause delays in the future or the cancellation of any sales contracts.

The current spread of COVID-19 is altering the behavior of businesses and people in a manner that has had significant negative effects on global, national and local economies. Additionally, stock markets in the U.S. and globally have seen significant recent volatility attributed to concerns about COVID-19. There can be no assurances that the spread of COVID-19 or other highly contagious or epidemic disease, will not materially affect the state and national economies nor otherwise materially adversely impact the ability of the Developer, Richmond or WRS to develop the property in the District in accordance with the schedule specified herein or otherwise adversely impact the District or the ability or willingness of property owners to pay the Special Tax. See "CERTAIN RISKS TO BONDHOLDERS—Potential Impact of Global Health Concerns."

Continuing Disclosure

The District will agree to provide certain annual financial information and operating data by not later than April 1 in each year, commencing April 1, 2022 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access database ("EMMA"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS."

These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12.

The Developer and Richmond will covenant for the benefit of the Bondholders to provide certain information relating to it, its development plan and its financing plan no later than March 31 and September 30 in each year, commencing September 30, 2021 (the "Developer Disclosure Reports"), and to provide notices of the occurrence of certain enumerated events. The Developer Disclosure Reports and notices will be filed with EMMA. The specific nature of the information to be contained in the Developer Disclosure Reports or the notices of enumerated events is set forth in APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS." The obligations of the Developer will terminate upon the occurrence of certain events set forth in the Developer's Continuing Disclosure Certificate, including when the property within the District owned by the Developer is developed to the planned development stage or until the obligation to provide such information and notices is otherwise terminated in accordance with the provisions of its Continuing Disclosure Certificate. The obligations of Richmond will terminate upon the occurrence of certain events as set forth in Richmond's Continuing Disclosure Certificate, including when the property owned by Richmond within the District is no longer obligated to pay 20% or more of the Special Taxes within the District.

Summaries Not Definitive

Brief descriptions of the Bonds; the Local Obligations; the security for the Bonds, the City, the District and the status of development within the District are included in this Official Statement together with summaries of certain provisions of the Bonds, the Trust Agreement and the Local Obligations Indenture. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Trust Agreement and the Local Obligations Indenture are qualified in their entirety by reference to such documents, copies of which are available for inspection at the office of Trustee.

FOLSOM PLAN AREA

General Folsom Plan Area Plan of Finance

In 2001, the City commenced plans to expand its sphere of influence area to include an area south of US Route 50. The area, known as the Folsom Plan Area is bordered to the west by Prairie City Road, the east by the Sacramento/El Dorado County boundary line, the north by US Route 50, and the south by White Rock Road. In November 2004, the citizens of the City adopted Measure W ("Measure W"), which specified certain requirements for annexing the Folsom Plan Area into the City. In June 2011, the City adopted its Folsom Plan Area Specific Plan (the "Specific Plan"). The Local Agency Formation Commission approved the City's plan to annex the Folsom Plan Area on January 18, 2012.

As described below, the Folsom Plan Area is an area of approximately 3,500 acres in the southern portion of the City that has been approved for development of approximately 11,461 units of residential development, plus 274.5 acres of commercial/industrial development (including mixed use development). Over the build out of the property, the City anticipates using community facilities districts under the Mello-Roos Act to finance a large portion of the public infrastructure required for the development, plus certain maintenance obligations of public improvements and facilities.

The City has previously issued a series of bonds for its Community Facilities District No. 17 (Willow Hill Pipeline) ("CFD 17") to finance certain public capital improvements for the benefit of the Folsom Plan Area in the principal amount of $6,675,000, of which $6,015,000 is currently outstanding. The City has also formed its Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) ("CFD 18") to finance certain water and sewer improvements and a regional

aquatic center along with maintenance and certain services. CFD 18 encompasses all of the property within the Folsom Plan Area, which is the CFD 17 property plus approximately 190 acres bordering El Dorado County in the eastern portion of the City south of US Route 50. The City has authorized the issuance of up to $200,000,000 in bonds for CFD 18. The timing of issuance of bonds for CFD 18 is dependent upon market conditions and development within the Folsom Plan Area. The boundaries of CFD 17 and CFD 18 encompass nearly all of the property in the Folsom Plan Area, including the property in the District. The District represents approximately 4.6% by acres of CFD 17 and approximately 4.3% by acres of CFD 18. The allocable portion of bonds previously issued for CFD 17 and any bonds to be issued for CFD 18 constitute overlapping debt. See "THE COMMUNITY FACILITIES DISTRICT—Overlapping Debt."

The City does not expect to form any additional community facilities district coterminous with CFD 17 or CFD 18. However, the City has received a request from various developers within the Folsom Plan Area to create an additional community facilities district with boundaries covering all the undeveloped property therein ("CFD 24") to supplement the CFD 18 facilities special tax, which is levied on a parcel once it has been issued a building permit or upon issuance of a final small lot subdivision map (when CFD 18 bonds are outstanding). The request for CFD 24 is still preliminary but currently proposes imposing a separate special tax on each undeveloped property in the Folsom Plan Area to help finance the required Phase 2 water pipeline. Under the current proposal, the CFD 24 special tax would be levied on each of the undeveloped properties in the Folsom Plan Area until a building permit was issued, at which time that property would no longer be subject to the CFD 24 special tax but would be subject to the CFD 18 special tax. As proposed, a CFD 24 bond sale would provide gap financing for any Phase 2 water facilities not funded through CFD 18 bond proceeds, and the District would not be included within the boundaries of CFD 24. The City has not yet determined whether CFD 24 will be formed or, if formed, to what extent it will conform to the current request from the developers. See "PROPOSED PROPERTY DEVELOPMENT—Development Entitlements—*Water Supply Infrastructure*."

Public Facilities Financing Plan

Measure W, adopted by City of Folsom residents in November 2004, required, among other things, that residents north of US Route 50 not bear the cost for infrastructure and public facilities serving the Folsom Plan Area. The City adopted a Public Facilities Financing Plan ("PFFP") for the Folsom Plan Area on January 14, 2014. The PFFP provides an overview of how the infrastructure required for the development of the Folsom Plan Area will be financed and constructed and how various public facilities will be financed and maintained to ensure that public facilities and infrastructure will be available for the orderly development of the Folsom Plan Area without cost to the residents of the City north of US Route 50 and without an adverse impact on the service levels provided to future residents of the Folsom Plan Area.

The PFFP contemplates that the primary sources of funding for the construction of the public infrastructure and facilities in the Folsom Plan Area are community facilities districts, development impact fees collected upon permit issuance (including development impact fees of the Folsom Cordova Unified School District), direct developer financing, and matching state school grants and other school funding (including the school facilities improvement district described under "THE COMMUNITY FACILITIES DISTRICT—Overlapping Debt"). Subdivision improvements are not included as part of the PFFP.

On September 8, 2015, the City approved Resolution No. 9641, in which the City Council adopted a Nexus Study to collect certain impact fees for the Specific Plan to be collected in accordance with City Ordinance No. 1234. In addition, on the same date, the City approved Resolution No. 9642, in which the City Council adopted a Nexus Study for the Specific Plan Infrastructure Fees (the "SPIF") to be

collected for the Specific Plan and in accordance with Ordinance No. 1235 and Chapter 3.130 of the Folsom Municipal Code. Most recently, on January 9, 2018, the City of Folsom approved Resolution No. 10040, amending Resolution No. 9641, to adjust the initial Folsom Plan Area Development Impact Fees. On the same date, the City approved Resolution No. 10059, adopting the Nexus Study Fiscal Year 2017-18 Update for the SPIF, and setting the updated infrastructure fees. On July 28, 2020, the City approved Resolution No. 10491, in which the City adopted the Nexus Study Fiscal Year 2020-21 Update for the Folsom Plan Area SPIF. On this date, the City also introduced and had the first reading for City Ordinance No. 1307, in which the City amended sections 3.130.010(JJ) and 3.130.030(E)(1)(c) of the Folsom Municipal Code pertaining to the SPIF Set-Aside Component of the SPIF. The SPIF Set-Aside was amended to include a new SPIF Off-Site Water Set-Aside Component to repay the City for water treatment plant costs the City had previously incurred. On August 25, 2020, the City conducted the second reading and approved Ordinance No. 1307.

Phasing of Development. For purposes of setting the PFFP costs, the City projected single family units would be sold and occupied within 13 years, multi-family low density units within 15 years, and multi-family medium and high density units within 18 years.

Backbone Infrastructure. The PFFP provides for the financing or collection of impact fees for and the construction of the backbone infrastructure required before construction in the Folsom Plan Area can proceed. Specifically, the PFFP recognizes the need for roadway improvements, on-site water system improvements, off-site water system improvements, recycled water system improvements, sanitary sewer system improvements, storm drainage system improvements, habitat mitigation, and construction of two freeway interchanges and improvements to an existing freeway interchange.

Public Facilities – the Folsom Plan Area. The PFFP describes plans for the financing of public schools, parks, transit services, trails, police and fire facilities and equipment, municipal service center, a corporation yard, solid waste facilities, a library, general capital improvements, transportation, and a community and aquatic center. The PFFP anticipates that the land for the public facilities will be dedicated to the City without cost to the City.

The Folsom Plan Area is currently being served by the existing fire resources of the City as well as other Sacramento County, El Dorado County and Placer County fire agencies through mutual aid agreements with the City. The City is currently undertaking general planning for the type and staffing needs of the first fire station. As noted in the PFFP, the City's goal is to maintain a level of service that represents a rate of 1 station per 12,000 population, which the City expects to resolve by commencing construction on the first fire station servicing the Folsom Plan Area when there are approximately 1,400 residential units occupied within the Folsom Plan Area.

The estimated total cost of the backbone infrastructure and public facilities for the Folsom Plan Area at build-out is $876,669,484 (in 2017 dollars), of which the City anticipates that a portion will be financed through the Folsom Plan Area SPIF and the issuance of bonds for CFD 18, the District or other community facilities districts and improvement areas. This estimate is subject to a variety of construction and market risks. The City and the District can provide no assurances that the overall costs will not increase, even significantly, in the future. The following table shows the breakdown of overall estimated costs for each category of improvement within the Folsom Plan Area as a whole.

Table 1
City of Folsom
Folsom Plan Area Public Facilities Financing Plan
Estimated Budget (2017$)

Infrastructure	Estimated Cost	Public Improvements	Estimated Cost
Roadways	$270,335,001	Public Schools[1][2]	$134,250,000
Dry Utility	32,476,778	Parks	74,116,000
On-Site Water	54,966,951	Transit Services	17,129,000
Off-Site Potable Water	41,655,691	Housing Trust[2]	39,680,000
Recycled Water	10,931,440	Trails	14,420,000
Wastewater (Sewer)	21,434,147	Fire Facilities and Equipment	12,736,582
Storm Drainage	65,467,614	Police Facilities and Equipment	5,843,000
Habitat Mitigation	6,978,281	Municipal Service Center	5,434,000
Total:	$504,245,902	Corporation Yard	8,020,000
		Solid Waste	5,542,000
		Branch Library	2,833,000
		Community and Aquatic Center[3]	37,860,000
		General Capital	13,800,000
		Transportation[2]	760,000
		Total:	$372,423,582

Source: Folsom Specific Plan Infrastructure Fee Nexus Study Fiscal Year 2017-2018 Update ("Nexus Study Update"); City of Folsom; EPS.

(1) Assumed no active-adult units in calculation of estimated school fee revenue. Certain developments within the Folsom Plan Area are expected to include active-adult units.

(2) Based on estimated fee revenue generated from existing fee programs.

(3) Community and Aquatic Center was not included in the Nexus Study Update. Estimated cost based on original PFFP costs in 2013 dollars increased by 3.02%, similar to the cost increases for the Folsom Plan Area Specific Plan Stand Alone Fee facilities included in the Nexus Study Update.

Development within the Folsom Plan Area, including within the District, is dependent upon completion of certain of the above described infrastructure. For more information on status of construction of improvements and development necessary for development to occur within the District, see "PROPOSED PROPERTY DEVELOPMENT." See also "THE COMMUNITY FACILITIES DISTRICT—Overlapping Debt."

PLAN OF FINANCE

Facilities to be Financed

The Bonds are issued for the purpose of providing funds to purchase the Local Obligations. The Local Obligations are being issued to finance the acquisition and construction of certain public capital improvements more particularly described in the Resolution of Formation adopted by the City Council of the City on February 13, 2018. The City entered into an acquisition and shortfall agreement (the "Acquisition Agreement") with the Developer on September 10, 2019, wherein the City agrees to use a portion of the proceeds of the Local Obligations to finance the acquisition from the Developer of those facilities set forth in the Acquisition Agreement. Such facilities consist of certain transportation improvements, water system improvements, drainage and storm drain system improvements, wastewater system improvements, park, parkway, open space, and preserve improvements, and any other improvements payable from the Specific Plan Infrastructure Fee (collectively, the "Facilities"). Construction of the Facilities is required for development within the District to be completed.

Proceeds from the Local Obligations are expected to finance some, but not all, of the Facilities eligible to be financed within the District, and the District expects to issue one or more series of bonds to finance the acquisition of additional facilities in the future. See "PROPOSED PROPERTY DEVELOPMENT – Development Plan of Finance – Construction of Facilities."

THE BONDS

General

The Bonds are secured by a pledge of amounts paid with respect to the Local Obligations. The Local Obligations are secured by a pledge of Special Taxes (net of Priority Administrative Expenses) levied against taxable property within the District. See "DEBT SERVICE SCHEDULE" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The Local Obligations are secured by a pledge of Special Taxes (net of Priority Administrative Expenses) on parity with the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Bonds, Series 2019 (the "2019 CFD Obligations") and any Additional Local Obligations (defined below).

The Local Obligations Indenture establishes a Local Obligation Reserve Fund and a Local Obligations Reserve Account therein with respect to the Local Obligations. Amounts available from the Local Obligations Reserve Account are available to pay debt service on the Local Obligations. The Local Obligations Indenture requires the funding of a separate debt service reserve account for the Local Obligations, the 2019 CFD Obligations and any Additional Local Obligations, each of which may be used only to pay the principal of and interest on the related series of special tax bonds issued under the Local Obligations Indenture. There is no reserve fund with respect to the Bonds. Amounts available from the Local Obligations Reserve Account are not available to cure a deficiency generally in the Trust Estate to make debt service payments on the Bonds.

Description of the Bonds

General. The Bonds will be dated their date of delivery and mature on September 1, as set forth on the inside front cover page hereof (each, a "Principal Payment Date"). Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2021 (each, an "Interest Payment Date").

The Bonds will be issued as fully registered bonds, without coupons, in denominations of $5,000, or any integral multiple thereof. The Bonds will be issued in book-entry only form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. So long as the Bonds are in book-entry only form, principal of and redemption premium, if any, on the Bonds will be payable to DTC or its nominee, who will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Principal of, and redemption premium, if any, on the Bonds is payable at the corporate trust office of the Trustee. Interest on the Bonds will be paid only to the registered owners as shown on the Trustee's books as of the fifteenth day of the calendar month next preceding each Interest Payment Date (the "Record Date"), except that in the case of an owner of $1,000,000 or more in aggregate principal amount of Bonds outstanding, payment will be made at the owner's option by wire transfer of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America according to instructions provided by such owner to the Trustee and received no later than the Record Date for such Interest Payment Date.

The Bonds are special, limited obligations of the Authority. The Bonds are payable solely from and secured by the Trust Estate of the Authority pledged under the Trust Agreement, consisting primarily of payments received by the Authority from the District under the Local Obligations, which payments are secured by a lien of the Special Taxes (net of Priority Administrative Expenses) levied upon property within the District, as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due. Pursuant to the Local Obligations Indenture, a Local Obligations Reserve Account is established for the Local Obligations. Amounts available from the Local Obligations Reserve Account are *not* available to cure a deficiency in the Trust Estate available to pay debt service of the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—Local Obligations Reserve Account."

No Additional Bonds under the Trust Agreement. The Trust Agreement does not permit the Authority to issue any additional bonds on parity with the Bonds. However, subject to certain conditions contained in the Local Obligations Indenture, the District may at any time, but only for refunding purposes, issue bonds (the "Additional Local Obligations") payable from the net proceeds of the Special Tax (after payment of Priority Administrative Expenses) on parity with the Local Obligations and the 2019 CFD Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Terms of the Local Obligations – *Additional Local Obligations*."

Redemption Provisions*

Optional Redemption. The Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after _____ 1, 20__, from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after _____, 20__ through _____, 20__;

102% if redeemed on any date from _____, 20__ through _____, 20__;

101% if redeemed on any date from _____, 20__ through _____, 20__; and

100% if redeemed on _____, 20__ and any date thereafter.

Extraordinary Redemption from Prepayment of Special Taxes. The Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after _____, 20__, solely from funds derived from the extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

* Preliminary, subject to change.

103% if redeemed on an Interest Payment Date on or after _____, 20__ through _____, 20__;

102% if redeemed on an Interest Payment Date on _____, 20__ and _____, 20__;

101% if redeemed on an Interest Payment Date on _____, 20__ and _____, 20__; and

100% if redeemed on _____, 20__ and any Interest Payment Date thereafter.

Prepayments from prepaid Special Taxes could be made by any of the owners of any of the property within the District including the Developer, Richmond, WRS, any other developers or homebuilders owning Taxable Property in the District or any individual owner; and they could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. The resulting redemption of Bonds that were purchased at a price greater than the applicable redemption price could reduce the otherwise expected yield on such Bonds. See "CERTAIN RISKS TO BONDHOLDERS—Potential Early Redemption of Bonds from Prepaid Special Taxes."

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment
	$

†

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment
	$
†	

† Maturity.

If the Bonds subject to mandatory redemption are redeemed in part prior to their stated maturity date other than from Minimum Sinking Fund Payments, the Minimum Sinking Fund Payments for such Bonds shall be reduced proportionately by the principal amount of such Bonds so redeemed.

Redemption Instructions. Upon any prepayment of a Local Obligation, the Authority shall deliver to the Trustee a Written Order of the Authority designating the amounts and maturities of the Bonds to be redeemed, which shall be in the manner necessary to enable the Authority to deliver a Cash Flow Certificate satisfying the requirements described below. In the event only a portion of the Outstanding Bonds of any maturity are to be redeemed at any one time, the Trustee shall select the particular Bonds of each maturity date to be redeemed in accordance with DTC procedures or, if the Bonds are not then in book-entry, by lot. The Trustee shall redeem Bonds in Authorized Denominations.

Upon any redemption of a portion but not all of the Outstanding Bonds, the Authority shall deliver to the Trustee a Cash Flow Certificate to the effect that, assuming all payments are made with respect to the Local Obligations, (i) the Revenues, together with moneys on deposit in other funds and accounts held under the Trust Agreement, will be sufficient to pay all Principal Installments, Minimum Sinking Fund Payments and interest payments on the Bonds when due; and (ii) the redemption premiums, if any, on the Local Obligations, together with other Revenues available to the Trustee for such purpose, are sufficient to offset any difference between the interest to accrue on the Bonds to be paid or redeemed with the proceeds of prepayment of such Local Obligations (plus any redemption premium payable upon redemption of such Bonds) and the income to be earned on any investment of such proceeds (assured as of the date of payment thereof), in each case until the date of payment or redemption of Bonds, such that in no event will the prepayment of Local Obligations cause the Trustee to have insufficient funds to pay debt service on the Bonds when due. In no event shall Bonds be redeemed if upon such redemption the principal amount of the Local Obligations remaining outstanding will be less than the total principal amount of Outstanding Bonds. Such Written Order of the Authority may specify that optional redemption of the Bonds will be conditioned upon receipt of funds or other events.

Notice of Redemption. Subject to receipt of the Written Order of the Authority described under "—Redemption Instructions", the Trustee shall give notice of redemption; provided, that Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof to the Trustee at its Corporate Trust Office, subject to any conditions to such redemption specified in the Written Order of the Authority, at the redemption price

(specifying such price), together with any accrued interest to such date, and that all interest on the Bonds (or portions thereof) so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond (or such portion thereof) shall no longer be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such money of such redemption price plus accrued interest to the date fixed for redemption. If sufficient monies for the payment of the redemption price of all Bonds to be redeemed are not then on deposit with the Trustee, such notice shall also state that redemption is conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Such notice shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the Owners of such Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register; provided, that neither the failure of an Owner to receive notice of redemption of Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

Any notice of optional redemption may be rescinded by written notice given by the Authority to the Trustee no later than three Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given.

So long as the Bonds are in book-entry only form, notices of redemption will be given directly by the Trustee to DTC and not to the Beneficial Owners of the Bonds. See APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Purchase in Lieu of Redemption. In lieu of redemption of any Bond, amounts on deposit in the Proceeds Fund, the Principal Fund or in the Redemption Fund may be used and withdrawn by the Trustee at any time prior to a notice of redemption having been delivered, upon a Written Order for the purchase of such Bonds at public or private sale as and when and at such prices as the Authority may in its discretion determine, but not in excess of the lower of the highest or then current redemption price thereof plus accrued interest to the purchase date; and all Bonds so purchased shall be delivered to the Trustee for cancellation.

Payment of Redeemed Bonds. If notice of redemption has been given and not rescinded and if the conditions to such redemption specified therein, if any, have been satisfied, each as provided in the Trust Agreement, the Bonds or portions thereof called for redemption will become irrevocably due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If less than the full principal amount of a Bond is called for redemption, the Authority is required to execute and deliver and the Trustee is required to authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such Authorized Denominations as specified by the Owner.

If any Bond or any portion thereof has been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, has been made or provided for by the Authority, then interest on such Bond or such portion will cease to accrue from such date, and from and after such date such Bond or such portion will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof will have no rights in respect of such Bond

or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds will be used to purchase the Local Obligations. The proceeds of the Local Obligations in turn will be used to finance construction and acquisition of the Facilities and pay costs of issuance of the Local Obligations and Bonds. The following table sets forth the estimated sources and uses of the funds as allocated to the Bonds:

Sources of Funds	
Principal Amount	$
[Plus/Less]: [Net] Original Issue [Premium/Discount]	
Total Sources	$
Uses of Funds	
Acquisition and Construction Fund	$
Underwriter's Discount	
Deposit to Local Obligations Reserve Account[(1)]	
Deposit to Local Obligations Capitalized Interest Account[(2)]	
Deposit to Costs of Issuance Fund[(3)]	
Total Uses	$

(1) A portion of the purchase price of the Local Obligations will be deposited into the Local Obligations Reserve Account for the Local Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

(2) To pay interest on the Local Obligations and, in turn, the Bonds, to September 1, 2021.

(3) A portion of the purchase price of the Local Obligations will be used to pay costs of issuance including fees of Bond Counsel and the Municipal Advisor, the initial fees of the Trustee, noncontingent fees of the Appraiser and Absorption Analyst, printing costs and other miscellaneous expenses.

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DEBT SERVICE SCHEDULE

The annual scheduled debt service schedule for the Bonds, assuming no early redemption other than from mandatory sinking fund installments, is set forth in Table 2A below. The Local Obligations are sized to provide 100% of the debt service on the Bonds when due and have the same principal amortization as the Bonds. As shown in Table 2B below, the Local Obligations will be issued with an annual scheduled debt service schedule that, when combined with the scheduled debt service for the 2019 CFD Obligations, results in at least 110% annual debt service coverage from Maximum Special Tax revenues expected to be generated in the District net of Priority Administrative Expenses. The District may issue Additional Local Obligations on parity with the Local Obligations and the 2019 CFD Obligations only in accordance with the Local Obligations Indenture and only for refunding purposes for so long as the Local Obligations are Outstanding. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Terms of the Local Obligations – *Additional Local Obligations*."

Table 2A
Folsom Ranch Financing Authority
City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch)
Special Tax Revenue Bonds, Series 2021
Debt Service Schedule*

Period Ending (September 1)	Principal	Interest	Total
2021[(1)]	$	$	$
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
TOTAL	$	$	$

* Preliminary, subject to change.
(1) Local Obligations debt service capitalized through September 1, 2021.
Source: Piper Sandler & Co.

The following table shows the expected debt service coverage for the Bonds for Fiscal Years 2021-22 through 2049-50, taking into account the debt service on both the Local Obligations and the 2019 CFD Obligations, based on Maximum Special Tax revenues, net of Priority Administrative Expenses.

Table 2B
City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch)
Debt Service Schedule and Debt Service Coverage – Local Obligations*

Fiscal Year	Maximum Special Tax Revenue[1][2]	Priority Administrative Expense[3]	Net Maximum Special Tax Revenue	2019 CFD Obligations Debt Service	Local Obligations Debt Service*	Total District Debt Service*	District Debt Service Coverage*
2021-22	$1,234,621	$20,400	$1,214,221	$534,000	$568,350	$1,102,350	110.15%
2022-23	1,259,313	20,808	1,238,505	542,350	580,350	1,122,700	110.31%
2023-24	1,284,499	21,224	1,263,275	554,750	591,900	1,146,650	110.17%
2024-25	1,310,189	21,649	1,288,541	566,550	603,000	1,169,550	110.17%
2025-26	1,336,393	22,082	1,314,311	577,750	612,200	1,189,950	110.45%
2026-27	1,363,121	22,523	1,340,598	592,250	625,800	1,218,050	110.06%
2027-28	1,390,383	22,974	1,367,410	600,750	638,600	1,239,350	110.33%
2028-29	1,418,191	23,433	1,394,758	613,500	650,600	1,264,100	110.34%
2029-30	1,446,555	23,902	1,422,653	625,250	666,800	1,292,050	110.11%
2030-31	1,475,486	24,380	1,451,106	641,000	677,000	1,318,000	110.10%
2031-32	1,504,996	24,867	1,480,128	650,500	691,400	1,341,900	110.30%
2032-33	1,535,096	25,365	1,509,731	664,000	704,800	1,368,800	110.30%
2033-34	1,565,797	25,872	1,539,925	676,250	722,200	1,398,450	110.12%
2034-35	1,597,113	26,390	1,570,724	692,250	733,400	1,425,650	110.18%
2035-36	1,629,056	26,917	1,602,138	706,750	748,600	1,455,350	110.09%
2036-37	1,661,637	27,456	1,634,181	719,750	762,600	1,482,350	110.24%
2037-38	1,694,870	28,005	1,666,865	736,250	775,400	1,511,650	110.27%
2038-39	1,728,767	28,565	1,700,202	751,000	792,000	1,543,000	110.19%
2039-40	1,763,342	29,136	1,734,206	749,000	792,200	1,541,200	112.52%
2040-41	1,798,609	29,719	1,768,890	751,000	791,600	1,542,600	114.67%
2041-42	1,834,581	30,313	1,804,268	746,750	790,200	1,536,950	117.39%
2042-43	1,871,273	30,920	1,840,353	746,500	793,000	1,539,500	119.54%
2043-44	1,908,698	31,538	1,877,160	750,000	789,800	1,539,800	121.91%
2044-45	1,946,872	32,169	1,914,704	747,000	790,800	1,537,800	124.51%
2045-46	1,985,810	32,812	1,952,998	747,750	790,800	1,538,550	126.94%
2046-47	2,025,526	33,468	1,992,058	747,000	789,800	1,536,800	129.62%
2047-48	2,066,037	34,138	2,031,899	749,750	792,800	1,542,550	131.72%
2048-49	2,107,357	34,820	2,072,537	750,750	789,600	1,540,350	134.55%
2049-50	2,149,504	35,517	2,113,988	--	790,400	790,400	267.46%

* Preliminary, subject to change.

(1) Maximum Special Tax escalates by 2% per year.

(2) All Taxable Property is classified as either Developed Property or Small Lot Final Property for Fiscal Year 2020-21.

(3) The Priority Administrative Expense amount was established at $20,000 for Fiscal Year 2020-21 and escalates annually at 2%.

Source: Piper Sandler & Co. for Local Obligations debt service figures; Trustee for 2019 CFD Obligations debt service figures; NBS for all other amounts.

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SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are secured by a lien on and pledge of the Trust Estate, consisting primarily of payments received by the Authority from the District under the Local Obligations, which payments are secured by Special Taxes (net of Priority Administrative Expenses) levied upon property within the District and received by the District.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE DISTRICT, THE AUTHORITY, THE STATE OF CALIFORNIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR CITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM PAYMENTS ON THE LOCAL OBLIGATIONS FROM THE PAYMENT OF THE SPECIAL TAXES LEVIED WITHIN THE DISTRICT AS MORE FULLY DESCRIBED HEREIN.

The Trust Agreement does not permit the Authority to issue any additional bonds on parity with the Bonds. However, subject to certain conditions contained in the Local Obligations Indenture and only for refunding purposes so long as the Local Obligations are Outstanding, the District may at any time issue Additional Local Obligations payable from the net proceeds of the Special Tax (after payment of Priority Administrative Expenses) on parity with the Local Obligations and the 2019 CFD Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Terms of the Local Obligations – *Additional Local Obligations*."

General

The Trust Estate consists of the Revenues, the amounts in certain of the funds established and held under the Trust Agreement, and the Local Obligations. The Revenues consist of amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, the Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held in the Funds held under the Trust Agreement (except the Rebate Fund).

The principal of and the interest on the Local Obligations are payable from the annual Special Taxes levied and to be collected on all real property within the District subject to the Special Taxes and the proceeds, if any, from the sale of such property for delinquency of such Special Taxes, after payment of the District's Priority Administrative Expenses. The Local Obligations are secured by a pledge on the Special Taxes (net of Priority Administrative Expenses) on parity with the pledge of such Special Taxes for the 2019 CFD Obligations and any Additional Local Obligations issued under the Local Obligations Indenture. See "—Payment of the Local Obligations" and "—Terms of the Local Obligations."

The District may not issue indebtedness payable from the Special Taxes except as provided in the Local Obligations Indenture. See APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS—SUMMARY OF THE LOCAL OBLIGATIONS INDENTURE—Authorization and Issuance of Bonds—*Additional Bonds; Subordinate Bonds*." The City has, however, formed CFD 17, which has issued bonds secured by special taxes with a co-equal lien on property within the District and has formed CFD 18, which is authorized to issue bonds secured by special taxes with a co-equal lien on property within the District. Additionally, the City has received a request from various developers of the Folsom Plan Area

to create CFD 24, which, if formed, could impose an additional co-equal lien on the undeveloped property in the Folsom Plan Area. As currently proposed, the boundaries of CFD 24 would not include the District. The City has not yet determined whether CFD 24 will be formed or, if formed, to what extent it will conform to the current request from the developers. See "FOLSOM PLAN AREA." The Authority, the District and the City have no control over the amount of additional debt payable from taxes or assessments on all or any portion of the property within the District that may be issued in the future by other governmental entities or districts having jurisdiction over all or a portion of the land within the District. To the extent such debt is payable from other assessments or special taxes levied pursuant to the applicable law, such assessments or special taxes may have a lien on the property within the District on parity with the lien of the Special Taxes.

Flow of Funds

Receipt and Deposit of Revenues. As noted above, Revenues consist of amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, all Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held under the Trust Agreement (except the Rebate Fund). All Revenues, other than Revenues derived from the early redemption of Local Obligations from Special Tax Prepayments received by the Trustee from the Authority, will be deposited into the Revenue Fund. On each Interest Payment Date and each Principal Payment Date, the Trustee will transfer Revenues from the Revenue Fund, in the amounts required in the order of priority as set forth below, with the requirements of each fund being fully satisfied, leaving no deficiencies therein, prior to any deposit into any fund later in priority:

First: To the Interest Fund, an amount of Revenues which together with amounts on deposit therein, is equal to the interest due and payable on the Bonds due on such Interest Payment Date;

Second: To the Principal Fund (i) on each Principal Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Principal Fund (other than amounts previously deposited on account of any Bonds which have matured but which have not been presented for payment) is sufficient to pay the Principal Installments on the Bonds due on such Principal Payment Date and (ii) on each September 1 on which a Minimum Sinking Fund Payment is required to be made (for deposit in the Sinking Fund Account) from the Revenue Fund an amount of Revenues which is equal to the Minimum Sinking Fund Payment due and payable on such date. On each Principal Payment Date, the Trustee shall pay the principal or redemption price due and payable on the Bonds on such date from the Principal Fund.

Following such deposits, any remaining money in the Revenue Fund is required to be transferred to the Local Obligations Trustee for application under the Local Obligations Indenture. For additional information regarding the Flow of Funds, see "—Local Obligations Flow of Funds."

Revenues Derived from Special Tax Prepayments. All Revenues derived from early redemption of Local Obligations from Special Tax Prepayments received by the Trustee will be immediately deposited into the Redemption Fund to be applied to the extraordinary redemption of Bonds. See "THE BONDS—Redemption Provisions—*Extraordinary Redemption from Prepayment of Special Taxes.*"

Description of Local Obligations

The District will issue the Local Obligations in the principal amount of $[12,000,000].* The Local Obligations are secured solely by the Special Taxes (net of Priority Administrative Expenses) levied upon certain real property within the District and proceeds of foreclosure sales in the District.

The pledge of Special Taxes (net of Priority Administrative Expenses) levied within the District is on parity with the pledge thereof securing the 2019 CFD Obligations and any Additional Local Obligations issued under the Local Obligations Indenture. The District may issue Additional Local Obligations secured on parity with the pledge of the Special Taxes (net of Priority Administrative Expenses) within the District only in accordance with the Local Obligations Indenture and only for refunding purposes for so long as the Local Obligations are Outstanding. See APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS—SUMMARY OF THE LOCAL OBLIGATIONS INDENTURE—Authorization and Issuance of Bonds—*Additional Bonds; Subordinate Bonds*."

A description of the District is set forth under the caption, "THE COMMUNITY FACILITIES DISTRICT."

Issuance of Local Obligations

The Local Obligations are authorized pursuant to the Mello-Roos Act and are issued under a resolution of the City Council of the City, as legislative body of the District and the Local Obligations Indenture. The Mello-Roos Act was enacted by the State Legislature to provide an alternate method of financing certain essential public capital facilities and services, especially in developing areas of the State. Subject to approval by a two-thirds vote of qualified electors and compliance with the provisions of the Mello-Roos Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

The Local Obligations constitute special tax obligations of the District payable as to both principal and interest from the annual Special Tax (after payment of the District's Priority Administrative Expenses) to be levied by the District on land within the District, including proceeds from the sale of property within the District collected as a result of foreclosure of the lien of the Special Taxes and certain funds and accounts held under the Local Obligations Indenture. The District's sole recourse in the event of a delinquency or failure to pay Special Taxes on a particular parcel is to institute foreclosure proceedings with respect to that parcel. However, the District is not obligated under the Local Obligations Indenture to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the County pursuant to the Teeter Plan. See "—Covenant for Foreclosure" and "—The Teeter Plan" herein.

Payment of the Local Obligations

The Local Obligations constitute the limited obligations of the District payable as to both principal and interest from the annual Special Tax (net of Priority Administrative Expenses) levied by the District on Taxable Property within the District, including proceeds from the sale of property within the District collected as a result of foreclosure of the lien on the Special Taxes and certain funds and accounts held under the Local Obligations Indenture. The District's sole recourse in the event of a delinquency or failure to pay Special Taxes on a particular parcel is to institute foreclosure proceedings with respect to that parcel.

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* Preliminary, subject to change.

The term "Priority Administrative Expenses" means an amount equal to (a) for Fiscal Year 2020-21, $20,000, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Priority Administrative Expenses on each July 1, from and including the July 1 immediately following the end of the then current Fiscal Year to and including the July 1 in such Fiscal Year by 2% of the amount in effect for the previous Fiscal Year.

THE LOCAL OBLIGATIONS ARE SPECIAL TAX OBLIGATIONS OF THE DISTRICT, AND THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS ARE PAYABLE SOLELY FROM THE PROCEEDS OF THE SPECIAL TAX (INCLUDING ANY PREPAYMENTS THEREOF AND PROCEEDS FROM THE SALE OF PROPERTY COLLECTED PURSUANT TO THE FORECLOSURE PROVISIONS OF THE LOCAL OBLIGATIONS INDENTURE FOR THE DELINQUENCY OF THE SPECIAL TAX), NET OF PRIORITY ADMINISTRATIVE EXPENSES, AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED IN THE LOCAL OBLIGATIONS INDENTURE, AND THE DISTRICT IS NOT OBLIGATED TO PAY THE LOCAL OBLIGATIONS EXCEPT FROM SUCH FUNDS. THE GENERAL FUND OF THE CITY AND THE FUNDS OF THE DISTRICT ARE NOT LIABLE, AND NEITHER THE FULL FAITH AND CREDIT OF THE DISTRICT NOR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS. NO TAX OR ASSESSMENT OTHER THAN THE SPECIAL TAX SHALL EVER BE LEVIED OR COLLECTED TO PAY THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS. THE LOCAL OBLIGATIONS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF OR CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE DISTRICT OR ANY OF ITS INCOME OR RECEIPTS EXCEPT THE PROCEEDS OF THE SPECIAL TAX (INCLUDING ANY PREPAYMENTS THEREOF AND PROCEEDS FROM THE SALE OF PROPERTY COLLECTED PURSUANT TO THE FORECLOSURE PROVISIONS OF THE LOCAL OBLIGATIONS INDENTURE FOR THE DELINQUENCY OF THE SPECIAL TAX), NET OF PRIORITY ADMINISTRATIVE EXPENSES, AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED IN THE LOCAL OBLIGATIONS INDENTURE, AND NEITHER THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS IS A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE DISTRICT. THE LOCAL OBLIGATIONS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND NEITHER THE CITY COUNCIL NOR THE DISTRICT NOR ANY OFFICER OR EMPLOYEE THEREOF SHALL BE LIABLE FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS OTHERWISE THAN FROM THE PROCEEDS OF THE SPECIAL TAX (INCLUDING ANY PREPAYMENTS THEREOF AND PROCEEDS FROM THE SALE OF PROPERTY COLLECTED PURSUANT TO THE FORECLOSURE PROVISIONS OF THE LOCAL OBLIGATIONS INDENTURE FOR THE DELINQUENCY OF THE SPECIAL TAX), NET OF PRIORITY ADMINISTRATIVE EXPENSES, AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED IN THE LOCAL OBLIGATIONS INDENTURE.

Although the Special Tax will constitute a lien on property subject to taxation in the District, it will not constitute a personal indebtedness of the owners of such property. There is no assurance that the owners will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. The risk of nonpayment by property owners is more fully described in "CERTAIN RISKS TO BONDHOLDERS—Collection of Special Tax."

Local Obligations Flow of Funds

Application of Special Tax Fund. Pursuant to the Local Obligations Indenture, the District agrees and covenants that it will transfer to the Local Obligations Trustee from the Special Tax proceeds (after payment of its Priority Administrative Expenses) amounts sufficient and in sufficient time for the Local Obligations Trustee to make the transfers required by it, and the Local Obligations Trustee shall deposit such proceeds as and when received in the Special Tax Fund. All money in the Special Tax Fund is required to be set aside by the Local Obligations Trustee in the following respective special accounts and fund within the Special Tax Fund in the following order of priority, and all money in each of such accounts and fund shall be applied, used and withdrawn only for the purposes specified in the Local Obligations Indenture:

(1) Redemption Account;

(2) Local Obligations Reserve Fund; and

(3) Expense Account.

Redemption Account. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of interest becoming due and payable on all Outstanding Local Obligations and Additional Local Obligations on such March 1 or September 1, as the case may be, and on or before September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of principal becoming due and payable on all Outstanding Local Obligations and Additional Local Obligations on such September 1 plus all Minimum Sinking Fund Account Payments required to be made on such September 1 into the Sinking Fund Subaccount; provided, that all of the aforesaid payments shall be made without priority of any payment over any other payment, and in the event that money in the Special Tax Fund on any March 1 or September 1 is not equal to the amount of interest becoming due on all Local Obligations and Additional Local Obligations on such date, or in the event that the money in the Special Tax Fund on any September 1 is not equal to the amount of principal of the Local Obligations and Additional Local Obligations becoming due on such date, as the case may be, then such money shall be applied pro rata in such proportion as such interest and principal and Minimum Sinking Fund Account Payments bear to each other.

No deposit need be made into the Redemption Account if the amount of money contained therein is at least equal to the amount required by the terms of the preceding paragraph to be deposited therein at the times and in the amounts provided in the Local Obligations Indenture.

All money in the Redemption Account shall be used and withdrawn by the Local Obligations Trustee to pay the interest on the 2019 CFD Obligations, the Local Obligations and Additional Local Obligations as it shall become due and payable (including accrued interest on any Local Obligations purchased or redeemed prior to maturity) plus the principal of and redemption premiums, if any, on the Local Obligations as they shall mature or upon the prior redemption thereof, except that any money in the Sinking Fund Subaccount shall be used only to purchase or redeem or retire the Term Local Obligations as provided in the Local Obligations Indenture.

Local Obligations Reserve Fund. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in each Local Obligations Reserve Account within the Local Obligations Reserve Fund such amount of

money as shall be required to restore each such Local Obligations Reserve Account to a sum equal to the Required Bond Reserve for the applicable series of Local Obligations, *pro rata*; and for this purpose all investments in each Local Obligations Reserve Account shall be valued on March 1 and September 1 of each year at the face value thereof if such investments mature within twelve (12) months from the date of valuation, or if such investments mature more than twelve (12) months after the date of valuation, at the price at which such investments are redeemable by the holder at his option, if so redeemable, or if not so redeemable, at the lesser of (i) the cost of such investments plus the amortization of any premium or minus the amortization of any discount, or (ii) the market value of such investments. For purposes of allocating remaining money in the Special Tax Fund between more than one Bond Reserve Account, any such transfers to and deposits in each Bond Reserve Account shall be made equally and ratably.

No deposit need be made into a Local Obligations Reserve Account if the value of the investments contained therein is at least equal to the Required Bond Reserve for the applicable series of Local Obligations and Additional Local Obligations.

All money in each Local Obligations Reserve Account shall be used and withdrawn by the Local Obligations Trustee solely for the purpose of paying the interest on or principal of the corresponding series of Local Obligations in the event there is insufficient money in the Redemption Account available for this purpose; provided, that if as a result of any of the foregoing valuations or due to redemption as a result of property owner prepayments it is determined that the amount of money in a Local Obligations Reserve Account exceeds or will exceed the Required Bond Reserve for the applicable series of Local Obligations, the Local Obligations Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account. For the avoidance of doubt, amounts in a Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal and interest on any Local Obligations other than the specific series of Local Obligations and Additional Local Obligations to which that Local Obligations Reserve Account relates.

Expense Account. On or before March 1 and September 1 in each year, beginning in September 2020, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in the Expense Account a sum equal to the amount required by the District (as specified in a Written Request of the District filed with the Trustee) for the payment of budgeted Expenses during the six-month period beginning on such date, or to reimburse the District or the City for the payment of unbudgeted Expenses during the prior six-month period. All money in the Expense Account shall be used and withdrawn by the Trustee only for transfer to or for the account of the District or the City (as specified in a Written Request of the District filed with the Trustee) to pay budgeted Expenses as provided in the Local Obligations Indenture, or to reimburse the District or the City for the payment of unbudgeted Expenses as provided in the Local Obligations Indenture, or to pay interest on or principal of or redemption premiums, if any, on the Local Obligations in the event that no other money is available therefor.

All money remaining in the Special Tax Fund (other than money in the Redemption Account or in the Local Obligations Reserve Fund or in the Expense Account) on September 1 of each year, beginning in September 2020, after transferring all of the sums required to be transferred therefrom on or prior to such date as described above, shall be withdrawn from the Special Tax Fund by the Local Obligations Trustee and transferred to the District for deposit in the Community Facilities Fund, which fund is established in the treasury of the City. All money in the Community Facilities Fund shall be used and withdrawn by the District solely for the benefit of the District in accordance with the Mello-Roos Act; provided, that the Local Obligations Trustee shall not make any such withdrawal of money in the Special Tax Fund (other than for the payment of the interest on or the principal of the 2019 CFD Obligations, the Local Obligations and any Additional Local Obligations) if and when (to the Trustee's actual knowledge) an Event of Default is then existing under the Local Obligations Indenture.

Special Tax Authorization

The Special Tax is to be levied and collected against all Taxable Property within the District in accordance with the rate and method of apportionment (the "Rate and Method of Apportionment"). See APPENDIX A—"RATE, METHOD OF APPORTIONMENT AND MANNER OF COLLECTION OF SPECIAL TAX." The Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected, and, except as otherwise provided in the covenant for foreclosure and in the Mello-Roos Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Foreclosure" and "CERTAIN RISKS TO BONDHOLDERS—Collection of Special Tax."

The Rate and Method of Apportionment of the Special Tax, subject to the maximum rates set forth therein, apportions the total debt service requirement (principal, interest, and mandatory sinking fund payments), restoration of the Required Bond Reserve, current annual expenses, pay as you go improvement costs and other costs each year among the taxable land in the District. See APPENDIX A—"RATE, METHOD OF APPORTIONMENT AND MANNER OF COLLECTION OF SPECIAL TAX."

Pursuant to the Local Obligations Indenture, so long as any Local Obligations or Additional Local Obligations are Outstanding, the District is required annually to levy the Special Tax against all Taxable Property in the District and make provision for the collection of such Special Tax in amounts which will be sufficient, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Local Obligations Indenture, and which in any event will be sufficient to pay the interest on and principal of and Minimum Sinking Fund Account Payments for and redemption premiums, if any, on the Local Obligations as they become due and payable, to replenish the Local Obligations Reserve Fund to the Required Bond Reserve and to pay all current Expenses as they become due and payable.

Under the Mello-Roos Act, the Special Tax levied in any fiscal year against private residential property may not be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. Under the Rate and Method of Apportionment, property is considered "Residential Property" and is subject to the aforementioned limitation once a building permit has been issued for the purposes of constructing one or more residential units. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

Covenant for Foreclosure

The Local Obligations Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Mello-Roos Act, is subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes.

Pursuant to Section 53356.1 of the Mello-Roos Act, in the event of any delinquency in the payment of the Special Tax, the District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted in the Local Obligations Indenture that it will annually on or before September 1 of each year review the public records of the County relating to the collection of the Special

Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if it determines on the basis of such review that the amount so collected is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year within the District, it will within sixty (60) days thereafter institute foreclosure proceedings as authorized by the Mello-Roos Act in order to enforce the lien of the delinquent installments of the Special Tax against each lot or parcel of land in the District, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; provided, that irrespective of the foregoing if the District determines on the basis of such review that property owned by any single property owner in the District is delinquent by more than four thousand dollars ($4,000) with respect to the Special Tax due and payable by such property owner by such delinquency date, then the District will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided in the Local Obligations Indenture against such property owner; provided further, that any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Government Code of the State of California; and provided further, that the District is not obligated under the Local Obligations Indenture to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the County pursuant to the Teeter Plan (described herein).

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds (if the Local Obligations Reserve Account has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the District of the proceeds of sale. However, within the limits of the Special Tax, the District may adjust the Special Tax levied on Taxable Property in the District (subject to the limitation on the Maximum Special Tax, defined herein), to provide an amount required to pay interest on and principal of the Local Obligations and any additional obligations payable from the Special Tax, and the amount, if any, necessary to replenish each subaccount of the Local Obligations Reserve Fund to an amount equal to the Required Bond Reserve and to pay all current Expenses for the District. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against Taxable Property (as defined in the Rate and Method of Apportionment) in the District will be at all times sufficient to pay the amounts required to be paid by the Local Obligations Indenture, even if the Special Tax is levied at the Maximum Special Tax rates. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

No assurance can be given that the real property subject to sale or foreclosure will be sold, or if sold, that the proceeds of sale will be sufficient to pay any delinquent installments of the Special Tax. The Mello-Roos Act does not require the District to purchase or otherwise acquire any lot or parcel of property to be sold if there is no other purchaser at such sale. The Mello-Roos Act and the Local Obligations Indenture do specify that the Special Tax will have the same lien priority as for *ad valorem* property taxes in the case of delinquency. Section 53356.6 of the Mello-Roos Act requires that property within the District that is sold pursuant to foreclosure under the Mello-Roos Act be sold for not less than the amount of judgment in the foreclosure action, plus post judgment interest and authorized costs, unless the consent of the owners of at least 75% of the Local Obligations and any Additional Local Obligations issued under the Local Obligations Indenture is obtained.

No Required Advances from Available Surplus Funds

Neither the City nor the District is obligated to advance available surplus funds available from the City treasury to pay debt service on the Local Obligations or to replenish the Local Obligations Reserve Account; provided, that nothing shall affect the right of the District under the Mello-Roos Act to make advances to cure any deficiencies.

Terms of the Local Obligations

General. The City Council of the City established the District on February 13, 2018, authorizing the issuance of up to $55,000,000 in bonded indebtedness. However, based on available Special Tax revenues and limitations in the Local Obligations Indenture on the issuance of Additional Local Obligations thereunder, the District expects that obligations will be issued for the District in a total amount of approximately $[21,695,000]*. The 2019 CFD Obligations were issued in the aggregate principal amount of $9,695,000 pursuant to the Mello-Roos Act and the Local Obligations Indenture and are currently outstanding in the amount of $9,695,000. The District may issue Additional Local Obligations on parity with the Local Obligations and the 2019 CFD Obligations only in accordance with the Local Obligations Indenture and only for refunding purposes for so long as the Local Obligations are Outstanding.

The Local Obligations will be the second issuance of bonds for the District. The Local Obligations will be issued in the aggregate principal amount of $[12,000,000]* pursuant to the Mello-Roos Act and the Local Obligations Indenture. The Local Obligations will be dated the date of delivery of the Bonds. The Local Obligations are secured by a pledge of the Special Tax (net of Priority Administrative Expenses) levied within the District.

Local Obligations Reserve Account. The Local Obligations Indenture establishes a Local Obligations Reserve Account to be held by the Local Obligations Trustee and requires that there be maintained in the Local Obligations Reserve Account an amount equal to the Required Bond Reserve. "Required Bond Reserve" is defined to mean, for the Local Obligations, as of any date of calculation, the least of: (a) the Maximum Annual Debt Service, (b) one hundred twenty-five percent (125%) of the Average Annual Debt Service or (c) ten (10%) percent of the original proceeds of the Local Obligations; provided that the Required Bond Reserve shall be calculated on the date of issuance of the Local Obligations issued under the Local Obligations Indenture and shall not increase thereafter; and provided further that such requirement (or any portion thereof) may be satisfied by the provision of one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank, the obligations insured by which insurer or issued by which bank, as the case may be, have ratings at the time of issuance of such policy or surety bond or letter of credit equal to "AA" or higher (without regard to qualifier) assigned by Fitch or "Aa" or higher (without regard to qualifier) assigned by Moody's or "AA" or higher (without regard to qualifier) assigned by S&P.

The Local Obligations Reserve Account is established specifically for the Local Obligations, and amounts in the Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal and interest on the 2019 CFD Obligations or any Additional Local Obligations. Pursuant to the Local Obligations Indenture, each reserve account within the Local Obligations Reserve Fund is only available for paying the interest on or principal of the corresponding series of Local Obligations or Additional Local Obligations for which it was created.

The Required Bond Reserve with respect to the Local Obligations upon their date of issuance will be $_____.

All money in the Local Obligations Reserve Account will be used and withdrawn by the Local Obligations Trustee solely for the purpose of paying the interest on and principal of the Local Obligations in the event there is insufficient money available for the purpose; provided, that if as a result of any of the valuation of a Required Bond Reserve it is determined that the amount of money in the Local Obligations Reserve Account exceeds the Required Bond Reserve, the Local Obligations Trustee shall withdraw the

* Preliminary, subject to change.

amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account. Amounts on deposit in the Local Obligations Reserve Account are not available to cure a deficiency in Revenues available to pay debt service on the Bonds.

Additional Local Obligations. The District may at any time, by a supplement to the Local Obligations Indenture, issue Additional Local Obligations that are payable from the net proceeds of the Special Tax (after payment of Priority Administrative Expenses) on parity with the Local Obligations, subject to the following conditions, which conditions are precedent to the issuance of such Additional Local Obligations:

(i) The District shall be in compliance with all agreements, conditions, covenants and terms contained in the Local Obligations Indenture and in all Supplemental Indentures required to be observed or performed by it, and no Event of Default under the Local Obligations Indenture or under any Supplemental Indenture shall have occurred and shall be then continuing;

(ii) The District shall establish a separate subaccount of the Local Obligations Reserve Fund for the payment of such Additional Local Obligations in an amount equal to the Required Bond Reserve; and

(iii) (a) In each year until the maturity date for the Additional Local Obligations, the Maximum Special Tax less Priority Administrative Expenses is estimated to cover one hundred ten percent (110%) of the sum of the Annual Debt Service on the 2019 CFD Obligations, the Local Obligations and all Additional Local Obligations, including such Additional Local Obligations to be issued, and (b) the Value of all Taxable Property, in aggregate, is at least three (3) times the aggregate Lien on such Taxable Property.

For so long as the Local Obligations are Outstanding, Additional Local Obligations may be issued only for the purpose of refunding obligations issued under the Local Obligations Indenture and paying costs incidental thereto.

"Value" is defined as the current assessed valuation of the Taxable Property and/or the appraised value of the Taxable Property determined by a MAI appraiser. "Lien" is defined in the Local Obligations Indenture as the allocable or proportional (as applicable) aggregate principal amount of all overlapping debt and bonds (including the Local Obligations) outstanding that are secured by a special tax levied pursuant to the Mello-Roos Act or a special assessment levied on property within the District, including any overlapping debt or bonds for community facilities districts or special assessment districts that is allocated to property within the District.

Redemption of the Local Obligations.[*] The Local Obligations are subject to extraordinary redemption by the District from funds derived by the District from prepayments of the Special Tax. The Local Obligations are also subject to optional and mandatory redemption by the District. A description of the redemption prices and terms of the Local Obligations is set forth under APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS—SUMMARY OF THE LOCAL OBLIGATIONS INDENTURE—Redemption of Bonds."

Selection of Local Obligations for Redemption. If less than all the outstanding Local Obligations and any Additional Local Obligations are to be redeemed as a result of prepayments of the Special Tax at any one time, the Local Obligations and any Additional Local Obligations shall be redeemed pro rata by maturity. If less than all the outstanding Local Obligations and any Additional Local Obligations are to

[*] Preliminary, subject to change.

be redeemed at the option of the District at any one time, the Local Obligations and any Additional Local Obligations of the latest maturity date or dates shall be redeemed prior to or simultaneously with the redemption of the Local Obligations and any Additional Local Obligations maturing prior thereto, and if less than all the outstanding Local Obligations and any Additional Local Obligations of any one maturity date are to be redeemed at any one time, the Trustee shall select the Local Obligations and any Additional Local Obligations or the portions thereof of such maturity date to be redeemed in integral multiples of five thousand dollars ($5,000) randomly in any manner that it deems appropriate and fair.

Special Tax Analysis

The following is a synopsis of the provisions of the Rate and Method of Apportionment, which should be read in conjunction with the complete text of the Rate and Method of Apportionment which is attached as APPENDIX A. The definitions of the capitalized terms used but not defined under this caption "—Special Tax Analysis" are as set forth in APPENDIX A. This section provides only a summary of the Rate and Method of Apportionment, and is qualified by more complete and detailed information contained in the entire Rate and Method of Apportionment attached as APPENDIX A.

The Special Tax is to be levied and collected against all Taxable Property within the District in accordance with the Rate and Method of Apportionment approved by the landowner electors of the District. The total annual levy of the Special Tax is calculated to satisfy the annual debt service during the ensuing Fiscal Year, to replenish the reserve account for the Local Obligations, the allocable portion of administrative expenses, the amount necessary to cure any delinquencies or to fund any deficiency of the amount to be available for the payment of principal or interest on bonds which are expected to occur in the ensuing fiscal year, authorized facilities funded on a pay-as-you-go basis, less any available capitalized interest and earnings on the funds that may be used to fund the aforementioned costs.

Assignment to Land Use Categories. Each Fiscal Year, all Assessor's Parcels within the District will be classified by the CFD No. 21 Administrator as either Taxable Property or Exempt Property. Taxable Property will be further classified as Developed Property, Small Lot Final Map Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax.

"Developed Property" means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

"Small Lot Final Map Property" means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

"Large Lot Property" means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property or Small Lot Final Map Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, or Large Lot Property.

"Single Family Property" means larger executive-style housing, large lot residential estates, and conventional single family neighborhoods with a permitted density range of 1-4 Residential Units per Acre.

"Single Family High Density Property" means detached, attached, clustered, zero lot line, and attached two-residences with a permitted density range of 4-7 Residential Units per Acre.

"Other Taxable Property" means all other land uses of Taxable Property, for which a building permit for new construction can be issued. Other Taxable Property does not include Single Family Property and Single Family High Density Property land use categories.

Maximum Special Tax. The Rate and Method of Apportionment is used to allocate the amount of the Special Tax required among the Taxable Property, based upon land use categories, subject to the Maximum Special Tax that may be levied against each land use category.

The following table shows the Maximum Special Tax Rates within the District for all anticipated allocable land use categories in Fiscal Year 2021-22.

Table 3
City of Folsom
Communities Facilities District No. 21 (White Rock Springs Ranch)
Maximum Special Tax Rate Categories
Fiscal Year 2021-22

Tax Category	Maximum Annual Special Tax*	Per Unit/Acre
Developed Property		
Single Family	$3,139	Residential Unit
Single Family – High Density	2,814	Residential Unit
Other Taxable Property	11,582	Acre
Small Lot Final Map Property		
Single Family	$3,139	Residential Lot
Single Family – High Density	2,814	Residential Lot
Other Taxable Property	11,582	Acre
Large Lot Property	$11,582	Acre
Undeveloped Property	$11,582	Acre

* Increases by 2% each Fiscal Year.
Source: NBS and the District

The total Special Tax generated by the District may change from time to time if there are amendments or modifications to the development plan. The District covenants in the Local Obligations Indenture to not approve any amendments, changes or modifications relating to development of the property within the District that would reduce the amount of the Maximum Special Tax less Priority Administrative Expenses to equal less than one hundred ten percent (110%) of the sum of the Annual Debt Service on the 2019 CFD Obligations, the Local Obligations and any Additional Local Obligations in any year until the maturity date for the 2019 CFD Obligations, the Local Obligations and any Additional Local Obligations.

Future Assessor's Parcel Changes. The Maximum Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised total Maximum Special Tax revenue is not less than the total CFD No. 21 Minimum Revenue amount assigned to each Phase of development within the District in the manner described in the Rate and Method of Apportionment. All Small Lot Final Maps have been recorded

within the District. The CFD No. 21 Minimum Revenue amount is equal to the CFD No. 21 Maximum Special Tax Revenue amount.

Method of Apportionment. The CFD No. 21 Administrator shall determine the Special Tax Requirement and levy the Special Tax until the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Special Tax in order to satisfy the Special Tax Requirement.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Special Tax. The Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Special Tax. The Special Tax shall be levied on Large Lot Property for the entire portion of the Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Special Tax. The Special Tax shall be levied on Undeveloped Property for the entire portion of the Special Tax Requirement, excluding only Pay As You Go Costs.

"Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for the District to: (i) Pay Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Special Tax levy as determined by the CFD Administrator pursuant to the Indenture.

Residential Property Limitation. Under no circumstances will the special tax levied in any fiscal year against Residential Property be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. Pursuant to the Rate and Method of Apportionment, property is considered "Residential Property" once a building permit has been issued for the purposes of constructing one or more residential units. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

Special Tax Calculation

The following tables reflect the Maximum Special Tax revenue amounts for Fiscal Year 2021-22 (Table 4) and the Fiscal Year 2021-22 Maximum Special Tax obligations for the owners of Taxable Property in the District (Table 5). The actual amount that will be levied in any year may be less than the Maximum Special Tax amounts shown in Tables 4 and 5.

Table 4
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Maximum Special Tax Revenue Amounts
Fiscal Year 2021-22

Phase	Planned Number of Units	CFD No. 21 Maximum Special Tax Revenue Amounts[1][2]
Phase 1		
Single Family	86	$269,958
Single Family – High Density	121	340,533
Other Taxable Property	0	0
Phase 1 Total CFD No. 21 Maximum Special Tax	**207**	**$610,491**
Phase 2		
Single Family	50	$156,953
Single Family – High Density	166	467,177
Other Taxable Property	0	0
Phase 2 Total CFD No. 21 Maximum Special Tax	**216**	**$624,130**
Total CFD No. 21 Maximum Special Tax	**423**	**$1,234,621**

(1) Maximum Special Tax escalates by 2% per year.
(2) All Small Lot Final Maps have been recorded within the District. The CFD No. 21 Minimum Revenue (as defined in the Rate and Method of Apportionment) amount is equal to the CFD No. 21 Maximum Special Tax Revenue amount.
Source: NBS

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Table 5
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Fiscal Year 2021-22 Maximum Special Tax Obligation

Owner	Planned Units	Appraised Value	2021-22 Maximum Special Tax[1]	Percentage of 2021-22 Maximum Special Tax
Richmond				
Carr Trust	28	$7,580,000	$78,801	6%
Village 1	93	22,848,000	261,732	21%
Village 2	29	8,410,000	91,032	7%
Village 3	52	12,428,000	146,345	12%
Subtotal - Richmond	**202**	**$51,266,000**	**$577,910**	**47%**
Developer				
Village 4[2]	50	$9,850,000	$140,716	11%
Village 5[2]	21	5,523,000	65,920	5%
Village 6[2]	24	4,896,000	67,544	5%
Village 7[2]	40	7,880,000	112,573	9%
Village 9[3]	42	11,760,000	131,840	11%
Subtotal - Developer	**177**	**$39,909,000**	**$518,593**	**42%**
WRS				
Village 8	44	$14,259,000	$138,118	11%
Subtotal - WRS	**44**	**$14,259,000**	**$138,118**	**11%**
Totals:	**423**	**$105,434,000**	**$1,234,621**	**100%**

(1) Maximum Special Tax escalates by 2% per year.
(2) Lennar has contracted to purchase the Village 4, 5, 6 and 7 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Lennar Purchase and Sale Agreement."
(3) Richmond has contracted to purchase the Village 9 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Richmond Purchase and Sale Agreement."
Source: NBS

The Teeter Plan

In 1949, the State Legislature enacted an alternative method for the distribution of secured property taxes to local agencies. This method, known as the Teeter Plan, is now set forth in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of the Teeter Plan by a county board of supervisors, local agencies for which the county acts as "bank" and certain other public agencies and taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. While a county benefits from the penalties associated with these delinquent taxes when they are paid, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. The Sacramento County Board of Supervisors has adopted the Teeter Plan. 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, opt 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. See "CERTAIN RISKS TO BONDHOLDERS—Teeter Plan Termination."

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of special taxes and assessments (if a county has elected to include assessments), 100% of the special tax delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the special tax. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a pro rata adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the County as an interest-free offset against future advances of tax levies under the Teeter Plan.

The Special Tax for the District will be submitted to the County for direct levy. By submitting the Special Tax to the County, the District has agreed to allow the District to participate in the County's Teeter Plan. The County annually determines whether to include a particular direct levy and may make that determination on a district by district basis or a parcel by parcel basis. In addition, the County may not decide to include a particular parcel or district that had been included in its Teeter Plan in the previous year. The District can provide no assurance that the County will continue to include the District in the Teeter Plan.

To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, the County's Teeter Plan may help protect the Owners of the Bonds from the risk of delinquencies in Special Taxes.

THE AUTHORITY

The Authority was created by a Joint Exercise of Powers Agreement, effective April 20, 2015 (the "JPA Agreement"), between the City and the City of Folsom South of 50 Parking Authority. The JPA Agreement was entered into pursuant to the Joint Exercise of Powers Act, Chapter 5 of Division 7 of Title 1 of the Government Code of the State. The Authority was created for the purpose of facilitating financing of public improvement facilities within the City south of US Route 50.

THE CITY

The District is located in the City, which is located in the easterly section of the Sacramento metropolitan area approximately 22 miles east of the central business district of the City of Sacramento.

Certain economic and demographic information with respect to the City is contained in APPENDIX B. This information is presented solely as background information. The Local Obligations are not general obligations of the City but, rather, are special tax obligations of the District secured solely by the Special Taxes to be paid by the owners of property in the District and funds held pursuant to the Local Obligations Indenture.

THE COMMUNITY FACILITIES DISTRICT

General Description and Location

The District is a community facilities district organized by the City Council as the legislative body of the District under the Mello-Roos Act for the purpose of providing for the acquisition and construction of certain public improvements to serve property within the District. The City established the District on February 13, 2018, authorizing the issuance of up to $55,000,000 in bonded indebtedness. Following the issuance of the Local Obligations, the District does not anticipate financing any additional improvements through the issuance of Additional Local Obligations. Further, for so long as the Local Obligations are Outstanding, Additional Local Obligations may be issued on parity with the Local Obligations and the 2019 CFD Obligations only for refunding purposes. Any such bonds will be issued only in accordance with the provisions of the Local Obligations Indenture. The total bonded indebtedness authorized in the District will be limited by the requirements of the Local Obligations Indenture, including a 3:1 overlapping value to lien ratio on all land projected to be subject to the levy of the Special Tax and 110% annual coverage from the Maximum Special Tax less Priority Administrative Expenses. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS— Terms of the Local Obligations—*Additional Local Obligations*."

The District consists of a gross area of approximately 152 acres, of which approximately 90 is expected to constitute Taxable Property subject to the Special Tax. The remainder is property set aside for a portion of a 10.3 acre neighborhood park (with a portion of the park spanning across neighboring property outside of the District), open space, and public rights of way and infrastructure. Development within the District is planned to include 136 single family units and 287 single family high density units, for a total of 423 units. The District is located east of Placerville Road between Highway 50 and White Rock Road. The maps appearing on the inside cover pages show the general location of the District.

Construction of public improvements and backbone infrastructure in the District is currently underway, as more particularly described "PROPOSED PROPERTY DEVELOPMENT—Property Ownership and Plans for Development—Development Plan."

The District is located south of a residential community under current development know as Russell Ranch, expected to include over 1,000 single family dwellings at full buildout, and is immediately east of Mangini Ranch, a partially developed residential community also expected to include over 1,000 single family dwelling units at full buildout. To the south of the District is currently undeveloped property.

Property Values

An appraisal of the land within the District has been prepared by the Appraiser in connection with the issuance of the Bonds. The appraisal estimates the land value as of February 1, 2021 (the "Appraisal"). The Appraisal is attached to this Official Statement as APPENDIX G.

As of the date of inspection, the Appraiser notes that development of the property is underway. The subject property was valued based on the hypothetical condition that the improvements to be financed by proceeds of the Bonds have been completed. The Appraisal is based on land values at the

time of inspection. Subject to the hypothetical condition, the Appraiser estimated that the value of the land within the District, as of February 1, 2021, in aggregate, is $105,434,000. See "PROPOSED PROPERTY DEVELOPMENT—Development Plan and Status of Development" below and APPENDIX G – "APPRAISAL."

Value-to-Lien Analysis

The following tables set forth the ratios of the appraised bulk value of the land to the total liens on the property in the District. Table 6 shows the value-to-lien ratios for the District as well as for the individual villages therein, Table 7 shows the value-to-lien ratios for the District based on the development status of the property, and Table 8 shows the value-to-lien ratios for the District based on the value-to-lien category for the property. See "PROPOSED PROPERTY DEVELOPMENT—Development Entitlements—Phase 1 and 2 Tentative and Final Mapping." The value-to-lien ratio for the District based solely on the Local Obligations and the appraised aggregate value of the land within the District is 4.9*:1.0. The overall value to overlapping debt ratio including direct and overlapping assessment and special tax debt is 4.4*:1.0 (see "—Overlapping Debt"). Any bonds secured by special assessments or special taxes issued from time to time may have the effect of reducing the value to lien ratio on property within the District.

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* Preliminary, subject to change.

Table 6
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Value-to-Lien Ratios

Owner	Planned Units	Estimated 2021-22 Special Tax	Percent of Estimated 2021-22 Special Tax	2021-22 Maximum Special Tax[1]	Appraised Value	Share of Local Obligations[2] *	Share of 2019 CFD Obligations	Overlapping Debt[3]	Appraised Value To Lien*	Appraised and Overlapping Debt Value to Lien Ratio[4]*
Richmond										
Carr Trust	28	$71,598	6.4%	$78,801	$7,580,000	$765,239	$618,249	$285,300	5.5	4.5
Village 1	93	246,725	22.0%	261,732	22,848,000	2,637,006	2,130,481	942,383	4.8	4.0
Village 2	29	81,324	7.2%	91,032	8,410,000	869,196	702,238	103,241	5.4	5.0
Village 3	52	130,737	11.6%	146,345	12,428,000	1,397,328	1,128,924	168,541	4.9	4.6
Subtotal - Richmond	**202**	**$530,384**	**47.2%**	**$577,910**	**$51,266,000**	**$5,668,768**	**$4,579,892**	**$1,499,464**	**5.0**	**4.4**
Developer										
Village 4	50	$125,709	11.2%	$140,716	$9,850,000	$1,343,584	$1,085,504	$146,012	4.1	3.8
Village 5	21	58,890	5.2%	65,920	5,523,000	629,418	508,517	68,075	4.9	4.6
Village 6	24	60,340	5.4%	67,544	4,896,000	644,920	521,042	70,086	4.2	4.0
Village 7	40	100,567	9.0%	112,573	7,880,000	1,074,867	868,403	116,810	4.1	3.8
Village 9	42	117,780	10.5%	131,840	11,760,000	1,258,835	1,017,034	151,762	5.2	4.8
Subtotal - Developer	**177**	**$463,286**	**41.3%**	**$518,593**	**$39,909,000**	**$4,951,625**	**$4,000,501**	**$552,745**	**4.5**	**4.2**
WRS										
Village 8	44	$129,079	11.5%	$138,118	$14,259,000	$1,379,606	$1,114,607	$159,002	5.7	5.4
Subtotal - WRS	**44**	**$129,079**	**11.5%**	**$138,118**	**$14,259,000**	**$1,379,606**	**$1,114,607**	**$159,002**	**5.7**	**5.4**
Totals	**423**	**$1,122,750**	**100.0%**	**$1,234,621**	**$105,434,000**	**$12,000,000**	**$9,695,000**	**$2,211,211**	**4.9**	**4.4**

* Preliminary, subject to change.

(1) Maximum Special Tax escalates by 2% per year.

(2) The Local Obligations are allocated based on the percentage of the estimated Fiscal Year 2021-22 Special Tax.

(3) See "—Overlapping Debt" herein. General obligation debt allocated based on Fiscal Year 2020-21 assessed value, as of January 1, 2020, and reflects the outstanding obligations for CFD 17 as of that date.

(4) Value to lien ratio is for the Local Obligations. Local Obligations are issued in the same principal amount of the Bonds.

Source: Except as otherwise noted, NBS.

Table 7
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Value-to-Lien Ratios

Development Status[1]	Planned Units	Estimated 2021-22 Special Tax	Percent of Estimated 2021-22 Special Tax	2021-22 Maximum Special Tax[2]	Appraised Value	Share of Local Obligations[3] *	Share of 2019 CFD Obligations	Overlapping Debt[4]	Appraised Value To Lien*	Appraised and Overlapping Debt Value to Lien Ratio[5]*
Developed Property	64	$185,637	16.5%	$185,637	$19,542,722	$1,984,095	$1,602,983	$539,522	5.4	4.7
Small Lot Final Map Property	359	937,113	83.5%	1,048,984	85,891,278	10,015,905	8,092,017	1,671,689	4.7	4.3
Total	**423**	**$1,122,750**	**100.0%**	**$1,234,621**	**$105,434,000**	**$12,000,000**	**$9,695,000**	**$2,211,211**	**4.9**	**4.4**

* Preliminary, subject to change.

(1) Development Status is based upon building permit issuance and final map recordation status through February 12, 2021. Per the Rate and Method of Apportionment, the Fiscal Year 2021-22 development status will be determined based upon all building permits issued and final maps recorded before June 30, 2021.

(2) Maximum Special Tax escalates by 2% per year.

(3) The Local Obligations are allocated based on the percentage of the estimated Fiscal Year 2021-22 Special Tax.

(4) See "—Overlapping Debt" herein. General obligation debt allocated based on Fiscal Year 2020-21 assessed value, as of January 1, 2020, and reflects the outstanding obligations for CFD 17 as of that date.

(5) Value to lien ratio is for the Local Obligations. Local Obligations are issued in the same principal amount of the Bonds.

Source: Except as otherwise noted, NBS.

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Table 8
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Value-to-Lien Ratios By Value-to-Lien Category

Value-to-Lien Category	Planned Units	Estimated 2021-22 Special Tax	Percent of Estimated 2021-22 Special Tax	2021-22 Maximum Special Tax[1]	Appraised Value	Share of Local Obligations[2] *	Share of 2019 CFD Obligations	Overlapping Debt[3]	Appraised Value To Lien*	Appraised and Overlapping Debt Value to Lien Ratio[4]*
Less than 3:1	--	--	--	--	--	--	--	--	N/A	N/A
3:1 to 5:1	346	$901,389	80.3%	$994,213	$80,633,000	$9,634,087	$7,783,540	$1,907,079	4.6	4.2
5:1 and Greater	77	221,361	19.7%	240,408	24,801,400	2,365,913	1,911,460	304,132	5.8	5.4
Total	**423**	**$1,122,750**	**100.0%**	**$1,234,621**	**$105,434,400**	**$12,000,000**	**$9,695,000**	**$2,211,211**	**4.9**	**4.4**

* Preliminary, subject to change.

(1) Maximum Special Tax escalates by 2% per year.

(2) The Local Obligations are allocated based on the percentage of the estimated Fiscal Year 2021-22 Special Tax.

(3) See "—Overlapping Debt" herein. General obligation debt allocated based on Fiscal Year 2020-21 assessed value, as of January 1, 2020, and reflects the outstanding obligations for CFD 17 as of that date.

(4) Value to lien ratio is for the Local Obligations. Local Obligations are issued in the same principal amount of the Bonds.

Source: Except as otherwise noted, NBS.

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Estimated Tax Burden on Single Family Home

The following table sets forth the estimated total tax burden on single family (SF) residential property and single family high density (SFHD) residential property within the District, presented as an estimate of the proposed homes to be constructed in the District, based on estimated tax rates for Fiscal Year 2020-21.

Table 9
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Single Family Residential Property Sample Property Tax Bill
Estimated Charges for Fiscal Year 2020-21

		SFHD	SF
Assessed Value[1]		**$642,500**	**$970,990**
Less: Homeowner Exemption		(7,000)	(7,000)
Net Assessed Value		**$635,500**	**$963,990**
Ad Valorem[2]	**Tax Rate**		
General Purpose Ad Valorem Tax (Proposition 13)	1.0000%	$6,355.00	$9,639.90
Los Rios College General Obligation	0.0223%	141.72	214.97
Folsom-Cordova Unified School District Improvement Dist. 2	0.0254%	161.42	244.85
Folsom-Cordova Unified School District Improvement Dist. 3	0.2065%	1,312.31	1,990.64
Total Ad Valorem Taxes	**1.2542%**	**$7,970.44**	**$12,090.36**
Special/Direct Assessments and Taxes			
Folsom Community Facilities District No. 21 (White Rock Springs Ranch)[3]		$2,814.32	$3,139.05
Folsom Community Facilities District No. 17 (Willow Hill Pipeline)[3]		73.97	117.61
Folsom Community Facilities District No. 18 (Folsom Plan Area)[4]		991.46	1,072.64
Sacramento Area Flood Control[5]		1.50	2.62
Total Special/Direct Assessments and Taxes		**$3,881.25**	**$4,331.92**
Total Estimated Annual Property Taxes		**$11,851.69**	**$16,422.29**
Effective Tax Rate[6]		**1.8446%**	**1.6913%**

(1) Estimated based on average sales prices for a single family high density unit with a typical lot size of 5,000 square feet and a single family unit with a typical lot size of 7,700 square feet, per the Market Absorption Study prepared by the Gregory Group.

(2) Based upon Fiscal Year 2020-21 Sacramento County ad valorem property tax rates for TRA 04-035 and 04-036.

(3) Maximum Annual Special Tax for Fiscal Year 2020-21 for a single-family high density unit or single family unit, as applicable. The Maximum Annual Special Tax escalates annually at 2%.

(4) Fiscal Year 2020-21 Maximum Annual Special Tax. The Maximum Annual Special Tax excludes the Willow Hill Pipeline Special Tax, which is currently reflected under Folsom Community Facilities District No. 17 (Willow Hill Pipeline). The Area-Wide Special Tax escalates annually at 2% and the Maintenance Special Tax and TDM Services Special Tax escalate annually based upon the annual June CPI Change, for the San Francisco-Oakland-San Jose are, not to exceed 4%.

(5) Approximate assessment for residential lots, based on size.

(6) Estimate of annual property taxes does not include any new special financing district fees, assessments, and/or special taxes imposed by the state, county, or local agencies that are yet to be established or any future annexation into existing special financing districts required by conditions for approval of development or any other imposed requirement. Information contained within is based upon records and official documents provided by various governmental agencies and third-party sources.

Overlapping Debt

Set forth below is an overlapping debt table showing the existing authorized indebtedness payable with respect to property within the District. Additional indebtedness could be authorized by other public agencies at any time. Further, a portion of the overlapping debt shown in the table below is based on the assessed value of the underlying property, which can be expected to increase over time as development occurs and the assessed value grows. This table has been prepared by California Municipal Statistics, Inc. as of February 1, 2021, and is included for general information purposes only. Other than with respect to CFD 17, the table below allocates overlapping debt based on the assessed value of property and not on taxes paid. The District and the Authority have not reviewed the data for completeness or accuracy and make no representations in connection therewith.

CFD 17 authorized up to $8,000,000 of bonds. In addition to CFD 17 and the District, the City has formed CFD 18, which the District overlaps, and the City Council of the City has authorized the issuance of $200,000,000 in bonds to be secured by a special tax on property within CFD 18 on parity with the Special Tax in the District. The City does not currently have a schedule for when such bonds will be issued. A portion of any bonds issued for CFD 18 will constitute overlapping debt. Other community facilities districts formed in the Folsom Ranch area will overlap CFD 18 and potentially CFD 17 but are not expected to overlap the District.

Direct assessments and levies payable with respect to property within the District could potentially include up to $750 million of general obligation bonds for the School Facilities Improvement District No. 3 of the Folsom Cordova Unified School District ("SFID 3"), approved by voters on March 27, 2007. SFID 3 encompasses approximately 52.6 square miles of land including the District and additional territory outside of the District, including territory in the City of Rancho Cordova and unincorporated Sacramento County. As of the date of the overlapping debt report, general obligation bonds in the aggregate principal amount of approximately $[195.6] million had been issued and approximately $[192.3] million were outstanding for SFID 3. This amount does not include general obligation bonds issued for SFID 3 in February 2017 that were cross-over refunding bonds. California Municipal Statistics Inc. handles cross-over refunding bonds by including the bonds to be refunded in the overlapping debt report until the crossover date, at which time the bonds to be refunded are treated as defeased and the crossover refunding bonds are treated as outstanding. At the time of the election approving the SFID 3 general obligation bonds, the ballot summary indicated the average tax rate per $100,000 assessed valuation would be $73.61. For 2020-21, the actual SFID 3 tax rate per $100,000 was approximately $206.50. The following table sets forth the ad valorem tax rates for SFID 3 over the past five years. The future tax levy per property owner in SFID 3 may vary depending on future bond issuance and/or changes in assessed value.

Table 10
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
SFID 3 Ad Valorem Rates

Year	Rate[1]
2020-21	0.2065%
2019-20	0.1366%
2018-19	0.1451%
2017-18	0.1878%
2016-17	0.1259%

(1) TRAs 04-035 and 04-036
Source: NBS.

Table 11
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Overlapping Debt

2020-21 Local Secured Assessed Valuation: $24,181,145 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 2/1/21
Los Rios Community College District	0.011%	$ 45,702
Folsom-Cordova Unified School District School Facilities Improvement District No. 2	0.160	25,429
Folsom-Cordova Unified School District School Facilities Improvement District No. 3	0.979	1,866,140
City of Folsom Community Facilities District No. 17	4.554	273,937
City of Folsom Community Facilities District No. 21	**100.**	**9,695,000**
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$11,906,208
OVERLAPPING GENERAL FUND DEBT:		
Sacramento County General Fund Obligations	0.013%	$ 18,506
Sacramento County Pension Obligation Bonds	0.013	94,783
Sacramento County Board of Education Certificates of Participation	0.013	471
Folsom-Cordova Unified School District Certificates of Participation	0.102	3,380
City of Folsom General Fund Obligations	0.155	2,046
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$119,186
Less: Sacramento County supported obligations		1,985
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$117,201
GROSS COMBINED TOTAL DEBT		$12,025,394 (1)
NET COMBINED TOTAL DEBT		$12,023,409

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Local Secured Assessed Valuation:

Direct Debt ($9,695,000)	**40.09%**
Total Direct and Overlapping Tax and Assessment Debt	49.24%
Gross Combined Total Debt	49.73%
Net Combined Total Debt	49.72%

Source: California Municipal Statistics, Inc.

Market Absorption Study

In connection with the issuance of the Bonds, the Absorption Analyst prepared the Market Absorption Study for property in the District. Based on an analysis of the housing market demand-supply conditions in the general vicinity of the District as well as other macroeconomic and microeconomic factors that are expected to influence the absorption of the forthcoming products, in general, and the competitiveness of the proposed housing products in the marketplace, in particular, the Absorption Analyst estimated the dates when the property will be sold by homebuilders to individual buyers and prepared an estimate of the schedule, by product type (including price range), at which the products will be absorbed in the marketplace. Information concerning the proposed housing mix supplied to the Absorption Analyst was provided by the Developer, and by reference to the requirements of the Specific Plan.

As of February 15, 2021, 71 completed units had been sold (but not yet delivered) in the District. Based on the assumptions and limiting conditions set forth in the Market Absorption Study, the Absorption Analyst has estimated the absorption schedules for calendar years 2021-2024 for the residential projects as follows:

Table 12
City of Folsom
Communities Facilities District No. 21 (White Rock Springs Ranch)
Market Absorption

Property	Developer	Lot Size (sq. feet)	Home Sales Start Date	Total Units	Estimated Weekly Absorption	2020 Sales	Estimated Units Sold Per Year 2021	2022	2023	2024
Carr Trust & Village 1 - Ladera	Richmond	4,500	May 15, 2020	46	1.25	23	23	0	0	0
Village 1 - Mesa	Richmond	5,000	May 15, 2020	59	1.25	22	37	0	0	0
Villages 4 & 7	Lennar(1)	5,500	May 15, 2021	90	1.00	0	33	52	5	0
Village 9	Richmond(2)	6,000	May 15, 2021	42	1.00	0	33	9	0	0
Carr Trust & Village 3 – Stone Bluff	Richmond	5,500/6,000	April 1, 2021	64	1.00	0	39	25	0	0
Villages 5 & 6	Lennar(1)	6,000/7,700	May 15, 2021	45	1.00	0	33	12	0	0
Village 8 – Sycamore Creek	WRS	7,700	December 7, 2020	44	0.75	2	39	3	0	0
Carr Trust & Village 2	Richmond	6,000/7,700	April 1, 2021	33	0.75	0	33	0	0	0
			Totals/Averages:	**423**	**1.00**	**47**	**270**	**101**	**5**	**0**

(1) Lennar has contracted to purchase the Village 4, Village 5, Village 6 and Village 7 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Lennar Purchase and Sale Agreement."

(2) Richmond has contracted to purchase the Village 9 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Richmond Purchase and Sale Agreement."

Source: Absorption Analyst

A copy of the Market Absorption Study prepared by the Absorption Analyst appears in APPENDIX H to this Official Statement. The Market Absorption Study should be read in detail for an analysis of the proposed housing mix for the District and for an explanation of the Absorption Analyst's methodology and the assumptions underlying and the conditions limiting the conclusions contained therein. The District makes no representation as to the accuracy or completeness of the Market Absorption Study.

PROPOSED PROPERTY DEVELOPMENT

Development Entitlements

Specific Plan. On June 28, 2011, the City Council approved the Specific Plan for the development of 10,210 residential homes along with commercial, industrial/office park, open space, public schools, parks, infrastructure and other land uses on the 3,513.4 acre site of the Folsom Plan Area. At build out, projected to occur over a 20-year time frame, the Folsom Plan Area is projected to have a population of approximately 24,362 persons. Along with the 1,455.6 acres of residential development,

the adopted Specific Plan called for 511.3 acres of commercial, office/industrial and mixed-use, 309.5 acres of public and quasi-public use (public and private schools, parks and infrastructure); 173.6 acres of major roads and 1,063 acres of open space.

Various property owners have submitted and received approvals of Specific Plan Amendments ("SPA's") since the 2011 City Council adoption. These approved SPA's have resulted in various land use changes compared to the Specific Plan that was originally approved in 2011, including an increase in the total entitled unit count to 11,461 dwelling units and reduction to approximately 2.8 million square feet of commercial, office/industrial and mixed use.

Through a Minor Administrative Modification for the District, the Specific Plan was modified to allow for reconfiguration of single family and single family high density residential land use boundaries, and internal street locations, and certain dwelling units were moved internally within the District, among other minor changes. The minor modification was approved by the City Council in March 2016.

The Specific Plan is designed to guide and regulate the development for the area within the City south of US Route 50.

Phase 1 and 2 Tentative and Final Mapping. On December 2, 2015, March 22, 2016 and June 28, 2016, the City Council approved the entitlements for the District, including a Large Lot and Small Lot Vesting Tentative Subdivision Map. The City Council also approved an amendment to the ARDA, as defined below. Final subdivision maps were approved on July 23, 2019 and October 8, 2019, and recorded for Villages 1, 8, and 9 and for the Carr Trust properties. Those properties are referred to as White Rock Phase 1. The final maps for Villages 2 through 7 (comprising White Rock Phase 2) were approved by the City Council on December 10, 2019. The Developer believes that all of the tentative map conditions have been satisfied for the District, other than administrative and immaterial items.

Based on current tentative and final subdivision maps and zoning entitlements, the property within the District is entitled to be developed into 287 single family residential units zoned SFHD (in Carr Trust and in Villages 1, 3, 4, 6 and 7), and 136 single family residential units zoned SF. SFHD zoning in the City permits residential development including, but not limited to, single family dwellings and two family dwellings. The density of SFHD zoned property is 4 to 7 dwelling units per gross acre, and the Developer anticipates that the portions of the District zoned SFHD will be developed exclusively with single family detached units. SF zoning in the City permits single family dwellings with a density range from 1 to 4 dwelling units per acre.

The only remaining approvals needed for the builders in the District will be Design Review approval, which provides for City review of the home plans, architecture and conformance to the Development Standards. The following table describes the status of final maps for the villages within the District:

Table 13
City of Folsom
Communities Facilities District No. 21 (White Rock Springs Ranch)
Final Map Status

Village	Merchant Builder	Phase	Zoning	Number of Lots	Lot Sizes	Status of Final Maps
Carr	Richmond	1	SFHD	28	5,100	Recorded
1	Richmond	1	SFHD	93	4,800	Recorded
2	Richmond	2	SF	29	7,700	Recorded
3	Richmond	2	SFHD	52	6,000	Recorded
4	Lennar[(1)]	2	SFHD	50	5,500	Recorded
5	Lennar[(1)]	2	SF	21	7,700	Recorded
6	Lennar[(1)]	2	SFHD	24	6,000	Recorded
7	Lennar[(1)]	2	SFHD	40	5,500	Recorded
8	WRS[(2)]	1	SF	44	7,700	Recorded
9	Richmond[(3)]	1	SF	42	6,000	Recorded
TOTAL				**423**		

(1) Lennar has contracted to purchase the Village 4, 5, 6 and 7 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Lennar Purchase and Sale Agreement."
(2) WRS has contracted with JMC Homes, a related entity, for the construction of the Village 8 homes.
(3) Richmond has contracted to purchase the Village 9 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Richmond Purchase and Sale Agreement."
Source: The Developer.

Development Conditions/Building Permit Limitations. Certain provisions of the PFFP for the Folsom Plan Area, as implemented through the tentative subdivision map conditions, place limits on the number of building permits that can be issued before certain facilities and/or backbone infrastructure is in place. These provisions/conditions could, but are not expected to, affect buildout of the District.

For example, tentative map conditions require a fire station to be operational prior to the occupancy of the 1,500th home in the Folsom Plan Area. See "FOLSOM PLAN AREA—Public Facilities Financing Plan—Public Facilities—the Folsom Plan Area" for details on the City's plans for construction of the fire station. The City is responsible for building and operating this fire station and would expect to waive or modify this condition as it deems necessary to balance development within the Folsom Plan Area and the increasing fire service needs of the Folsom Plan Area as development progresses.

Also, it is currently anticipated that "Phase 2" water backbone facilities will be needed prior to approximately 2,800 building permits being issued in the Folsom Plan Area. This estimate is based on projections regarding assumed daily water demand, the expected land use mix within the Folsom Plan Area and other factors. To the extent the actual water demand amounts, land use mix within the Folsom Plan Area and other factors vary from these expectations and assumptions, the "Phase 2" water backbone facilities may be needed sooner or later than the issuance of the 2,800th building permit.

As of March 1, 2021, final maps had been approved and recorded for approximately 2,078 dwelling units. There are currently 4 additional final maps submitted to the City for review with approximately 534 dwelling units. It is anticipated that all 4 of these final maps will be recorded by December 1, 2021. See "—Development Entitlements—*Water Supply Infrastructure*" below for details on the status of the Phase 2 water pipeline and the current plan for its financing.

Also as of March 1, 2021, 988 building permits and 607 certificates of occupancy had been issued in the Folsom Plan Area for other projects underway, including the City of Folsom Community Facilities District No. 19 (Mangini Ranch) ("CFD 19"), the City of Folsom Community Facilities District No. 20 (Russell Ranch) ("CFD 20") and the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 1 ("CFD 23 IA1"). Collectively, CFD 19, CFD 20, CFD 23 IA1 and the District are expected to include 4,195 dwelling units, 955 of which have been issued building permits and 1,967 of which have received final map approval. The Developer and the District do not believe that these conditions will materially impede development of the District. However, multiple other development projects are underway in the Folsom Plan Area, and if there were an unforeseen and significant delay in construction in the District it is possible that other development within the Folsom Plan Area will overtake development of the District, resulting in the need for construction of the fire station and Phase 2 water backbone facilities before all building permits could be issued for the District.

External access to the project site will be provided via Placerville Road to the west, White Rock Road to the south by way of the future Empire Ranch Road, Grand Prairie Road to the north and the future Empire Ranch Road to the east. Internal vehicular circulation is accessed from Mangini Parkway, Sycamore Creek Road, and Rock Springs Ranch Road. Pedestrian circulation is provided by a combination of street separated sidewalks, open space trails, park trails and pathway connections. Proposed on-site improvements include: underground utilities, drainage improvements, retaining walls, driveways, on-street parking, curbs/gutters, sidewalks, pathways, trails, fencing, site lighting, site landscaping, and park enhancements.

The White Rock Springs Ranch Design Guidelines were approved by the City on March 22, 2016. The design guidelines provide for the orderly development of the proposed single family residential subdivision. The primary purpose of these design guidelines is to articulate the general architectural and design expectations for the proposed residential neighborhood, the landscapes, hardscapes, open spaces, fencing, entry features and site lighting. The goal of the design guidelines is to establish a regulatory framework for the design of individual homes on the residential lots. The final design details of the homes are subject to review and approval by the City's Planning Commission as part of a future Design Review application.

Army Corps of Engineers Wetland Permitting, Biological Opinion, Streambed Alteration Agreements and Section 106 Compliance. On May 22, 2014, the U.S. Army Corps of Engineers (the "USACOE") issued a Record of Decision ("ROD") for the Folsom South of U.S. Highway 50 Specific Plan Project - City of Folsom Backbone Infrastructure. This wetland permit covered the wetland permitting requirements for the entire backbone infrastructure necessary to serve the Folsom Plan Area. To the extent backbone infrastructure was required within a property owner's land, the backbone wetland permit authorized the filling of waters of the U.S. necessary for such construction. Each landowner thereafter is required to obtain their own wetland permit for the fill of jurisdictional wetlands not included in the footprint of the backbone wetland permit.

On September 18, 2014, and modified on September 13, 2018, the USACOE issued the ROD for the Folsom South of U.S. Highway 50 Specific Plan Project – White Rock Springs Ranch Project. This wetland permit authorized the fill of jurisdictional wetlands for non-backbone areas, including lands in the District. On January 16, 2019, the USACOE sent the City a letter extending the time limit for completing the on-site and off-site infrastructure associated with the Folsom Plan Area to May 31, 2024.

The USACOE issued a Section 106 Compliance Verification on September 3, 2015, followed by the State Historic Preservation Officer's concurrence on September 28, 2015. All wetland mitigation in an off-site wetland mitigation bank has occurred. The USACOE issued a Notice to Proceed with respect to the first phase of District development and with respect to all backbone infrastructure. The Developer

received a letter of permission to proceed for the second phase of District development from USACOE on October 25, 2019.

Development Agreement. Through City Ordinance No. 1149, the City approved a Tier 1 Development Agreement between the City and the property owners within the Folsom Plan Area on July 12, 2011. The effective date of the ordinance was August 11, 2011. The Tier 1 Development Agreement vests certain rights of the property owners and of the City, commits each party to the agreements to subsequent actions before development may proceed within the Folsom Plan Area. Separate First Amended and Restated Tier 1 Development Agreements (the "ARDAs") were entered into among certain property owners and the City for their applicable properties, as approved by the City through City Ordinance No. 1211. The ARDAs for the property owners comprising the property within the District were recorded in the official records of the County of Sacramento in July 2014. The City subsequently entered into Amendment No. 1 to the ARDA with the Developer. The term of the amended ARDA with the Developer is until June 30, 2044, although not all entitlements are vested through the term of the agreement, as more fully specified in the amended ARDA. See "—Property Ownership."

Article 2.5 (commencing with Section 65864), of Chapter 4, Division 1, Title 7 of the State Government Code, pertaining to development agreements, has the general effect of authorizing development to continue in accordance with then existing General Plan, Specific Plan, zoning and subdivision regulations notwithstanding any subsequently enacted conflicting regulations, except for regulations the failure of which to enact would place the residents in a condition which is dangerous to their health or safety or both.

Environmental Permits and Approvals. The California Environmental Quality Act ("CEQA"), constituting Division 13 of the State Public Resources Code (commencing with Section 21000) requires that an Environmental Impact Report (an "EIR"), detailing the significant environmental effects of the project and proposed mitigation measures, be prepared, considered and certified as complete by a public agency prior to its taking discretionary action on any project which may have a significant effect on the environment.

In June 2011, after statutorily required public notice, hearing and comment, the City Council certified as adequate and complete a final EIR/EIS for the Specific Plan for the development of the Folsom Plan Area. The EIR/EIS satisfied both CEQA and the National Environmental Policy Act for the entirety of the Folsom Plan Area. In February 2015, the City Council adopted the South of Highway 50 Backbone Infrastructure Project Initial Study/Mitigated Negative Declaration (Backbone Infrastructure MND), dated December 9, 2014. This CEQA project level document satisfied the required environmental review for the construction of backbone infrastructure for the entire Folsom Plan Area, including the District. As part of the tentative map approval process for the White Rock Springs Ranch and Carr Trust maps, a CEQA exception analysis was prepared and approved by City Council. No additional CEQA approvals are necessary for development within the District.

The Folsom Plan Area has received all required environmental permits, including a Section 404 Permit for the entire Folsom Plan Area pursuant to Section 404 of the federal Clean Water Act. This permit allows for any necessary fill of jurisdictional wetlands and streambed alterations for the construction of backbone infrastructure to serve the entire Folsom Plan Area at buildout. In addition, a Biological Opinion has been obtained from the US Fish and Wildlife Service for the entire Folsom Plan Area, together with a California Department of Fish and Wildlife Master Streambed Alteration Permit with conditions for the whole of the Folsom Plan Area.

Along with the RODs issued for the Folsom Plan Area backbone infrastructure and the District wetland permits, various other federal and state agency approvals are required or have been obtained for

backbone and White Rock Springs Ranch project development, including but not limited to a 404 permit from the U.S. Army Corps of Engineers, 401 Certification from the Regional Water Quality Control Board, and Streambed Alteration Agreement from the CA State Fish & Wildlife Agency, which require certain mitigation purchases and satisfaction of other permit conditions. White Rock Springs Ranch contains protected habitat and species, including but not limited to Swainson's hawk foraging habitat and wetlands regulated by state and federal agencies. To date, wetland mitigation credits have been satisfied for all backbone projects, White Rock Phase 1 and White Rock Phase 2. Swainson's hawk foraging habitat mitigation credits have been satisfied for all backbone projects and all White Rock Springs Ranch project phases. But for typical pre-construction and post-construction permit conditions (e.g., pre-construction surveys, agency notifications, etc.), all other permit conditions have been fulfilled.

Water Supply. The City entered into an agreement (the "Water Supply Agreement") with the property owners in the Folsom Plan Area providing for a water supply for new development south of US Route 50. The Water Supply Agreement was supported by an addendum to the EIR. The Water Supply Agreement provides adequate water supply for full build out of the District and the rest of the Folsom Plan Area (except the portion of the Folsom Plan Area serviced by the El Dorado Irrigation District). The amount of water provided in the Water Supply Agreement to meet the build-out demands of the Folsom Plan Area project is projected to be 5,600 acre-feet annually.

Water Supply in Folsom Generally. The primary water supply source for the City of Folsom is Folsom Reservoir, which provides the water supply for all of the City south of the American River. The City has water rights and contracts for up to 34,000 acre-feet annually ("afa") through three different contracts with the United States Bureau of Reclamation ("Reclamation"). The surface water supplies were developed through different circumstances and, as such, are subject to unique conditions and limitations. These attributes and issues affect the volume of water available under certain conditions. Surface water supply for the portions of the City north of the American River is obtained through a contract with the San Juan Water District, and therefore is not a directly owned City supply. The surface water supplies for the City's water service area are listed below.

- A pre-1914 appropriative water right for 22,000 acre-feet per year (Agreement with Reclamation)
- A pre-1914 appropriative water right for 5,000 acre-feet per year (Co-Tenancy agreement with Golden State Water Company)
- A Central Valley Project ("CVP") water service contract for 7,000 acre-feet per year (Partial Assignment from Sacramento County Water Agency to the City of Folsom and used in the City's East Area)

The City's 22,000 acre-foot entitlement is based on a pre-1914 appropriative right from the South Fork of the American River established by the Natoma Water Company ("Natoma") in 1851. Natoma's original pre-1914 water right established a maximum diversion rate "to fill a Canal Eight feet wide and Four feet deep with a current running Ten miles per hour." This correlates to a diversion rate of 60 cubic feet per second and a maximum allocation of 32,000 afa. This right is held with Golden State Water Company pursuant to a co-tenancy agreement. The City's 5,000 acre-foot entitlement is also based on Natoma's pre-1914 appropriative right from the South Fork of the American River. In November 1994, the City executed a contract with Southern California Water Company-Folsom Division ("SCWC") under which the City acquired the right to lease 5,000 afa (of SCWC's remaining 10,000 afa under the original Natoma purchase) for an indefinite period. This right is held with Golden State Water Company pursuant to a co-tenancy agreement. This water right was also formally recognized in the settlement agreement between Reclamation and the City. As authorized by Public Law No. 101-514, the City was a

subcontractor under Sacramento County Water Agency's (SCWA) CVP water-service contract for 7,000 afa. In 2016, the United States, the City and SCWA completed an assignment of this portion of SCWA's CVP water-service contract from SCWA to the City.

Under the agreements with Reclamation for 22,000 afa and 5,000 afa, Reclamation delivers this entire water supply without reduction on a permanent basis. Under the agreement with Reclamation for 7,000 afa of CVP water, this water supply faces possible reductions pursuant to Reclamation's Municipal and Industrial Water Shortage Policy. In 1994, the City entered into an agreement with Golden State Water Company (f/k/a Southern California Water Company, herein "GSWC") to acquire the right to divert up to 5,000 acre feet of pre-1914 water rights annually (the "GSWC Agreement"), subject to the terms and conditions of that agreement. Under the GSWC Agreement, the City is required to pay for the entire 5,000 acre-feet annual water supply regardless of whether the City is able to divert and use that quantity of water. The City has been using the supplies provided in the GSWC Agreement to serve the existing portion of the City known as the "East Area." The cost of water under the GSWC Agreement has, in the past, been paid for by East Area landowners and water customers.

Source of Water for the Folsom Plan Area. The City has determined that its Water Systems Optimization Review Program and implementation of metered rates will provide additional water supplies in an estimated amount of 6,450 acre-feet per year, which is in addition to the present and forecasted demands of the City's existing water users. The City intends to use a portion of this 6,450 acre-feet per year of available water to meet present and future water demand in the East Area in order to make the 5,000 acre-feet per year of GSWC Agreement water supply available for use in the Folsom Plan Area, on the terms and conditions of that Agreement. To meet this intent, the City has converted the East Area water supply from the GSWC Agreement to the less expensive CVP water service contract. The City would meet the additional build-out water demand of the Folsom Plan Area with approximately 600 acre-feet per year of water produced by the Water Systems Optimization Review Program that is in excess of the water demand in the East Area. The water made available under the GSWC Agreement and Water Systems Optimization Review Program will be sufficient to supply the projected water demand in the Folsom Plan Area. Pursuant to the provisions of Sections 860 *et seq.* of the State Code of Civil Procedure and Government Code Sections 53511 and 53589.5, the City filed a complaint in the Superior Court of the State for the County of Sacramento to validate the agreement. The Superior Court determined that the agreement: (a) is lawful, valid, enforceable and in the best interests of the City and all persons in any way interested therein and (b) is consistent with all applicable laws and obligations, including the Measure W water supply requirement.

The City's Community Facilities District No. 2013-1 (Water Facilities and Supply) (the "Water CFD"), was formed by the City in 2014. The cost of the GSWC Agreement water will initially be paid for by the Folsom Plan Area through special taxes collected for the Water CFD on certain property in the Folsom Plan Area, including the District. When a building permit has been issued and a customer billing account has been established, the developed parcel is no longer subject to the levy of the special tax for the Water CFD and thereafter pays for water through water rates.

Water Conservation. The City adopted Ordinance 1118, Chapter 13.26 of the Folsom Municipal Code ("FMC"), Water Conservation. Chapter 13.26 establishes a five stage water conservation program with conservation goals and water use restrictions. The City Manager is authorized to implement and enforce whatever conservation measures are deemed necessary to achieve the water reduction requirements of the declared conservation stage.

Water Supply Infrastructure. Existing water infrastructure and pipelines run to the north side of US Route 50. For the first phase of infrastructure, the developers of the Folsom Plan Area constructed improvements to connect this water supply and extend water infrastructure pipelines to serve the initial

phases of development in the Folsom Plan Area. In a second phase, the Folsom Plan Area developers will be required to construct improvements at the existing City water treatment plant to include a water booster pump station and construct a new water pipeline transmission main from the water treatment plant site into the Folsom Plan Area to serve the area-wide development with potable water. In order for each individual parcel to access that water supply, the developers of those parcels will need to extend infrastructure to their sites.

The extension of the water supply line from Iron Point Road to the Folsom Plan Area boundary at US Route 50 was completed in March 2018. The Phase 2 water pipeline is required to be constructed to provide for expanded water transmission conveyance capabilities to deliver water from the water treatment plant to the Folsom Plan Area once demand reaches the equivalent of approximately 2,800 dwelling units in the Folsom Plan Area. As of March 1, 2021, final maps had been approved and recorded for approximately 2,078 dwelling units, 988 building permits had been issued and 607 certificates of occupancy had been issued. There are currently 4 additional final maps submitted to the City for review with approximately 534 dwelling units. It is anticipated that all 4 of these final maps will be recorded by December 1, 2021.

The Phase 2 water pipeline is expected to be initially funded by developers within the Folsom Plan Area, SPIF and proceeds from bonds issued for CFD 18 and from a proposed CFD 24. Issuance of CFD 18 bonds is anticipated to occur in time to commence construction on the Phase 2 pipeline and booster pump with enough time to complete construction before cumulative water demand in the FPASP reaches a maximum of 2 million gallons per day. Depending on the pace of absorption, recent estimates assume CFD 18 bonds may be issued when approximately 1,500 – 2,000 residential building permits have been issued. As documented in the CFD No. 18 CFD Hearing Report prepared in connection with the formation of CFD 18, up to $10.2 million in proceeds from the first CFD 18 bond sale could be available to fund Phase 1 water and sewer facilities (approximately $3.5 million) and Phase 2 water facilities (approximately $6.7 million). As described below, the City has considered use of CFD 18 bond proceeds in excess of $6.7 million for Phase 2 water facilities. In February 2018, the first round of developers within the Folsom Plan Area began conducting alignment studies. As of December 13, 2018, developers within the Folsom Plan Area engaged Hydroscience Engineers for design of the Phase 2 water pipeline. City has commenced environmental review of the proposals. Construction on the Phase 2 pipeline is expected to be completed in three to five years. The Phase 2 water pipeline is projected to cost approximately $25.5 million, with approximately $19.5 million funded from CFD 18 proceeds, but may be more or less depending on the market factors, costs of supplies, cost of labor and other factors at the time construction commences. The remaining costs of the Phase 2 water pipeline are expected to be funded through the proposed financing strategy described below, subject to subsequent actions by the City and property owners.

The City has received a request from various developers within the Folsom Plan Area to create CFD 24 to supplement the CFD 18 special tax and help fund the Phase 2 water pipeline. Because the CFD 18 facilities special tax is levied on a parcel once it has been issued a building permit or upon issuance of a final small lot subdivision map (when CFD 18 bonds are outstanding), there may not be sufficient CFD 18 bond proceeds to fully fund Phase 2 water facilities when construction would need to commence. Accordingly, the developers have preliminarily requested forming CFD 24 that would impose a separate special tax on undeveloped property in the Folsom Plan Area. Under the current proposal, the CFD 24 special tax would be levied on each of the undeveloped properties in the Folsom Plan Area until a building permit was issued, at which time that property would no longer be subject to the CFD 24 special tax but would be subject to the CFD 18 special tax. As proposed, a CFD 24 bond sale would provide gap financing for any Phase 2 water facilities not funded through CFD 18 bond proceeds. The City has not yet determined whether CFD 24 will be formed or, if formed, to what extent it will conform to the current request from the developers.

Wastewater Treatment. The Sacramento Regional County Sanitation District has an existing wastewater treatment plant with its ongoing and permitted improvement projects projected to accommodate all wastewater from development in the Folsom Plan Area. Existing sewer transmission mains are capable of conveying wastewater from the Folsom Plan Area and initial development sites (including the District) to the existing treatment plant.

Flood Zones. According to the Federal Emergency Management Agency flood map, the District is in Zone X, which consists of areas determined to be outside of the 500-year flood plain.

Fire Zones. A portion of the District is located within an area identified as a moderate fire hazard severity zone. More information regarding Fire Hazard Severity Zones can be found at the California Department of Forestry and Fire Protection website at https://frap.fire.ca.gov, though such website is not incorporated herein by reference. The development within the District is subject to mitigation measures set forth in a fuel modification plan approved by the City Fire Department. The mitigation measures include, among others, limitations on the type of vegetation that may be planted within fuel modification zones established in open space areas along certain portions of the perimeter of the District, minimum setback of structures and irrigation requirements of the fuel modification zones. Maintenance of such zones is expected to initially be the responsibility of the property owners but upon build-out of the District and dedication of the open space to the City will be maintained by the City from funds provided through CFD 18. Homeowner's insurance is available to property owners within the District, and the coverage provided by such insurance typically insures against fire damage, although there is no assurance that homeowners within the District will purchase or maintain such insurance.

Affordable Housing. The City and the Developer entered into an Inclusionary Housing Agreement for the District, recorded in the official records of the County of Sacramento, which provides for the Developer's compliance with the City's inclusionary housing requirement by payment of an in-lieu fee to the City.

Utilities. All typical urban utility services for finished lots will be extended to the lots. These utilities include electric power, natural gas, telephone, cable television, water, refuse, and sanitary sewer and storm water facilities. The City provides water, sewer, refuse and storm water facilities, and police and fire services. Pacific Gas & Electric provides natural gas and the Sacramento Municipal Utility District (SMUD) provides electric service. Comcast provides cable service.

Property Ownership

The information in this section has been provided by the Developer, Richmond and WRS. The District and the Underwriter believe this information to be reliable, but can give no assurances that it is accurate or complete.

Information in this section is included because it may be considered relevant to some investors to an informed evaluation and analysis of the taxable property within the District and any existing or future improvements thereon as security for the Bonds. The information contained in this section does not guarantee that property ownership will not change or that the current or any subsequent property owners will pay the Special Tax when due. In fact, as described herein, ownership of much of the taxable property in the District will change prior to development thereof. The Special Tax will constitute a lien on parcels subject to taxation within the District and not a personal indebtedness of the owners of property within the District. There is no assurance that the present property owners or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the District

nor any Bond Owner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Local Obligations, or the ability to control who becomes a subsequent owner of any property within the District.

The proposed development plan within the District is known as "White Rock Springs Ranch." As of February 1, 2021, the Developer owned approximately 42% of the District, which portion is expected to be developed into 177 residential lots. The Developer previously sold 173 single family high density lots and 29 single family lots to Richmond and is under contract to sell an additional 42 lots to Richmond (the "Richmond Purchase and Sale Agreement"). The Developer also previously sold 44 single family lots to WRS. The Developer is under contract to sell an additional 114 single family high density lots and 21 single family lots to Lennar (the "Lennar Purchase and Sale Agreement"). The property that has been sold or is under contract in the District to Richmond, WRS or Lennar comprises both White Rock Phase 1 and White Rock Phase 2 in their entirety.

Richmond Purchase and Sale Agreement. The Developer and Richmond entered into the Richmond Purchase and Sale Agreement, dated February 24, 2021, in connection with the proposed sale of the 42 lots in Village 9. The sale of the Village 9 properties to Richmond is expected to close when Richmond receives the City's approval of the proposed elevations, colors and floorplans for the Village 9 homes (the "Architectural Approval").

Pursuant to the Richmond Purchase and Sale Agreement, Richmond paid the Developer an "Initial Deposit" of $50,000. The feasibility period ended on the date that the Richmond Purchase and Sale Agreement was executed. Prior to the expiration of the feasibility period, Richmond determined to proceed with the purchase and made the "Second Deposit" of $900,000.

Closing on the Village 9 lots shall occur on the earlier of (1) June 1, 2021; or (2) 10 days following receipt of the Architectural Approval. There are several conditions in the Richmond Purchase and Sale Agreement that must be met before the Village 9 lots may close escrow, and the Developer cannot guarantee that it will close the sales of the Village 9 lots to Richmond at the time anticipated and described in this Official Statement, or at all.

Lennar Purchase and Sale Agreement. The Developer and Lennar entered into the Lennar Purchase and Sale Agreement on May 13, 2020 to purchase 135 lots in Village 4, Village 5, Village 6 and Village 7. These lots will be sold to Lennar in finished lot condition. Under the Lennar Purchase and Sale Agreement, the Developer is responsible for the construction of all infrastructure necessary to develop the villages into finished lots.

Pursuant to the Lennar Purchase and Sale Agreement, Lennar paid the Developer the "Initial Deposit" of $100,000. The feasibility period was approved on June 16, 2020 and the deposit was increased to $2,698,500. This deposit was passed through to the Developer with the recordation of a deed of trust on Villages 4, 5, 6 and 7. As of February 1, 2021, Lennar has made two "Development Pass Through" payments to the Developer to reimburse for finish lot work totaling $8,911,327.

The balance of the purchase price will be paid for Villages 4, 5, 6 and 7 in connection with the closing. The Developer expects that Village 4, 5, 6 and 7 lots will be in a position to close on or around June 1, 2021.

Closing on the Village 4, 5, 6 and 7 lots shall occur fifteen calendar days following the development of the lots to a finished lot condition, meaning, generally, rough graded residential building lots have been completed in accordance with subdivision improvement plans and formal acceptance of all necessary infrastructure improvements by the related agency.

There are several conditions in the Lennar Purchase and Sale Agreement that must be met before the sale of Villages 4, 5, 6 and 7 may be closed, and the Developer cannot guarantee that it will close the sales of Villages 4, 5, 6 or 7 to Lennar at the time anticipated and described in this Official Statement, or at all.

The Developer – Gragg Ranch Recovery Acquisition, LLC. The current developer of the property in the District is Gragg Ranch Recovery Acquisition LLC. The Developer is a wholly-owned subsidiary of Paulson Real Estate Fund II, LP ("PREF"), a real estate investment fund. The Developer has contracted with Raintree Investment Corporation ("Raintree") to manage and develop White Rock Springs Ranch. Raintree was formed in 2008 to acquire and manage the real estate holdings for PREF. Raintree's executive team has over 125 years of combined real estate development experience, currently manages over $350 million of assets (initial book value) and has over $100 million of active construction projects underway.

A sample of other residential development projects recently completed or underway by the Developer or affiliates of Raintree include the following:

Project	Location	Units at Completion	Type of Development	Status
LLV Parcel KN	Henderson, NV	80	Build to Rent	Entitled
LLV Shoreline	Henderson, NV	60	For-Sale Residential	Under Development
Spring Canyon	Santa Clarita, CA	492	Single Family Infill	Under Development
Magnolia Square	Buena Park, CA	108	Covered Land Condo Infill	Sold Out
Southshore	Aurora, CO	1,725	Single Family Masterplan	Sold Out
Jordanelle Ridge	Heber City, UT	5,400	Single Family Masterplan	Under Development
Amazon Falls	Boise, ID	264	Build to Rent	Under Development
Stone Mountain	Phoenix, AZ	74	Build to Rent	Entitled
Mulberry	Phoenix, AZ	49	Build to Rent	Entitled
CentreTech	Denver, CO	188	Build to Rent	Obtaining Entitlements

Source: The Developer.

Richmond. Richmond, a Maryland corporation and wholly-owned subsidiary of M.D.C. Holdings, Inc. ("MDC"), a Delaware corporation, purchased the lots in the Carr Trust, Village 1, Village 2 and Village 3 and is under contract to purchase the lots in Village 9. MDC is a publicly traded company whose common stock is listed on the New York Stock Exchange under the symbol "MDC." Richmond and its predecessor entities have been building homes in California since 1986. Richmond's Bay Area Division, which is based in Suisun City, California, is responsible for the development of Richmond's properties in the District.

MDC has two primary operations – homebuilding and financial services. MDC's homebuilding operations consist of wholly-owned subsidiary companies that build and sell homes under the name "Richmond American Homes." MDC's financial services operations include subsidiary companies that provide mortgage financing, title insurance and homeowner's insurance for Richmond's homebuyers and provide general liability insurance for MDC subsidiaries and most of Richmond's subcontractors.

MDC is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith is obligated to file reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission ("SEC"). Such filings, including particularly MDC's annual report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the SEC on February 2, 2021, set forth certain data relative to such consolidated results of operations and financial position of MDC and its subsidiaries as of such dates. The SEC maintains an internet website that contains reports, proxy and information

statements and other information regarding registrants that file electronically with the SEC, including MDC. The address of such internet website is www.sec.gov. All documents subsequently filed by MDC 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 MDC's annual report and related financial statements, prepared in accordance with generally accepted accounting standards, are also available from MDC on MDC's website at www.richmondamerican.com.

The foregoing internet addresses and references to filings with the SEC are included for reference only, and the information on such internet sites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such sites. Neither Richmond nor MDC is 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 internet sites in evaluating wither to buy, hold or sell the Bonds.

WRS. WRS, a California limited liability company that was formed in 2019, purchased 44 single family lots in Village 8. WRS's sole member, LJM, is headed by John L. Mourier III, as president. WRS has contracted with JMC, a merchant builder and an affiliate of WRS, for the construction of the homes in Village 8. JMC, a California corporation, is a wholly owned subsidiary of LJM. John L. Mourier III is also the president of JMC and is responsible for its day-to-day operations.

The key management team of WRS consists of long-term JMC employees. The WRS team includes: Rod Yamanka, Chief Financial Officer; Steve Schnable, Land Development Manager; and Martin (Zeek) Ziegler, Affiliate Controller. JMC has been operating in the Sacramento area since 1974 and has averaged annual home sales volume in excess of $200 million for each of the past five years. JMC closed 561 homes in 2020 and has completed more than 3,000 new homes over the past decade. JMC is currently building and selling homes in several communities near the District, including Roseville, Rocklin, Lincoln, Folsom and Marysville, California. Additional information on JMC, including descriptions of other current JMC projects, can be found on www.jmchomes.com. *This internet address is included for reference only and the information on the Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.*

Development Plan and Status of Development

Unless otherwise indicated, the information provided in this section has been provided by the Developer, Richmond and WRS and has been included because it may be considered relevant to an informed evaluation and analysis of the Bonds and the District. No assurance can be given, however, that the proposed development of the property within the District will occur in a timely manner or in the configuration or to the density described herein, or that the Developer, Richmond and WRS, any owners or affiliates thereof, or any other current or subsequent property owners, will or will not retain ownership of its respective property within the District. The City, the District and the Underwriter can provide no assurances as to the accuracy of the information in this section.

The Developer has secured entitlements for White Rock Springs Ranch, which is currently planned to be developed for 423 traditional single-family detached homes. The development plans take advantage of the site's topography with single-loaded streets through much of the site to maximize scenic vistas of the valley to the west, and open space areas on the property.

The District is comprised of nine sequentially numbered Villages and an additional neighborhood referred to as the "Carr Trust." Property within the District is in various stages of development, which is

anticipated to be completed in two main phases. White Rock Phase 1 development includes the Carr Trust and Villages 1, 8 and 9 and is entitled for development of 207 single family units at time of full build-out. Phase 2 of development includes Villages 2 through 7 and is entitled for 216 single family units at the time of full build-out.

Richmond Properties. Construction of homes on the 93 residential lots within Village 1, the 28 residential lots within the Carr Trust property, the 81 residential lots within Villages 2 and 3 and, subject to the satisfaction of the requirements of the Richmond Purchase and Sale Agreement described above, the 42 residential lots in Village 9, are anticipated to be completed by Richmond as homebuilder.

The 121 homes proposed to be constructed within Village 1 and the Carr Trust property are expected to be constructed in two product lines (typical lot sizes of 45' or 50' wide) with 8 different floorplans. The 45' product line is proposed to contain 58 homes at completion split approximately equally amongst 4 floorplans that range from approximately 1,733 square feet to approximately 2,638 square feet. The 50' product line is proposed to contain 63 homes at completion split approximately equally amongst 4 floorplans that range from approximately 1,991 square feet to approximately 3,020 square feet. Richmond's design review package for the 121 proposed homes was approved by the City on October 16, 2019. Richmond submitted its model home architectural plans to the City in December 2019, obtained building permits for the model homes in February 2020 and begin construction of the model homes in March 2020. Richmond finished the subdivision improvements for Village 1 and the Carr Trust in October 2020 and, as of February 1, 2021, had pulled 35 production permits.

The 81 homes proposed to be constructed within Villages 2 and 3 are expected to be constructed with one product line (typical lot sizes of 60' or 70' wide) with 6 different single-story floorplans. The smallest plan, 1,950 square feet, will be constructed on four of the lots, and the second-smallest plan, 1,954 square feet, will be constructed on five of the lots. The remaining four floor plans, ranging in size from 2,012 square feet to 2,518 square feet, will be constructed equally amongst the remaining 72 lots. Richmond's design review package for the 81 proposed homes for Villages 2 and 3 was approved by the City in October 2020. The Developer finished the subdivision improvements for Villages 2 and 3 in January 2021, at which point Richmond closed on the lots. Richmond submitted its construction drawings for its building permits to the City in February 2021 and expects to obtain building permits for the model homes in April 2021 and begin construction of the model homes in May 2021.

Subject to satisfaction of the requirements of the Richmond Purchase and Sale Agreement described above, Village 9 will be developed by Richmond as homebuilder. Homes in Village 9 are expected to feature one 60' product line with 4 different floorplans. The 60' product line is expected to have 42 homes split equally amongst the 4 floorplans that range from 3,029 square feet to 3,455 square feet.

As of March 2, 2021, Richmond had obtained 4 building permits for lots in the Carr Trust properties and 35 building permits for lots in Village 1; no building permits had been issued for Villages 2, 3 or 9. Additionally, as of that same date, 4 model homes had been completed for the Carr Trust properties and 56 Village 1 homes had been sold (but not yet closed).

WRS Properties. The 44 single family lots in Village 8 that have a typical lot size of 7,000 square feet. Homes in Village 8 are expected to feature 5 floorplans ranging in size between 2,911 square feet and 4,001 square feet. As of February 26, 2021, WRS had obtained 17 building permits (3 model permits and 14 production permits) for the Village 8 lots, had 3 model homes substantially complete and had 14 production homes in various stages of completion.

Lennar Properties. Subject to satisfaction of the requirements of the Lennar Purchase and Sale Agreement described above, Villages 4, 5, 6 and 7 will be developed by Lennar as homebuilder. Homes in Villages 4, 5, 6 and 7 will feature two product lines (55' and 60/70' wide) with 7 different floorplans. The 55' product line has 90 homes split equally amongst 4 floorplans that range from 1,991 square feet to 3,312 square feet. The 60/70' product line has 45 homes split equally amongst 3 floorplans that range from 3,244 square feet to 3,768 square feet.

White Rock Phase 1 is the first development phase and encompasses 207 lots and 4 distinct product types. White Rock Phase 2 is the second development phase and encompasses 216 lots and 3 distinct product types. Below is a summary of product types by project phase.

Table 14
City of Folsom
Communities Facilities District No. 21 (White Rock Springs Ranch)
Summary of Product Types by Project Phase

Phase	Builder	Typical Lot Size/Density	Home Size (Estimated)	Total Units
Phase 1				
Village 1 and Carr Trust	Richmond	45x100, 50x100	1,733 SF – 3,006 SF	121
Village 8	WRS[(1)]	70x110	3,082 SF	44
Village 9	Richmond[(2)]	60x100	to be determined	42
			Phase 1 Subtotal	**207**
Phase 2				
Villages 2 and 3	Richmond	60x100, 70x100	1,930-2,501 SF	81
Villages 4 and 7	Lennar[(3)]	55x100	1,991-3,312 SF	90
Villages 5 and 6	Lennar[(3)]	60x100, 70x100	3,244-3,768 SF	45
			Phase 2 Subtotal	**216**
			Total	**423**

(1) WRS has contracted with JMC Homes, a related entity, for the construction of the Village 8 homes.
(2) Richmond has contracted to purchase the Village 9 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Richmond Purchase and Sale Agreement."
(3) Lennar has contracted to purchase the Village 4, 5, 6 and 7 properties, however the closing of this sale remains subject to certain conditions. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership—Lennar Purchase and Sale Agreement."

Source: The Developer.

As of February 1, 2021, Developer had completed all White Rock Phase 1 infrastructure construction along with the majority of the White Rock Phase 2 infrastructure construction. The Developer anticipates delivering the finished lots for Villages 4, 5, 6 and 7 in or around June 2021.

Public project amenities include a future 10-acre neighborhood park (of which 4.8 acres are located within the District), situated next to a future elementary school site (which is located partially within the District). The community will also feature a network of several miles of on- and off-street bicycle and pedestrian trails. While the open space, trails and common area landscaping will be developed by the Developer, the park and school sites will be transferred to the City and the Folsom-Cordova Unified School District, respectively, for future development. Additionally, undisturbed natural preserve areas have been set aside to protect sensitive biological habitat and provide passive open spaces throughout the community.

The project features a homeowners' association that maintains common area landscaping and a trail that includes a fitness parcourse.

The map on the following page reflects the lot mix and the zoning of development within the District reflecting planned development of 423 total units. White Rock Phase 1 includes the Carr Trust properties and Villages 1, 8 and 9; White Rock Phase 2 includes Villages 2-7.

City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Master Plan

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Development Plans of Finance

Developer Plan of Finance. The infrastructure and development of White Rock Springs Ranch has been and will be funded through a combination of the following sources:

(1) Developer equity
(2) Proceeds from sale of bonds
(3) Proceeds from sales of lots to homebuilders

The Developer has sold or entered into contracts for the sale of all of the property within the first and second phases of development within the District.

Table 15
City of Folsom
Community Facilities District No. 21 (White Rock Springs Ranch)
Developer Plan of Finance Phase 1 and 2

Sources	Spent to Date	Amount Remaining	Total Amount
Developer Equity			$ 6,761,632
Richmond Equity			6,810,751[1]
Bond Proceeds - Phase 1 Series			9,522,040[2]
Bond Proceeds - Phase 2 Series			11,035,352
Richmond Sale Proceeds (Carr Trust and Village 1)			16,633,800
WRS Sale Proceeds (Village 8)			11,000,000
Village 2-3 Deposit			1,944,000
Village 4-7 Deposit (and development pass-through)			11,590,827
Total Revenue (w/ Land Transactions as of 12/08/20)			**$75,298,403**
Uses			
Carr Grading	$ 3,829,894	--	$ 3,829,290
Village 1 Grading	$ 4,473,228	--	4,473,228
Backbone Grading	1,526,731	--	1,526,731
Village 8/9 Grading	3,862,082	--	3,862,082
Phase 2 Grading	10,060,576	--	10,060,576
Carr Intract Improvements	1,707,322	--	1,707,322
Village 1 Intract Improvements[3]	6,810,751	--	6,810,751
Village 8/9 Intract Improvements	7,264,013	--	7,264,013
Village 2/3 Intract Improvements	7,344,742	$ 187,560	7,532,302
Village 4-7 Intract Improvements	3,966,309	4,991,072	8,957,381
Offsite Storm Drain	2,949,591	--	2,949,591
Mangini Parkway (Phase 1)	6,428,582	--	6,428,582
Mangini Parkway (Phase 2)	2,455,223	--	2,455,223
SPIF Set Aside (Carr, Village 1, Village 8/9)	750,375	--	750,375
CFD 2013-1 Payoff (Carr, Village 1, Village 8/9)	22,276	--	22,276
SPIF Set Aside (Village 2-7)	769,618	--	769,618
Est. CFD 2013-1 Payoff (Village 2-7)	23,245	--	23,245
Village 4-7 Remaining SPIF Fee	690,043	--	690,043
Phase 2 Pipeline Fair Share	424,000	--	424,000
Construction Management	214,000	--	214,000
Environmental/Habitat Mitigation	910,214	--	910,214
Developer Soft Costs (engineering, staking, inspection, etc.)	3,523,207	--	3,523,207
CFD Formation Costs	114,352	--	114,352
Total Development Costs	**$ 70,120,374**	**$ 5,178,632**	**$75,298,403** [4]

(1) Already spent by Developer.
(2) Reflects the cost of intract improvements within the District to be paid for by Richmond.
(3) Village 1 improvements spent by Richmond.
(4) Total may not sum due to rounding.
Source: Developer.

Richmond Plan of Finance. Richmond purchased 93 single family high density lots in Village 1, 29 single family lots in Village 2, 52 single family high density lots in Village 3 and 28 single family high density lots in the Carr Trust property. Additionally, Richmond is under contract to purchase the 42 single family lots in Village 9.

To date, Richmond has financed its land acquisition and site development costs related to its property in Villages 1, 2 and 3 and the Carr Trust property through internally generated funds, including funding from its parent company, MDC. Richmond intends to use this source of funds, together with proceeds of future home sales, to fund its remaining land acquisition, site development, home construction and carrying costs for development of its property within the District. However, home sales revenue from Richmond's development in the District are not segregated and set aside for completing its development of its property within the District. Notwithstanding the foregoing, Richmond believes that it will have sufficient funds to complete its proposed development of its property within the District as described in this Official Statement commensurate with the development describing described in this Official Statement.

Through February 26, 2021, Richmond expended approximately $45.1 million in land acquisition, land improvements, home construction costs and other development, marketing and sales costs (exclusive of internal financing repayment) related to its lots in the District. Richmond anticipates expending an additional approximately $14.5 million in land acquisition costs, site improvement costs (including all required fees), home construction costs and other development, marketing and sales costs between February 2021 and full build-out of the homes on the 244 lots that it owns or is under contract to acquire in the District.

Although Richmond expects to have sufficient funds available to complete its planned development in the District as described in this Official Statement, no assurance can be given that amounts necessary to fund its remaining land acquisition, site development and home construction within the District will be available from Richmond or any other source when needed. While MDC has made such internal funding available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither Richmond nor any other entity or person is under any legal obligation of any kind to expend funds or obtain loans for land acquisition or the development of and construction of homes on its property in the District, or the payment of ad valorem property taxes or the Special Taxes. Any contributions by Richmond or any other entity or person to fund the costs of such development are entirely voluntary.

If and to the extent that the aforementioned sources are inadequate to pay the costs to complete the planned development by Richmond within the District and other financing is not put into place, there could be a shortfall in the funds required to complete the planned development by Richmond or to pay ad valorem property taxes or the Special Taxes related to Richmond's property in the District, and the remaining portions of such development may not be completed. Many factors beyond Richmond's control, or a decision by Richmond to alter its current plans, may cause the actual sources and uses to differ from the projections. See "CERTAIN RISKS TO BONDHOLDERS" herein for a discussion of risk factors.

WRS Plan of Finance. To date, WRS has financed its land acquisition and construction costs related to its property in Village 8 through internally generated funds. WRS expects to use home sales revenue and internally generated funds to complete the home construction of its property within the District. Through February 25, 2021, WRS estimates that it has incurred approximately $17 million on developing its property in the District, including land acquisition and home construction costs. WRS anticipates expending an additional approximately $15 million to complete the development of its

property within the District, including, without limitation, the construction of all 44 proposed homes, and market and sell all such homes to individual homebuyers.

Although WRS expects to have sufficient funds available to complete its planned development in the District as described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development and home construction costs will be available from WRS or any other source when needed. While WRS 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 WRS nor any of its related entities are under any legal obligation of any kind to expend funds or obtain loans for land acquisition or the development of and construction of homes on its property in the District. Any contributions by WRS to fund the costs of such land acquisition or development are entirely voluntary.

If and to the extent that internal funding, including but not limited to home sales revenues, are inadequate to pay the costs to complete the planned development by WRS within the District and other financing by WRS is not put into place, there could be a shortfall in the funds required to complete the planned development by WRS of its property in the District.

Construction of Facilities. The table on the following page reflects estimated costs of construction of all of the Facilities for the District together with the status of construction.

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Table 16
City of Folsom
Community Facilities District No. 21
Estimated Costs and Completion Dates

Facilities	Estimated Cost	District[1]	Equity	Land Sale Proceeds or Deposit	Other Builder and 3rd Party Contributions	Estimated Completion
Backbone Infrastructure						
Offsite Storm Drain and Detention Basin	$2,949,591	$ 1,500,000	--	$ 1,449,591	--	Completed
Mangini Parkway (Phase 1)	6,428,582	3,500,000	--	2,928,582	--	Completed
Mangini Parkway (Phase 2)	2,455,223	192,312	--	2,262,911	--	Completed
Environmental Mitigation	910,214	910,214	--	--	--	Completed
Soft Costs – Backbone	3,851,559	300,000	--	3,551,559	--	Completed
Earthwork/Retaining Walls (Phases 1 and 2)	23,751,907	--	6,761,632	12,146,270	4,846,514	Completed
Subtotal Backbone Infrastructure	**$40,347,076**	**$6,402,526**	**$6,761,632**	**$22,338,913**	**$4,846,514**	
Subdivision Infrastructure						
Intract Improvements, White Rock Phase 1						
Carr Trust	$1,707,322	$990,000	--	$717,322	--	Completed
Village 1	6,810,751	--	$6,810,751	--	--	Completed
Villages 8-9	7,264,013	3,500,000	--	3,764,013	--	Completed
Intract Improvements, White Rock Phase 2						
Villages 2-3 (Richmond)	$7,532,302	$ 3,000,000	--	$4,532,302	--	Completed
Villages 4-7 (Lennar)	8,957,381	4,000,000	--	911,568	4,045,813	May 2021
White Rock Phase 1 SPIF / Set Aside	772,651	772,651	--	--	--	Completed
White Rock Phase 2 SPIF / Set Aside	1,906,906	792,863	--	1,114,043	--	Completed
Subtotal Subdivision Infrastructure	**$34,951,326**	**$13,055,514**	**$6,810,751**	**$11,039,248**	**$4,045,813**	
TOTAL	**$75,298,402**	**$19,458,040**	**$13,572,383**	**$33,378,161**	**$8,892,327**	

(1) Includes the Local Obligations and one or more potential series of Additional Local Obligations.
Source: Developer.

Backbone and Common Infrastructure. As described above, the Developer has completed the onsite backbone and common infrastructure, which cost a total of $13.4 million for both White Rock Phase 1 and White Rock Phase 2. See "—Development Plan and Status of Development."

Subdivision Improvements. As of February 1, 2021, the Developer had completed all infrastructure development for White Rock Phase 1 and the majority of the infrastructure development for White Rock Phase 2. The costs for the White Rock Phase 1 infrastructure improvements totaled approximately $28.0 million. The remaining infrastructure for development of Phase 2 of the District includes intract infrastructure such as underground utilities, subdivision roadways, street lighting, soundwalls and landscaping improvements. Such intract improvements in Villages 2 and 3 were completed by the Developer, and the Developer has nearly completed the improvements in Villages 4, 5, 6 and 7. The Developer is funding this construction from nonrefundable deposits and development pass-through deposits from Lennar and Richmond sales proceeds.

The total subdivision improvements in the District for White Rock Phase 2 are estimated at $28.5 million, including all design, construction staking, plan check, inspection, habitat mitigation and other project related soft costs. As of February 1, 2021, the remaining costs to complete the White Rock Phase 2 subdivision improvements totaled approximately $5.2 million.

Specific Plan Infrastructure Fee Credits and Improvements. The SPIF is administered by the City for the purposes of collecting impact fees for plan area wide improvements for the construction of roadways, water, sewer, drainage, dry utilities, recycled water and habitat mitigation in the Folsom Plan Area. The purpose of the SPIF is to require each landowner to pay its fair share of Folsom Plan Area area wide improvements and to be reimbursed for any amount expended in excess of a landowner's fair share requirement. Under the terms of the SPIF Ordinance adopted by the City, property owners in the Folsom Plan Area will be eligible to enter into an agreement with the City and receive future reimbursements (that are convertible to fee credits for use within the owner's property) in exchange for the construction of eligible SPIF improvements. Based on the amount of improvements eligible for SPIF reimbursement, all of the properties within the District are anticipated to fully cover their SPIF obligations through the conversion of these SPIF reimbursements to SPIF fee credits. After applying the SPIF reimbursements as SPIF fee credits to all properties in the District, all amounts expended in excess of the project's SPIF obligation are expected to be reimbursed from the City as other SPIF fees are collected in the Folsom Plan Area.

Within the Folsom Plan Area, initial development will be required to pay a "SPIF Set-Aside" component to address initial water and sewer facility costs. This is a loan of SPIF collections to help the cash flow for the initial water and sewer costs. It will be repaid or equalized to all properties through the SPIF program as well as through CFD 18. The SPIF Set-Aside will apply to the first 2,500 Folsom Plan Area dwelling units that would be subject to the SPIF. A portion of the SPIF will be required to be paid regardless of whether a developer/property owner has advance-funded eligible SPIF infrastructure and has executed a Fee Reimbursement Agreement through the City. An exception to this rule is that a property owner who constructs certain water or sewer infrastructure for which the SPIF Set-Aside is being collected may take a credit against the SPIF Set-Aside. This may be applicable to White Rock in relationship to the Zone 3 Water Tank Site and/or the Phase 2 Water Pipeline.

[To the extent that the Developer constructs improvements eligible to be funded with the SPIF Set Aside, a fee credit of up to approximately $1.6 million would be applied towards the District residential units.] Any remaining credits earned from the construction of SPIF Set-Aside eligible improvements would be reimbursed by the City as other SPIF Set-Aside fees are collected.

CERTAIN RISKS TO BONDHOLDERS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Risks of Real Estate Secured Investments Generally

The owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure, including as a result of tax reform; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses.

No assurance can be given that the Developer, Richmond, WRS or any current or future homeowners within the District will pay the Special Tax in the future or that they will be able to pay such Special Tax on a timely basis. See "— Bankruptcy" below, for a discussion of certain limitations on the District's ability to pursue judicial proceedings with respect to delinquent parcels. Further, many homes within the District will have a higher-than-average price point as compared to other homes in the region, which may impact the absorption of the residential units within the District.

Levy of the Special Tax

The principal source of payment of debt service on the Local Obligations, from which funds for the payment of the Bonds are derived, is the proceeds of the annual levy and collection of the Special Tax against property in the District. The annual levy of the Special Tax is subject to the Maximum Special Tax rates authorized within the District. The levies cannot be made at higher rates even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available moneys, will not be sufficient to pay debt service on the Local Obligations. Other funds which might be available include funds derived from the payment of delinquent Special Tax and funds derived from the tax sale or foreclosure and sale of related Taxable Property on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the Local Obligations, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and application of the Rate and Method of Apportionment. Application of the Rate and Method of Apportionment will, in turn, be dependent upon certain development factors with respect to each Taxable

Property by comparison with similar development factors with respect to the other Taxable Property in the District. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

- Reduction in the number of Taxable Property for such reasons as acquisition of Taxable Property by the federal government or an agency thereof, asserting immunity (however, see "Exempt Properties" below) from taxation, thereby resulting in an increased tax burden on the remaining Taxable Property.

- Failure of the related owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels, subject to the related Maximum Special Tax.

Collection of Special Tax

In order for the District to pay debt service on the Local Obligations, from which funds for the payment of the Bonds are derived, it is necessary that the Special Tax levied against land in the District be paid in a timely manner. The District has established the Local Obligations Reserve Account under the Local Obligations Indenture in the amount of the Required Bond Reserve to pay debt service on the Local Obligations, in the event that a portion of the Special Taxes for the Local Obligations are not paid on time.

The Local Obligations Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Mello-Roos Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

Pursuant to the Mello-Roos Act, in the event of any delinquency in the payment of the Special Tax, the District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted that it will 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 it 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 60 days thereafter institute foreclosure proceedings as authorized by the Mello-Roos Act in order to enforce the lien of the delinquent installments of the Special Tax against each lot or parcel of land in the District, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale; provided, that irrespective of the foregoing if the District determines on the basis of such review that property owned by any single property owner in the District is delinquent by more than $4,000 with respect to the Special Tax due and payable by such property owner by such delinquency date, then the District will institute, prosecute and pursue such foreclosure proceedings in the time and manner provided herein against such property owner; and provided further, that any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Mello-Roos Act.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the District of the proceeds of sale if the Local Obligations Reserve Account with respect to the Local Obligations is depleted. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Foreclosure."

The District may be unable to make full or timely payment of debt service on the Local Obligations if property owners in the District fail to pay installments of the Special Tax when due, if the Local Obligations Reserve Account is depleted, or if the District is unable to sell related foreclosed parcels for amounts sufficient to cover the delinquent installments of the Special Tax.

Shapiro v. San Diego

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *Shapiro v. San Diego City Council*, 117 Cal. Rptr. 2d 631, 96 Cal. App. 4th 904 (2002). The case involved a Convention Center Facilities District (the "CCFD") established by the City of San Diego, much like a community facilities district established under the provisions of the Mello-Roos Act. The CCFD is comprised of all of the real property in all of the City of San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties.

At the election to authorize such special tax, the electorate was limited to owners of hotel properties and lessees of certain of such hotel properties. Thus, the election was a landowner election limited to owners and lessees of properties on which the special tax would be levied, and not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was based on Section 53326(c) of the Mello-Roos Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

In the case of the CCFD, at the time of the election there were many, many registered voters within the CCFD (viz., all of the registered voters in the City of San Diego). There were no registered voters within the District at the time of the election to authorize the Special Tax. In City of San Diego, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court's holding does not apply to the Special Tax election in the District. Moreover, Section 53341 of the Mello-Roos Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters." The Special Tax with respect to the District was approved by the voters on February 13, 2018. Based on Section 53341 of the Mello-Roos Act and its analysis of existing laws, regulations, rulings and court decisions, the District does not believe that a challenge to the Special Tax may now be brought.

Concentration of Ownership

Currently, a large portion of the Taxable Property in the District is owned by the Developer and Richmond, and consequently, a large portion of the Special Tax within the District will be paid by the Developer and Richmond until the land is developed and sold. The Developer has entered into purchase and sale agreements to sell portions of the District to merchant builders and may enter into additional agreements in the future. No assurance can be given that the property sales will close when anticipated.

See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership." Generally, the risk of delinquency or nonpayment of Special Taxes at levels which do not permit the timely payment of principal of and interest on the Bonds is inversely correlated to the diversity of ownership of Taxable Property within the District. The fact that a substantial portion of the property providing the ultimate security for the payment of Local Obligations is controlled by only one owner means that timely payment of the respective Special Tax and, therefore, the Bonds, will depend initially upon the willingness and ability of this single owner to pay the Special Tax when due. The only asset of the Developer which constitutes security for the Local Obligations is the Developer's real property holdings located within the District.

There can be no assurance that the undeveloped property will be fully developed and that property ownership will be further diversified as a result. See "CERTAIN RISKS TO BONDHOLDERS—Failure to Develop."

Payment of the Special Tax is Not a Personal Obligation of a Property Owner

A PROPERTY OWNER IS NOT PERSONALLY OBLIGATED TO PAY THE SPECIAL TAX. RATHER, THE SPECIAL TAXES ARE OBLIGATIONS ONLY AGAINST THE PROPERTY. IF THE VALUE OF THE PARCELS OF PROPERTY IS NOT SUFFICIENT, TAKING INTO ACCOUNT OTHER OBLIGATIONS ALSO PAYABLE THEREBY, TO FULLY DISCHARGE THE SPECIAL TAX, THE DISTRICT WILL HAVE NO RECOURSE AGAINST THE PROPERTY OWNER.

Potential Early Redemption of Bonds from Prepaid Special Taxes

Property owners within the District are permitted to prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such payments will result in a redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Trust Agreement following the receipt of the prepayment. The resulting redemption of Bonds purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See "THE BONDS—Redemption Provisions—Extraordinary redemption from Prepayment of Special Taxes."

Special Tax Delinquencies

The Special Taxes are billed to the properties within the District on the *ad valorem* property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments. In each year the County includes the District in the Teeter Plan, the County will be obligated to pay the District 100% of the amount of the Special Taxes actually levied in the District, regardless of any delinquencies. However, the County is required to terminate the Teeter Plan if two-thirds of the participants so petition the Board of Supervisors and may discontinue the Teeter Plan as to the District if the delinquency rate in the District exceeds 3%. Moreover, the County determines annually whether to include a particular district in the Teeter Plan. See "—Teeter Plan Termination" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Teeter Plan." Significant delinquencies in the payment of annual Special Tax installments, or delays in the prosecution of foreclosure proceedings to collect such Special Taxes, could result in a default in the payment of the debt service on the Bonds. See "—Bankruptcy" and "—FDIC/Federal Government Interests in Properties" below, for a discussion of the limitations on the District's ability to foreclose on the lien of the Special Taxes in certain circumstances and the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes.

Teeter Plan Termination

The County has implemented its Teeter Plan as an alternate procedure for the distribution of certain property tax and assessment levies on the secured roll. The County determines annually which special taxes and assessment levies to include in the Teeter Plan. Pursuant to its Teeter Plan, once the County determines to include special taxes and assessment levies in the Teeter Plan, the County provides the local agency and taxing area with full tax and assessment levies instead of actual tax and assessment collections. In return, the County is entitled to retain all delinquent tax and assessment payments, penalties and interest. Thus, the County's Teeter Plan may help protect Owners from the risk of delinquencies in the payment of Special Taxes. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby. In addition, the County may decide not to include certain special taxes and assessment levies, including the District, in the Teeter Plan in any fiscal year. Any termination of the Teeter Plan with respect to the District would eliminate such protection from delinquent Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Teeter Plan."

Land Values

If a property owner defaults in the payment of the Special Tax, from which funds for the payment of the Bonds are derived, the District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. The value of taxable property in the District is therefore an important consideration in evaluating the security for the Bonds. Land values could be adversely affected by economic factors beyond the District's control, such as relocation of employers out of the area, stricter land use regulations, the absence of water, or destruction of property caused by, among other eventualities, earthquake, flood or other natural disaster, or by environmental pollution or contamination.

Appraisal Risks

The Appraiser has estimated the market value of the property in the District on the basis of certain assumptions which the Appraiser believes to be reasonable under the circumstances. See the Appraisal included in APPENDIX G hereto. However, certain of the assumptions made by the Appraiser may prove to be untrue.

Although the District believes that the Appraiser's methodology and assumptions are reasonable under the circumstances, the Appraiser's aggregate value conclusions are expressions of professional opinion only. No assurance can be given that the aggregate values of property in the District are equal to or greater than the Appraiser's estimated values, nor can any assurance be given that such aggregate values will not decline during the period of time the Bonds are Outstanding. The values of the property in the District can be adversely affected by a variety of factors, including, but not limited to, the occurrence of one or more of the special risk events discussed herein. A decline in the value of a parcel in the District could lower the ability or willingness of the owner of such parcel to pay Special Taxes when due and would decrease the amount recoverable at a foreclosure sale of such parcel.

See "THE COMMUNITY FACILITIES DISTRICT—Property Values" for a further discussion of estimated property values in the District.

Zoning and Land Use Decisions

The Special Taxes, from which funds for the payment of the Bonds are derived, are to be levied annually based upon the land use categories in effect for the property. Decisions made by the City Council, which has control over zoning and land use decisions for property in the City, will affect the prospective use of the property and, therefore, the tax base for the Special Tax. The Rate and Method does not permit land use changes to reduce the tax base to below the Special Tax Requirement.

Exempt Properties

Certain properties within the District are or may become exempt from the Special Tax in accordance with the Rate and Method of Apportionment. In addition, the Mello-Roos Act provides that properties or entities of the state, federal or local government are exempt from Special Tax; provided, however, that property acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. In addition, the Mello-Roos Act provides that if property subject to Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay Special Tax with respect to that property is to be treated as if it were a special assessment. Further, properties receiving a welfare exemption under subsection (g) of Section 214 of the California Revenue and Taxation Code are exempt from the Special Tax unless debt is outstanding and the property was subject to the Special Tax prior to receiving the exemption. Neither the District or the Developer are aware of any property within the District currently receiving a welfare exemption. The constitutionality and operation of these provisions of the Mello-Roos Act have not been tested.

In particular, insofar as the Mello-Roos Act requires payment of a special tax by a federal entity acquiring property within the community facilities district, it may be unconstitutional. If for any reason property within the District becomes exempt from taxation, then, subject to the Rate and Method of Apportionment, including the limitation on the maximum special tax rates set out in the Rate and Method of Apportionment, the special tax will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of land within the District becomes exempt from the Special Tax because of public ownership, or otherwise, the maximum rate that could be levied upon the remaining property might not be sufficient to pay principal of and interest on the related Local Obligations and could adversely affect the ability of the District to pay principal of and interest on the Bonds when due.

Maximum Special Tax

Within the limits of the Special Tax, the District may adjust the Special Tax on all property in the District to provide an amount required to pay interest on, principal of, Minimum Sinking Fund Payments for and redemption premiums, if any, on the Local Obligations, and the amount, if any, necessary to cure delinquencies and replenish the Local Obligations Reserve Account to an amount equal to the Required Bond Reserve, and to pay all current Expenses for the District.

Although the Maximum Special Tax is designed to provide Special Tax revenues on an annual basis, there is no assurance that the Maximum Special Tax on the property in the District will be sufficient to pay the amounts required to be paid by the Local Obligations Indenture at all times, from which funds for the payment of the Bonds are derived. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Special Tax Authorization" and APPENDIX A—"RATE, METHOD OF APPORTIONMENT AND MANNER OF COLLECTION OF SPECIAL TAX."

Pursuant to Section 53321 of the Mello-Roos Act as applied to the District, under no circumstances will the special tax levied in any fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. Under the Rate and Method of Apportionment, property is considered "Residential Property" and is subject to the aforementioned limitation once a building permit has been issued for the purposes of constructing one or more residential units.

Ballot Initiatives and Measures

From time to time constitutional initiatives or other initiative measures may be adopted by State voters or voters of the City. For example, Measure W, adopted by City residents in November 2004, required, among other things, that residents north of State Highway 50 not bear the cost for infrastructure and public facilities serving the Folsom Plan Area. The adoption of any such initiative in the future might place limitations on the ability of the State or any political subdivisions thereof, including the Authority or the City, to increase revenues or to increase appropriations, the ability of the landowners to complete their developments, or the ability of the District to collect the Special Tax.

Recent Changes to Federal Income Tax Law

H.R. 1 of the 115th U.S. Congress was enacted into law on December 22, 2017 (the "Tax Act"). The Tax Act makes significant changes to many aspects of the Code. The District, the City, the Authority and the Developer cannot predict the effect that the Tax Act may have on the cost of home ownership, the price of homes in the District, the rate at which homes in the District are sold to individual homeowners by the Developer or merchant builders, the ability or willingness of homeowners to pay Special Tax or property taxes on Taxable Property within the District, or the values contained in this Official Statement or in the Appraisal.

Disclosures to Future Purchasers

The District has recorded notice of the Special Tax Lien in the Office of the County Recorder of the County of Sacramento. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land, a home or a commercial or industrial facility in the District or the lending of money thereon. The Mello-Roos Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. State Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax, from which funds for the payment of the Bonds are derived, when due.

Parity Taxes and Special Assessments

The ability or willingness of a property owner in the District to pay the Special Tax, from which funds for the payment of the Bonds are derived, could be affected by the existence of other taxes and assessments imposed upon the property either currently existing or imposed in the future. The

assessments and any penalties thereon constitute a lien against the lots and parcels of land on which they have been levied until they are paid. Such lien is on parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes and other special assessments regardless of when they are imposed upon the same property. The Special Tax has priority over all existing and future private liens imposed on the property. In addition, other public agencies whose boundaries overlap those of the District could, with or in some circumstances without the consent of the owners of the land in the District, impose additional taxes or assessment liens on the property in the District in order to finance public improvements to be located inside or outside of the District.

Although the District has covenanted not to impose additional special taxes or assessments on property within the District except in accordance with the Local Obligations Indenture, the Authority and the District have no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property in the District. The imposition of additional liens on parity with the assessments could reduce the ability or willingness of the owners of parcels in the District to pay the Special Tax and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes or the principal of and interest on the Local Obligations when due. As described under "FOLSOM PLAN AREA—Public Facilities Financing Plan," and "THE COMMUNITY FACILITIES DISTRICT—Overlapping Debt" the City plans to issue additional obligations secured by special taxes from time to time to finance backbone infrastructure and public improvements within the Folsom Plan Area and the boundaries of the District. For example, CFD 18 authorized the issuance of up to $200,000,000 in obligations. The special taxes securing such additional obligations would be payable on parity with the Special Taxes. In addition, property owners may choose to participate in a residential PACE program (a mechanism for financing energy efficiency and renewable energy improvements on private property), consenting to assessments on their parcels that would be on a parity with the Special Taxes. The District does not currently have a timeline as to when any such obligations would be issued.

Bankruptcy

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of the Special Tax to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale of tax sale proceedings, thereby delaying such proceedings perhaps for an extended period. Any such delays would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Local Obligations Reserve Fund could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Local Obligations Reserve Account to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the Local Obligations on a timely basis. The

payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax could be delayed by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting rights of creditors generally or by the laws of the State relating to judicial foreclosure. Further, should remedies be exercised under the federal bankruptcy laws against parcels in the District, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

Geologic, Topographic and Climatic Conditions

The value of the property in the District in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts and wildfire.

The occurrence of seismic activity in the District could result in substantial damage to properties in the District which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay the Special Tax on their property. The District is not located in any existing special study zone delineated by the Chief of the Division of Mines and Geology of the State of California as an area of known active faults and is not otherwise known to be located within an area of any significant seismic activity. However, it may be expected that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the property may decline.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. In general, property damage due to wildfire could result in a significant decrease in the market value of property in the District and in the ability or willingness of property owners to pay Special Taxes.

A portion of the District is located within an area identified as a moderate fire hazard severity zone. More information regarding Fire Hazard Severity Zones can be found at the California Department of Forestry and Fire Protection website at https://frap.fire.ca.gov, though such website is not incorporated herein by reference. The development within the District is subject to mitigation measures set forth in a fuel modification plan approved by the City Fire Department. The mitigation measures include, among others, limitations on the type of vegetation that may be planted within fuel modification zones established in open space areas along certain portions of the perimeter of the District, minimum setback of structures and irrigation requirements of the fuel modification zones. Maintenance of such zones is expected to initially be the responsibility of the property owners but upon build-out of the District and dedication of the open space to the City will be maintained by the City from funds provided through CFD 18. Homeowner's insurance is available to property owners within the District, and the coverage provided by such insurance typically insures against fire damage, although there is no assurance that homeowners within the District will purchase or maintain such insurance.

In the event of a wildfire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Folsom Dam, located on the American River within the jurisdictional boundaries of the City, was built in 1955 by the United States Army Corps of Engineers and is owned by the United States Bureau of Reclamation. An auxiliary spillway to enable the dam to more easily release water as it nears capacity was completed by the Army Corps of Engineers in October 2017. The City, together with the County and other local agencies, have established a hazard mitigation plan in the event of a dam failure. Geologic, topographic and climatic conditions, if severe, could result in damage to the dam which could further cause damage to the surrounding region and may limit water supply for the City and the District.

COVID-19 and Impact of the Novel Coronavirus

The outbreak of COVID-19, a respiratory disease caused by a novel coronavirus, has been declared a pandemic by the World Health Organization. On March 4, 2020, Governor Gavin Newsom declared a state of emergency to help the State prepare and respond to the COVID-19 outbreak. On March 13, 2020, President Donald Trump declared a national state of emergency. On March 19, 2020, the Governor issued a statewide Order, Executive Order N-33-20, directing all residents to heed State public health directives to stay home or at their place of residence except as needed to maintain continuity of operations of critical infrastructure sectors during the COVID-19 response. Since that time the State, the County and the City have undergone varying degrees of limited reopening. On August 28, 2020, the State released guidance regarding re-opening certain types of businesses based on a county-by-county approach where each county is assigned a tier based on COVID-19 case rates within each county. As a result of a significant decrease in available intensive care unit beds in the State, on December 3, 2020, the Governor announced a Regional Stay at Home Order. If available intensive care unit beds in a region fell below 15%, certain non-essential businesses would be required to close and certain retail businesses would be required to operate at limited capacity. The greater Sacramento region, which includes the City and the District, became subject to the Regional Stay at Home Order restrictions effective December 10, 2020. On January 12, 2021, based on projected increases in the availability of intensive care unit beds, the Governor lifted the Regional Stay at Home Order which allowed for limited re-opening of businesses based on the tiered system described above. State and local directives may continue to be revised as infection, hospitalization and vaccination rates fluctuate.

According to the Developer, residential construction workers were exempt from the stay-at-home orders and development of the property within the District has continued. As of February 15, 2021, neither the Developer, Richmond nor WRS have experienced any delays with obtaining the necessary approvals from the City for development to continue, and neither Richmond nor WRS have experienced any cancellations of sales contracts due to COVID-19. Neither the Developer, Richmond, WRS, the City nor the District can guarantee that the spread of COVID-19 will not cause delays in the future or the cancellation of any sales contracts.

The current spread of COVID-19 is altering the behavior of businesses and people in a manner that has had significant negative effects on global, national and local economies. Additionally, stock markets in the U.S. and globally have seen significant recent volatility attributed to concerns about COVID-19. There can be no assurances that the spread of COVID-19 or other highly contagious or epidemic disease, will not materially affect the state and national economies nor otherwise materially adversely impact the ability of the Developer, Richmond or WRS to develop the property in the District in accordance with the schedule specified herein or otherwise adversely impact the District or the ability or

willingness of property owners to pay the Special Tax. See "CERTAIN RISKS TO BONDHOLDERS—Potential Impact of Global Health Concerns."

Potential Impact of Global Health Concerns

The ability or willingness of property owners to develop property in the District, the speed at which property owners develop property in the District, the ability or willingness of property owners to sell property in the District, the speed at which property owners are able sell property in the District, the ability or willingness of property owners to pay the Special Tax on property in the District when due, the value of the property in the District, or the ability of the District to collect delinquent Special Taxes through judicial foreclosure could be adversely affected by a global, national or localized outbreak of an infectious disease, such as COVID-19, a new strain of coronavirus, or by the fear of such an outbreak. The construction industry in the United States relies heavily on international trade for myriad construction materials. A global, national or localized outbreak could impact the availability of workers in countries producing construction materials, potentially resulting in supply chain shutdowns, which may result in substantial construction delays and project cost overruns. Further, the spread of COVID-19 and the response to its spread has altered the behavior of businesses and people in a manner that is having a negative impact on global and local economies, and which has resulted in a volatile stock market response. These events and other factors resulting from such an outbreak, particularly if prolonged, could result in, or increase the likelihood of, the occurrence of certain of the other potential adverse effects described in this Official Statement, including those relating to declines in the value of property, the failure to complete the development of property, the inability to sell property, the inability or unwillingness to pay the Special Tax, and delays in (or insufficient funds received from) the collection of delinquent Special Taxes through judicial foreclosure. A future outbreak of COVID-19 or another infectious disease or the fear of any such outbreak could have similar or additional adverse effects. The Authority cannot predict the ultimate effects of the COVID-19 outbreak or any future outbreak or potential future outbreak of an infectious disease, or whether any such effects would have a material adverse effect on the ability to develop the District as planned, the ability or willingness of property owners to pay Special Taxes when due, or the ability of the Authority to pay debt service on the Bonds when due.

Failure to Develop

Land development operations are subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. It is possible that the approvals necessary to complete development of all taxable property within the District are not obtained on a timely basis or that litigation could be filed regarding approvals. Failure to obtain any such agency approval or satisfy any such government requirement or any litigation concerning such agency approval or government requirement could adversely affect land development operations. In addition, current and future governmental restrictions, including, but not limited to, governmental policies restricting or controlling development within the District, could be enacted, and future land use initiatives approved by the voters in the City could add more restrictions and requirements on development within the District, which restrictions may increase the cost to develop the District. One such governmental restriction is the requirement to install rooftop photovoltaic solar systems for residential buildings under three stories constructed starting in 2020. Costs associated with the installation of solar to the homebuilders may reduce the willingness of homebuilders to construct homes and increased costs of those homes may decrease the willingness of homeowners to buy such homes.

Moreover, there can be no assurance that the means and incentive to conduct land development operations within the District will not be adversely affected by a deterioration of the real estate market or economic conditions generally, future local, State and federal governmental policies relating to real estate development, the income tax treatment of real property ownership, acts of war or terrorism, or other factors.

The Taxable Property in the District is presently undeveloped. Undeveloped property is less valuable per acre than developed property, especially if there are no plans to develop such property or if there are severe restrictions on the development of such property, and therefore provides less security to the owners of the Bonds should it be necessary for the District to foreclose due to the nonpayment of the Special Taxes. Delays in any property owner's ability to obtain discretionary approvals (including any delays caused by litigation) would in turn delay the construction of improvements and development of the Taxable Property within the District. Furthermore, an inability to develop the land within the District as currently proposed would result in slower rates of diversification of property ownership within the District. Concentration of ownership increases the risk of a failure to collect sufficient Special Taxes to pay debt service on the Bonds, all other things being equal. The timely payment of Special Taxes levied on undeveloped property depends primarily upon the ability and willingness of owners of such property to pay such taxes when due. Certain infrastructure improvements are required before development in the District can progress intract. The Phase 2 water infrastructure described under the heading "PROPOSED PROPERTY DEVELOPMENT—Development Entitlements—*Water Supply*" is required to be developed before the approximately 2,800th building permit may be pulled in the Folsom Plan Area. A slowdown in or cessation of the development of land within the District could reduce the ability and willingness of such owners to make Special Tax payments, and could greatly reduce the value of such property in the event it has to be foreclosed upon to collect delinquent special taxes. See "—Bankruptcy" above for a discussion of certain limitations on the ability of the District to pursue judicial foreclosure proceedings with respect to taxpayers with delinquent Special Taxes.

Future Private Indebtedness

At the present time, all of the property in the District is undeveloped. In order to develop any improvements on that land, the property owners will need to construct private improvements, the cost of which may increase the private debt for which the land in the District or other land or collateral owned by the property owners is security over that contemplated by the Local Obligations, and such increased debt could reduce the ability or desire of the property owners to pay the Special Tax secured by the land in the District. It should be noted however, that the lien of any private financing secured by the land within the District would be subordinate to the lien of the Special Tax.

No Independent Review of Valuation or Viability of Completed Projects

Property within the District is comprised of separate and distinct projects as described above. Payment of Special Taxes are inherently dependent upon the development within the District, and, with respect to residential properties, the ability of the buyers of completed homes to pay. The Authority, the District, and the Underwriter have not reviewed any business plan for continued ownership, development and/or operation of the property within the District. Similarly, the Authority, the District and the Underwriter have not conducted any independent evaluation of the existing or projected economic viability or profitability of any of the plans for development, including review and/or evaluation of financial statements of any owner or developer of any parcel subject to the Special Tax. The information contained herein regarding the proposed development and the owners of the parcels within the District has been supplied by such owners and the Underwriter has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of such information.

In the event an owner or developer experiences financial difficulties, including difficulties resulting from construction or operation of the development within the District, the value of the affected parcel within the District may decline and/or such owner or developer may elect to refrain from payment of future Special Taxes for such parcel. See also "—Failure to Develop."

Endangered Species

During recent years, there has been an increase in activity at the State of California and federal level related to the possible listing of certain plant and animal species found in California as endangered species. An increase in the number of endangered species is expected to curtail development in a number of areas. The property within the District contains protected habitat and species, including but not limited to Swainson's hawk and tri-colored blackbird foraging habitats and wetlands regulated by state and federal agencies. Foraging habitat mitigation credits have been satisfied by the Developer for all backbone projects and all White Rock Springs Ranch project phases. At present, the property within the District is not known to be inhabited by any other plant or animal species listed as threatened or endangered under either the State or federal endangered species acts or which either the California Fish and Game Commission or the United States Fish and Wildlife Service has proposed for addition to the respective endangered species list. Notwithstanding this fact, new species are proposed to be added to the State and federal protected lists on a regular basis. Any action by the State or federal governments to protect species located on or adjacent to undeveloped property could negatively affect the developer's ability to complete development as planned. This, in turn, could reduce the likelihood of timely payment of the Special Tax, from which funds for the payment of the Bonds is derived, and would likely reduce the value of the land and the potential revenues available at a foreclosure sale for delinquent Special Taxes. See "CERTAIN RISKS TO BONDHOLDERS—Land Values."

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value of a parcel in the District is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels in the District be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the financial and legal liability of a property owner to develop the affected parcel or other parcels, as well as the value of the property that is realizable upon a delinquency and foreclosure.

The appraised value of property in the District does not take into account the possible reduction in marketability and value of any of the parcels by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. While the District is not aware that the owner (or operator) of any of parcels has such a current liability with respect to any of the parcels, it is possible that such liabilities do currently exist and that the District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel within the District that is realizable upon a delinquency.

Naturally Occurring Asbestos

California Air Resource Board ("CARB") adopted the Airborne Toxic Control Measure ("ATCM") for Construction, Grading, Quarrying and Surface Mining Operations. This statewide regulation is applicable to grading or any other projects disturbing soil in areas of California where asbestos may exist, as determined by the California Geological Survey ("CGS"). The ATCM applies to any size construction project although there are additional notification requirements for projects that exceed one acre. Areas and parcels moderately likely to contain naturally occurring asbestos are located in the eastern parts of Sacramento County, including in the City.

Natural weathering or human disturbance can break the asbestiform minerals down to microscopic fibers, which are easily suspended in air. There is no health threat if asbestos fibers in soil remain undisturbed and do not become airborne. When inhaled, these thin fibers irritate tissues and resist the body's natural defenses. Asbestos causes cancers of the lung (such as mesothelioma) and the lining of internal organs, asbestosis, and other diseases that inhibit lung function. Scientists consider certain types of asbestos fibers (i.e., tremolite fibers and similarly structured amphibole asbestos particles) that are frequently identified in the City to be more potent than other types in causing mesothelioma.

The EIR for the Folsom Plan Area required all new development to undertake a site investigation to determine the presence of naturally occurring asbestos and, if necessary, prepare and implement an asbestos dust control plan. The Developer has undertaken an asbestos dust control plan with respect to development within the District and the costs of development in this Official Statement reflect the costs associated with asbestos mitigation.

The health concerns associated with the presence of naturally occurring asbestos in the District may adversely affect the marketability of property in the area.

FDIC/Federal Government Interests in Properties

The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Under the Supremacy Clause of the United States Constitution, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state

and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments. Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson*, 597 F.2d 174 (1979), the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

Neither the Authority nor the District have undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, then the ability of the Authority to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "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 special tax formula 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 has issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes. According to information available from the Sacramento County assessment roll, the FDIC does not currently own any of the property in the District.

The Authority and the District are unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be

foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at foreclosure sale. Such an outcome could cause a draw on the reserve account for the Local Obligations and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Local Obligations and the Bonds.

No Acceleration Provision

The Local Obligations Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms thereof.

Loss of Tax Exemption

As discussed under "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the District subsequent to the issuance of the Bonds in violation of the District's covenants with respect to the Bonds. Should interest become includable in gross income, the Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to optional or mandatory redemption.

LEGAL MATTERS

The validity of the Bonds, the Local Obligations and certain other legal matters are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"). Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of this Official Statement and expresses no opinion as to the matters set forth herein. Certain legal matters will be passed upon for the District and the Authority by the City Attorney. Certain legal matters relating to the Local Obligations will be passed upon by Orrick, Herrington & Sutcliffe LLP, as bond counsel to the District. The fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance of the Bonds.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth as APPENDIX E hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the

adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority, the City and the District have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS")

or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, the City or the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority, the City and the District have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the City, the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the District and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority, the City or the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the City, the District or the Beneficial Owners to incur significant expense.

NO LITIGATION

At the time of delivery of and payment for the Bonds and the Local Obligations, the Authority and/or the District, as applicable, will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or regulatory agency, public board or body pending or threatened against the Authority or the District affecting their existence, or the titles of their respective officers, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the Local Obligations, the application of the proceeds thereof in accordance with the Trust Agreement, or the collection or levy of the Special Taxes to pay the principal of and interest on the Local Obligations, or in any way contesting or affecting the validity or enforceability of the Local Obligations and the Bonds, the Trust Agreement, the Local Obligations Indenture, the Bond Purchase Contract entered into among the Authority, the District and the Underwriter or any other applicable agreements or any action of the Authority or the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the Authority or the District or their authority with respect to the Bonds or the Local Obligations or any action of the Authority or the District contemplated by any of said documents, nor, to the knowledge of the Authority, is there any basis therefor.

NO RATING

The Authority has not made, and does not contemplate making, application to any rating agency for the assignment of a rating to the Bonds. The absence of a rating may significantly adversely affect the ability of the owner of Bonds to sell such Bonds.

MUNICIPAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Inc. as municipal advisor (the "Municipal Advisor") with respect to the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

Compensation of the Municipal Advisor relating to the issuance of the Bonds is contingent upon the issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. (the "Underwriter") pursuant to a Bond Purchase Contract (the "Purchase Contract"), by and among the Authority, the District and the Underwriter. Pursuant to the Purchase Contract, the Underwriter has agreed to purchase all of the Bonds from the Authority at a purchase price of $_____, being the aggregate principal amount of the Bonds of $_____, [plus/less] [an/ a net] original issue [premium/discount] of $_____ and less an Underwriter's discount of $_____. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover page hereof.

CONTINUING DISCLOSURE

The District

The District has covenanted for the benefit of the Owners to provide certain financial information and operating data relating to the Bonds by not later than nine months following the end of the District's fiscal year (which fiscal year currently ends June 30) commencing with the report for the 2020-21 Fiscal Year (the "Annual Report"), which is due April 1, 2022, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed with EMMA, and the first Annual Report may include the filing of or reference to this Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is contained within APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The District is committed to complete and accurate continuing disclosure in accordance with its continuing disclosure obligations under the federal securities laws, including rules and regulations promulgated by the SEC and the MSRB, as those rules may be amended from time to time. However, during the past five years, there were specific instances where complete and accurate disclosure was not achieved by the City or its related agencies, including, (1) the City failed to include revenue fund balances for certain of the Folsom Public Financing Authority's revenue bonds issued in 2007 in the annual reports for Fiscal Years 2015 through 2017, and (2) a notice of listed event for a ratings upgrade on October 12, 2018, was not timely filed for certain of the Folsom Public Financing Authority's water revenue bonds. The description of these instances of non-compliance in this Official Statement is not an acknowledgement that any such non-compliance was material. Further, the City has made remedial filings to address these instances of non-compliance for those issues that are still outstanding, and has policies and procedures in place in order to achieve compliance with its continuing disclosure undertakings. The City and its related entities have covenanted to provide annual reports for their certain continuing disclosure obligations for Fiscal Year 2019-20 by March 31, 2021.

The Developer and Richmond

Pursuant to separate certificates, the Developer and Richmond have each covenanted for the benefit of the Bondholders to provide certain information relating to it, its development plan and its financing plan (the "Developer Disclosure Reports"), and to provide notices of the occurrence of certain enumerated events until the obligation to so provide such information, data and notices is otherwise terminated in accordance with the provisions of such certificate. A form of the Continuing Disclosure Certificate for the Developer and Richmond is included in APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS." Such information is to be provided semiannually not later than March 31 and September 30 of each year, commencing with the Developer Disclosure Report due September 30, 2021. The Developer Disclosure Reports are to be filed with EMMA.

The Authority and the District have not considered, or reached any conclusion as to, whether or not the Developer or Richmond are an obligated person under the Rule. The Authority takes no responsibility for the form or content or for the adequacy of the respective Developer Continuing Disclosure Certificate for its intended purpose.

Developer. The obligations of the Developer under its Continuing Disclosure Certificate will terminate when upon the occurrence of certain events set forth in the Developer's Continuing Disclosure Certificate, including when the property within the District owned by the Developer is developed to the planned development stage.

Richmond. The obligations of Richmond under its Continuing Disclosure Certificate will terminate when the property owned by Richmond within the District is no longer obligated to pay 20% or more of the Special Taxes within the District.

In the previous 5 years, the Bay Area Division of Richmond failed to file its first periodic report due December 31, 2017 with respect to City of Dixon Community Facilities District No. 2015-1 (Valley Glen No. 2) 2017 Bonds, which Richmond subsequently filed on March 28, 2018. This is the first known continuing disclosure undertaking by Richmond's Bay Area Division. Richmond's Bay Area Division has since engaged Development Planning & Financing Group, Inc. ("DPFG") to facilitate compliance with its disclosure undertakings. Identification of the above-described event does not constitute a representation by Richmond that such event was material.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Authority, the District and the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City or the District since the date hereof.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of such documents and reports are available for inspection at the office of the Finance Director, City of Folsom, City Hall, 50 Natoma Street, Folsom, California 95630.

The execution and delivery of the Official Statement by the Authority and the District has been duly authorized by the Board of Directors of the Authority and the City Council, respectively.

FOLSOM RANCH FINANCING AUTHORITY

By:_____
Treasurer

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH)

By:_____
City of Folsom Finance Director

APPENDIX A

RATE, METHOD OF APPORTIONMENT AND MANNER OF COLLECTION OF SPECIAL TAX

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF FOLSOM

APPENDIX C

SUMMARY OF PRINCIPAL DOCUMENTS

APPENDIX D

FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

DISTRICT CONTINUING DISCLOSURE CERTIFICATE

THIS DISTRICT CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of _____, 2021, is executed and delivered by the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District") relative to the Folsom Ranch Financing Authority (the "Authority") in connection with the issuance by the Authority of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement (the "Trust Agreement"), among the District, the Authority and U.S. Bank National Association (the "Trustee"). The District covenants and agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. The Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Annual Report Date" means the date in each year that is nine months after the end of the District's fiscal year, which date, as of the date of this Disclosure Certificate, is April 1.

"Dissemination Agent" shall mean NBS, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA System" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"Financial Obligation" means, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(7), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include Municipal Securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" means any of the events listed in subsection (a) of Section 5 hereof.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" means the Official Statement, dated _____, 2021, relating to the Bonds.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 hereof, not later than the Annual Report Date, commencing with the report for the 2020-21 Fiscal Year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the District's fiscal year changes, it shall, or shall instruct the Dissemination Agent to, give notice of such change in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent.

(c) If the Dissemination Agent is other than the District, then not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. If the District is unable to provide the Annual Report to the MSRB by the Annual Report Date, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A to the Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was so provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 3 hereof, the Annual Report shall contain unaudited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. If the District's financial statement is included or consolidated with the financial statement for the City of Folsom (the "City"), then the District shall file the City's audited financial statements as its own.

(b) The following information:

(i) The principal amount of Bonds Outstanding as of the December 31 next preceding the Annual Report Date along with a debt service schedule for the Bonds Outstanding as of such date;

(ii) The balance in each reserve account for the Local Obligations, and a statement of the required bond reserve amount, as of the December 31 next preceding the Annual Report Date;

(iii) The total assessed value of all parcels within the District on which the Special Taxes are levied, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, and a statement of assessed value-to-lien ratios therefor based on special tax and assessment debt, either by individual parcel or by categories (e.g., "below 3:1," "3:1 to 4:1" etc.);

(iv) The Special Tax delinquency rate for the District as of the December 31 next preceding the Annual Report Date; the number of parcels within the District delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the District; provided, however, that parcels with aggregate delinquencies of $1,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category;

(v) The status of foreclosure proceedings and a summary of the results of any foreclosure sales in the District as of the December 31 next preceding the Annual Report Date;

(vi) The identity of any property owner, representing more than 5% of the Special Tax levy, delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date;

(vii) All tentative and final maps approved and/or recorded within the District, describing the gross acres, the planned commercial acres and the number and type of planned residential dwelling units;

(viii) The number of new building permits issued and a description of the purpose of such permits (e.g., new single-family, new multi-family, new commercial, new industrial);

(ix) A land ownership summary listing the top ten Special Tax payers for the District, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date; and

(x) For each immediately preceding Fiscal Year, the amount of the Maximum Special Tax and the actual Special Tax levied within the District, with such amounts reported separately for Developed Property, Small Lot Final Map Property and Large Lot Property; provided, however, that once all Taxable Property within the District is Developed Property, the Maximum Special Tax and the actual Special Tax levied may each be shown on an aggregate basis in the Annual Report. For the purposes of this subparagraph (x), all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Rate and Method of Apportionment for the District.

In addition to any of the information expressly required to be provided under this Section, as set forth above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the security.

(vi) Defeasances.

(vii) Tender offers.

(viii) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ix) Rating changes.

(x) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial Obligation of the District, any of which reflect financial difficulties.

(b) The District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds, if material:

(i) Modifications to rights of Bond holders.

(ii) Bond calls.

(iii) Release, substitution or sale of property securing repayment of the Bonds.

(iv) Non-payment related defaults.

(v) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vi) Appointment of a successor or additional trustee or the change of name of a trustee.

(vii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the District, any of which affect Bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the District shall determine if such event would be material under applicable federal securities laws.

(d) If the District learns of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable federal securities laws, the District shall notify the Dissemination Agent thereof in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (e) of this Section. If in response to a request under subsection (b) of this Section, the District determines that the Listed Event would not be material under applicable Federal securities law, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e) of this Section.

(e) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (ii) of subsection (b) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 3 hereof, Section 4 hereof or subsections (a) and (b) of Section 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial statements or information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be given in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of outstanding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Disclosure

Certificate. A default under the Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under the Disclosure Certificate in the event of any failure of the District to comply with the Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Trust Agreement. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the 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 obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH)

By: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Folsom Ranch Financing Authority

Name of Issue: Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021

Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2021, executed by the District for the benefit of the Holders and Beneficial Owners of the above-referenced bonds. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 21 (WHITE ROCK SPRINGS RANCH)

By:_____
Finance Director of the City of Folsom

CONTINUING DISCLOSURE CERTIFICATE - DEVELOPER

This Continuing Disclosure Certificate – Developer (the "Disclosure Certificate") dated as of _____, 2021, is executed and delivered by Gragg Ranch Recovery Acquisition, LLC (the "Developer") in connection with the issuance of $_____ aggregate principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement, dated as of April 1, 2021 (the "Trust Agreement"), among the Folsom Ranch Financing Authority (the "Issuer"), the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District") and U.S. Bank National Association, as trustee (the "Trustee").

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. The Developer acknowledges that the Issuer and the District have undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Certificate, and has no liability to any person, including any holder or beneficial owner of the Bonds, with respect to this Disclosure Certificate.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Affiliate" of another Person means (a) any Person directly or indirectly owning, controlling, or holding with power to vote, 50% or more of the outstanding voting securities of such other Person, (b) any Person 50% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person; for purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

"Assumption Agreement" means an agreement containing terms substantially similar to this Disclosure Certificate, whereby a Major Developer agrees to provide Semi-Annual Reports and notices of significant events with respect to the portion of the Property owned by such Major Developer and its Affiliates, and with respect to the improvements or payments necessary to cause the Planned Development Stage to be reached that such Major Developer, or an Affiliate thereof, intends or is obligated (contractually or otherwise) to make or cause to be made.

"Bonds" means the $_____ Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021.

"Developer" means Gragg Ranch Recovery Acquisition, LLC.

"Development Plan" means with respect to a Major Developer, the specific improvements such Major Developer intends to make, or cause to be made, in order for the Planned Development Stage to be reached, the time frame in which such improvements are intended to be made and the estimated costs of such improvements; the Developer's Development Plan, as of the date hereof, is described in the Official Statement under the captions "PLAN OF FINANCE," "FOLSOM PLAN AREA" and "PROPOSED PROPERTY DEVELOPMENT."

"Disclosure Certificate" means this Disclosure Certificate as the same may be amended from time to time.

"Dissemination Agent" means the Developer, and any successor Dissemination Agent designated in writing by the Developer and which has filed with the District a written acceptance of such designation.

"District" means City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch), as the same may be modified by the City Council of the City from time to time.

"Event of Bankruptcy" means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of such Person's debts or obligations, or offers to such Person's creditors to effect a composition or extension of time to pay such Person's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person's creditors.

"Financing Plan" means, with respect to a Major Developer, the method by which such Major Developer intends to finance its Development Plan, including specific sources of funding for such Development Plan; the Developer's Financing Plan, as of the date hereof, is described in the Official Statement under the captions "PLAN OF FINANCE" and "PROPOSED PROPERTY DEVELOPMENT."

"Listed Event" means any of the events listed in Section 5 hereof.

"Major Developer" means any property owner, which owns (itself or through Affiliates) Taxable Property that represents 20% or more of the Special Tax levy on all of the Taxable Property for the then current Fiscal Year.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the final, executed Official Statement relating to the Bonds.

"Participating Underwriter" shall mean Piper Sandler & Co., the original underwriter of the Bonds.

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

"Planned Development Stage" means, with respect to any portion of the Property, the stage of development at which such portion of the Property is ready to be presented to the marketplace as a finished residential unit; provided that with respect to the Developer Planned Development Stage shall mean the stage of development when the Developer is no longer a Major Developer and has completed

all of the facilities described in the Official Statement under the caption "PROPOSED PROPERTY DEVELOPMENT – Development Plan of Finance – Construction of Facilities."

"Residential Lot" means a residential dwelling unit or home lot located within the District for which a final subdivision public report was or will be required by the California Department of Real Estate.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Semiannual Report" shall mean any Semiannual Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Special Taxes" means the special taxes levied on the Taxable Property within the District.

"State" shall mean the State of California.

"Taxable Property" means the real property within the boundaries of the District that is not exempt from the Special Taxes authorized to be levied in the District.

"Trust Agreement" means the Trust Agreement, dated as of April 1, 2021, among the Issuer, the District and the Trustee, and as further amended and supplemented from time to time.

"Trustee" means U.S. Bank National Association, as trustee under the Trust Agreement, or any successor as trustee.

SECTION 3. Provision of Semiannual Reports. So long as the Developer's obligations hereunder have not been terminated pursuant to Section 7, the Developer shall provide to the MSRB and the District a Semiannual Report which is consistent with the requirements of Section 4, not later than March 31 for the six-month period ending on the prior December 31, and not later than September 30 for the six-month period ending the prior June 30, commencing with the Semiannual Report for the six month period ending June 30, 2021. The Semiannual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Sections 4 or 5 hereof.

SECTION 4. Content of Semiannual Reports. The Developer's Semiannual Report shall contain or incorporate by reference the following information:

(a) If information regarding such Major Developer has not previously been included in a Semi-Annual Report or in the Official Statement, the Development Plan and Financing Plan of such Major Developer or, if information regarding such Major Developer has previously been included in a Semi-Annual Report or in the Official Statement, a description of the progress made in the Development Plan of such Major Developer since the date of such information and a description of any significant changes in such Development Plan and the Financing Plan and the causes or rationale for such changes.

(b) Identification of any portion of the Taxable Property owned by the Developer consisting of 20% or more of the Special Tax levy on all of the Taxable Property within the District that is conveyed by the Developer to an entity that is not an Affiliate since the date of the most recent Semiannual Report.

(c) The number of building permits issued with respect to such Major Developer's Property during the six-month period ending on April 30 and October 31 for the respective Semiannual Report date.

(d) The number of lots that have not reached the Planned Development Stage sold within the Taxable Property owned by the Developer since the date of the Official Statement or a more recent Semiannual Report, and, if any such lots were sold to a Major Developer, the identity of the Major Developer.

(e) The number of finished homes sold and conveyed to individual homeowners by the Developer in the District during the six-month period ending on April 30 and October 31 for the respective Semiannual Report date.

(f) Any material amendments to land use entitlements for Taxable Property of the Developer, if such amendments would prevent or significantly delay the implementation of the Developer's Development Plan as described in the Official Statement or in any previous Semiannual Report.

(g) The information required to be provided under Section 5 hereof during the six-month period ending on the respective April 30 and October 31 prior to the date by which such Semiannual Report must be filed in accordance with Section 3.

SECTION 5. Reporting of Significant Events. Pursuant to the provisions of this Section 5, the Developer shall promptly give, or cause to be given, notice of the occurrence of any of the following events with respect to the Developer:

(a) Any failure of the Developer, or any Affiliate of the Developer, to pay by the date due general property taxes or assessments with respect to its Taxable Property.

(b) Any denial or termination of credit, any denial or termination of, or default under, any line of credit or loan or any other loss of a source of funds that could have a material adverse effect on the Developer's most recently disclosed Financing Plan or Development Plan or on the ability of the Developer, or any Affiliate of the Developer owning any Taxable Property, to pay any Special Taxes with respect to its Taxable Property when due.

(c) The occurrence of an Event of Bankruptcy with respect to the Developer, or any Affiliate, that could have a material adverse effect on the Developer's most recently disclosed Financing Plan or Development Plan or on the ability of the Developer, or any Affiliate of the Developer owning any Taxable Property, to pay Special Taxes with respect to its Taxable Property when due.

(d) Any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on the Developer's Taxable Property, if such preconditions would prevent or significantly delay the Developer's Development Plan as described in the Official Statement or in any previous Semiannual Report.

(e) Any previously undisclosed legislative, administrative or judicial challenges to development on the Developer's Taxable Property, if such challenges would prevent or significantly delay the Developer's Development Plan as described in the Official Statement or in any previous Semiannual Report.

Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly report the occurrence of the Listed Event by filing a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 6. Assumption of Obligations. If any portion of the Taxable Property owned by the Developer, or any Affiliate of the Developer, is conveyed such that, upon such conveyance, such new owner will be a Major Developer, the obligations of the Developer under this Disclosure Certificate with respect to the Taxable Property transferred by the Developer shall be assumed by such Major Developer pursuant to an Assumption Agreement.

SECTION 7. Termination of Reporting Obligation. All of the Developer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. The Developer's obligations under this Disclosure Certificate shall terminate upon the earliest to occur of (a)(1) the date on which the Planned Development Stage has been reached and (2) the date on which the Developer is no longer a Major Developer, as defined herein, or (b) the date on which all of the Developer's obligations are assumed under one or more Assumption Agreements entered into pursuant to Section 6 hereof, or (c) the date on which all Special Taxes levied on the Taxable Property owned by the Developer and its Affiliates are paid or prepaid in full. Upon the occurrence of any such termination prior to the final maturity of the Bonds, the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 5 hereof.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision hereof, the Developer may amend provisions of this Disclosure Certificate and any provision hereof may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4 or 5 hereof, it may 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 (as defined in the Rule) with respect to the Bonds, or type of business conducted; and

(b) The proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of bond counsel approved by the District, materially impair the interests of the holders or beneficial owners of the Bonds.

If the semiannual financial information or operating data to be provided in the Semiannual Report is amended pursuant to the provisions hereof, the first semiannual 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.

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 Semiannual 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 Semiannual 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 Semiannual Report or notice of occurrence of a Listed Event.

SECTION 10. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Developer. The Developer shall be responsible for paying the fees and expenses of the Dissemination Agent.

SECTION 11. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, 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 Trust Agreement, and the sole 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.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Developer, the Participating Underwriter, the District and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other Person.

SECTION 13. Notices. Any notices or communications to the Developer may be given as set forth in Exhibit A hereto or such other address that shall be specified by the Developer to the District from time to time.

SECTION 14. Governing Law. This Disclosure Certificate and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Certificate as of the day and year written above.

GRAGG RANCH RECOVERY ACQUISITION, LLC

By: _____

Name: _____

Title: _____

EXHIBIT A TO CONTINUING DISCLOSURE CERTIFICATE - DEVELOPER

Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To Developer: GRAGG RANCH RECOVERY ACQUISITION, LLC

Attn: Jonathan Shumaker
1166 Avenue of the Americas
New York, NY 10036

CONTINUING DISCLOSURE CERTIFICATE - RICHMOND

This Continuing Disclosure Certificate – Richmond (the "Disclosure Certificate") dated as of _____, 2021, is executed and delivered by Richmond American Homes of Maryland, Inc., a Maryland corporation (the "Developer") in connection with the issuance of $_____ aggregate principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement, dated as of April 1, 2021 (the "Trust Agreement"), among the Folsom Ranch Financing Authority (the "Issuer"), the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "District") and U.S. Bank National Association, as trustee (the "Trustee").

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. The Developer acknowledges that the Issuer and the District have undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Certificate, and has no liability to any person, including any holder or beneficial owner of the Bonds, with respect to this Disclosure Certificate.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Affiliate" of another Person means (a) any Person directly or indirectly owning, controlling, or holding with power to vote, 50% or more of the outstanding voting securities of such other Person, (b) any Person 50% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by, or under common control with, such other Person; for purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

"Assumption Agreement" means an agreement containing terms substantially similar to this Disclosure Certificate, whereby a Major Developer agrees to provide Semi-Annual Reports and notices of significant events with respect to the portion of the Property owned by such Major Developer and its Affiliates, and with respect to the improvements or payments necessary to cause the Planned Development Stage to be reached that such Major Developer, or an Affiliate thereof, intends or is obligated (contractually or otherwise) to make or cause to be made.

"Bonds" means the $_____ Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021.

"Developer" means Richmond American Homes of Maryland, Inc., a Maryland corporation.

"Development Plan" means with respect to a Major Developer, the specific improvements such Major Developer intends to make, or cause to be made, in order for the Planned Development Stage to be reached, and the time frame in which such improvements are intended to be made; the Developer's Development Plan, as of the date hereof, is described in the Official Statement under the caption "PROPOSED PROPERTY DEVELOPMENT – Development Plan and Status of Development."

"Disclosure Certificate" means this Disclosure Certificate as the same may be amended from time to time.

"Dissemination Agent" means initially, the Developer, and any successor Dissemination Agent designated in writing by the Developer and which has filed with the District a written acceptance of such designation.

"District" means City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch), as the same may be modified by the City Council of the District from time to time.

"Event of Bankruptcy" means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of such Person's debts or obligations, or offers to such Person's creditors to effect a composition or extension of time to pay such Person's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person's creditors.

"Financing Plan" means, with respect to a Major Developer, the method by which such Major Developer intends to finance its Development Plan, including specific sources of funding for such Development Plan; the Developer's Financing Plan, as of the date hereof, is described in the Official Statement under the caption "PROPOSED PROPERTY DEVELOPMENT – Development Plans of Finance – *Richmond Plan of Finance*."

"Listed Event" means any of the events listed in Section 5 hereof.

"Major Developer" means any property owner, which owns (itself or through Affiliates) Taxable Property that is responsible in the aggregate for 20% or more of the Special Taxes levied on all of the Taxable Property for the then current Fiscal Year.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission as a repository of disclosure information. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the final, executed Official Statement relating to the Bonds.

"Participating Underwriter" shall mean Piper Sandler & Co., the original underwriter of the Bonds.

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

"Planned Development Stage" means, with respect to any portion of the Property, the stage of development at which such portion of the Property is ready to be presented to the marketplace as a finished residential unit.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Semiannual Report" shall mean any Semiannual Report provided by the Developer on or prior to March 31 and September 30 of each year, commencing with the Semiannual Report due September 30, 2021, pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Special Taxes" means the special taxes levied on the Taxable Property within the District.

"State" shall mean the State of California.

"Taxable Property" means the real property within the boundaries of the District that is not exempt from the Special Taxes authorized to be levied in the District.

"Trust Agreement" means the Trust Agreement, dated as of April 1, 2021, among the Issuer, the District and the Trustee, and as further amended and supplemented from time to time.

"Trustee" means U.S. Bank National Association, as trustee under the Trust Agreement, or any successor as trustee.

SECTION 3. Provision of Semiannual Reports. So long as the Developer's obligations hereunder have not been terminated pursuant to Section 7, the Developer shall provide to the MSRB and the District a Semiannual Report which is consistent with the requirements of Section 4, not later than March 31 and September 30 of each year, commencing September 30, 2021. If, in any year, March 31 or September 30 falls on a Saturday, Sunday or holiday, such deadline shall be extended to the next following business day. The Semiannual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Sections 4 or 5 hereof.

SECTION 4. Content of Semiannual Reports. The Developer's Semiannual Report shall contain or incorporate by reference the following information:

(a) If information regarding such Major Developer has not previously been included in a Semiannual Report or in the Official Statement, the Development Plan and Financing Plan of such Major Developer or, if information regarding such Major Developer has previously been included in a Semiannual Report or in the Official Statement, a description of the progress made in the Development Plan of such Major Developer since the date of such information and a description of any significant changes in such Development Plan and the Financing Plan and the causes or rationale for such changes.

(b) Identification of the conveyance by the Developer of any portion of its Taxable Property that is responsible in the aggregate for 20% or more of the Special Taxes levied on all of the Taxable Property within the District to an entity that is not an Affiliate since the Official Statement or a more recent Semiannual Report.

(c) The number of building permits issued with respect to such Major Developer's Taxable Property during the six-month period ending on December 31 and June 30 for the respective Semiannual Report date.

(d) The number of lots that have not reached the Planned Development Stage sold within the Taxable Property owned by the Developer since the date of the Official Statement or a more recent

Semiannual Report, and, if any such lots were sold to a Major Developer, the identity of the Major Developer.

(e) The number of finished homes sold and conveyed to individual homeowners by the Developer in the District during the six-month period ending on December 31 and June 30 for the respective Semiannual Report date.

(f) Any material amendments to land use entitlements for Taxable Property of the Developer, if such amendments would prevent or significantly delay the implementation of the Developer's Development Plan as described in the Official Statement or in any previous Semiannual Report.

The Developer's Semiannual Reports required to be provided under Section 4 hereof must be filed in accordance with Section 3.

SECTION 5. Reporting of Significant Events. Pursuant to the provisions of this Section 5, the Developer shall promptly give, or cause to be given, notice of the occurrence of any of the following events with respect to the Developer:

(a) Any failure of the Developer, or any Affiliate of the Developer, to pay by the date due general property taxes or assessments due with respect to its Taxable Property, to the extent such failure is not promptly cured by the Developer upon discovery thereof.

(b) Any denial or termination of credit, any denial or termination of, or default under, any line of credit or loan or any other loss of a source of funds that could have a material adverse effect on the Developer's most recently disclosed Financing Plan or Development Plan or on the ability of the Developer, or any Affiliate of the Developer owning any Taxable Property, to pay any Special Taxes with respect to its Taxable Property when due.

(c) The occurrence of an Event of Bankruptcy with respect to the Developer, or any Affiliate, that could have a material adverse effect on the Developer's most recently disclosed Financing Plan or Development Plan or on the ability of the Developer, or any Affiliate of the Developer owning any Taxable Property, to pay Special Taxes with respect to its Taxable Property when due.

(d) Any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on the Developer's Taxable Property, if such preconditions would prevent or significantly delay the Developer's Development Plan as described in the Official Statement or in any previous Semiannual Report.

(e) Any previously undisclosed legislative, administrative or judicial challenges to development on the Developer's Taxable Property, if such challenges would prevent or significantly delay the Developer's Development Plan as described in the Official Statement or in any previous Semiannual Report.

Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly report the occurrence of the Listed Event by filing a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 6. Assumption of Obligations. If any portion of the Taxable Property owned by the Developer, or any Affiliate of the Developer, is conveyed such that, upon such conveyance, such new owner will be a Major Developer, the obligations of the Developer under this Disclosure Certificate with

respect to the Taxable Property transferred by the Developer shall be assumed by such Major Developer pursuant to an Assumption Agreement.

SECTION 7. Termination of Reporting Obligation. All of the Developer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. The Developer's obligations under this Disclosure Certificate shall terminate upon the earliest to occur of (a) the date on which the Developer is no longer a Major Developer, as defined herein, or (b) the date on which all of the Developer's obligations are assumed under one or more Assumption Agreements entered into pursuant to Section 6 hereof, or (c) the date on which all Special Taxes levied on the Taxable Property owned by the Developer and its Affiliates are paid or prepaid in full. Upon the occurrence of any such termination prior to the final maturity of the Bonds, the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 5 hereof.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision hereof, the Developer may amend provisions of this Disclosure Certificate and any provision hereof may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4 or 5 hereof, it may be made in connection with a change in circumstances that arises from a change in legal requirements, change in law; and

(b) The proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of bond counsel approved by the District, materially impair the interests of the holders or beneficial owners of the Bonds.

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 Semiannual 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 Semiannual 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 Semiannual Report or notice of occurrence of a Listed Event.

SECTION 10. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Developer. The Developer shall be responsible for paying the fees and expenses of the Dissemination Agent.

SECTION 11. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, 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 Trust Agreement, and the sole 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.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Developer, the Participating Underwriter, the District and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other Person.

SECTION 13. Notices. Any notices or communications to the Developer and the other parties described herein may be given as set forth in Exhibit A hereto or such other address that shall be specified by the Developer or the other parties described herein from time to time.

SECTION 14. Governing Law. This Disclosure Certificate and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Certificate as of the day and year written above.

RICHMOND AMERICAN HOMES OF MARYLAND, INC., a Maryland corporation

By:_____
Nam Joe,
Division President

EXHIBIT A TO CONTINUING DISCLOSURE CERTIFICATE – RICHMOND

Any notices or communications to the Developer or the other parties described in the Continuing Disclosure Certificate – Richmond may be given as follows:

To the Developer:

Richmond American Homes of Maryland, Inc.
One Harbor Center, Suite 100
Suisun City, CA 94585
Attn: NorCal Division, Jerry Marcus, Senior Land Project Manager
Email: Jerry.Marcus@mdch.com
Phone: (707) 389-7093

With a copy to:

M.D.C. Holdings, Inc.
4350 S. Monaco Street
Denver, CO 80237
Attn: Corporate Counsel - Real Estate (California Division)
Email: susan.kleid@mdch.com

And to:

O'Neil LLP
19900 MacArthur Boulevard, Suite 1050
Irvine, CA 92612
Attn: Sandra Galle
Email: sgalle@oneil-llp.com

To the Issuer:

_____
_____
_____
Attention: _____
Email: _____
Phone: _____

To the Dissemination Agent:

_____
_____
_____
Attention: _____
Email: _____
Phone: _____

To the Participating Underwriter:

_____
_____
_____
Attention: _____
Email: _____
Phone: _____

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Folsom Ranch Financing Authority
Folsom, California

Folsom Ranch Financing Authority
City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch)
Special Tax Revenue Bonds, Series 2021
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Folsom Ranch Financing Authority (the "Issuer") in connection with the issuance of $_____ aggregate principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2021 (the "Bonds"), issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985 (constituting Article 4, Chapter 5, Division 7, Title 1 of the California Government Code) and a trust agreement, dated as of April 1, 2021 (the "Trust Agreement"), among the Issuer, the City of Folsom Community Facilities District No. 21 (White Rock Springs Ranch) (the "Community Facilities District") and U.S. Bank National Association, as trustee (the "Trustee"). The Trust Agreement provides that the Bonds are issued for the stated purpose of enabling the Issuer to acquire certain local obligations to be issued by the Community Facilities District and to pay the costs of issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Trust Agreement; the Tax Certificate, dated the date hereof (the "Tax Certificate"), executed and delivered by the Issuer, the Community Facilities District and the City; opinions of counsel to the Issuer, the Community Facilities District and the Trustee; certificates of the Issuer, the Community Facilities District, the Trustee and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint powers authorities and community facilities districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Trust Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated _____, 2021, or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.

2. The Trust Agreement has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, including the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in the Funds established pursuant to the Trust Agreement (except the Rebate Fund), subject to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds, and other related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Authority believes to be reliable, but the Authority does not take responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of principal, premium, if any, and interest with respect to the Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. (or such other DTC nominee) do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price, and interest payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority on a payable date in accordance with their respective holdings shown on DTC records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to Cede & Co. (or such

other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority deems reliable, but the Authority takes no responsibility for the accuracy thereof.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE. ANY FAILURE OF CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

APPRAISAL

APPENDIX H

MARKET ABSORPTION STUDY

ATTACHMENT 9

Folsom Ranch Financing Authority
City of Folsom CFD No. 21 (White Rock Springs Ranch)
2021 Special Tax Bonds

SB 450 Summary / Government Code 5852.1*

A. True Interest Cost (TIC) of the Bonds	**3.50%** [1]
B. Sum of all fees and charges paid to 3rd parties	**$456,540** [2]
C. Bond Proceeds Net of Reserves, Capitalized Interest and 3rd Party Fees and Charges	**$11,305,228**
Net proceeds	12,723,894 [1]
Less Reserve Fund	(793,000) [1]
Less Sum of all fees and charges paid to 3rd parties	(456,540) [1]
Less Capitalized Interest	(169,126) [1]
D. Total Payment Amount	**$21,461,000**
Total Principal and Interest to Maturity**	20,846,000 [1]
Special Tax Admin. /Continuing Disclosure Fee	465,000 [3]
Trustee Fee	90,000 [4]
Arbitrage /Rebate Fee	45,000 [5]
County Collection Charge	15,000 [6]

*Summary reflects good faith estimates as of 2/19/21 and all costs associated with the financing; subject to change based on interest rates, market conditions, and other factors

**Less Capitalized Interest

Sources:

[1] Preliminary Cash Flows (Sources and Uses) as of 2/19/21

[2] Costs of Issuance

[3] NBS - estimated 30 years at $15,500 per year

[4] US Bank - 30 years at $3,000 per year

[5] NBS - estimated 30 years at $1,500 per year

[6] NBS - estimated 30 years at $500 per year

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City of Folsom
CFD No. 21 (White Rock Springs Ranch)
2021 Special Tax Bonds

SB 450 Summary / Government Code 5852.1*

A. True Interest Cost (TIC) of the Bonds	**3.50%** [1]
B. Sum of all fees and charges paid to 3rd parties	**$456,540** [2]
C. Bond Proceeds Net of Reserves, Capitalized Interest and 3rd Party Fees and Charges	**$11,305,228**
Net proceeds	12,723,894 [1]
Less Reserve Fund	(793,000) [1]
Less Sum of all fees and charges paid to 3rd parties	(456,540) [1]
Less Capitalized Interest	(169,126) [1]
D. Total Payment Amount	**$21,425,000**
Total Principal and Interest to Maturity**	20,846,000 [1]
Special Tax Admin. /Continuing Disclosure Fee	465,000 [3]
Trustee Fee	54,000 [4]
Arbitrage /Rebate Fee	45,000 [5]
County Collection Charge	15,000 [6]

*Summary reflects good faith estimates as of 2/19/21 and all costs associated with the financing; subject to change based on interest rates, market conditions, and other factors

**Less Capitalized Interest

Sources:

[1] Preliminary Cash Flows (Sources and Uses) as of 2/19/21

[2] Costs of Issuance

[3] NBS - estimated 30 years at $15,500 per year

[4] US Bank - 30 years at $1,800 per year

[5] NBS - estimated 30 years at $1,500 per year

[6] NBS - estimated 30 years at $500 per year

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ATTACHMENT 10

Special Tax Revenue Bonds – CFD 21
City Council Presentation – March 23, 2021

CITY OF FOLSOM

CFD 21 – Special Tax Revenue Bonds

Council approved CFD 21 on February 13, 2018.

Provides for the construction and acquisition of certain public improvements including:

- Backbone infrastructure improvements – include roadway construction, utility line extensions, storm drain detention basins, environmental mitigation, soft costs, earthwork/retaining walls, and associated landscaping.
- Subdivision improvements - underground utilities, subdivision roadways, street lighting, soundwalls, and landscaping.

CFD 21 – Special Tax Revenue Bonds

CFD 21 – Special Tax Revenue Bonds

Proposing to issue Series 2021 Revenue Bonds in an amount not to exceed $15,000,000.

Proceeds will be used to finance the acquisition and construction of certain public facilities, fund a debt service reserve, fund capitalized interest to September 1, 2021, and pay certain costs of issuance.

CFD 21 – Special Tax Revenue Bonds

The appraised value of the property within CFD 21 is $105,434,000.

In compliance with the City's Policies:

- The value-to-lien ratio is 4.4:1.
- The projected tax burden is 1.69% for a single-family unit and 1.84% for a single-family high- density unit.

CFD 21 – Special Tax Revenue Bonds

By taking these actions you are:

Approving the form of various required documents – Trust Agreement, First Supplemental Indenture, Local Obligation Purchase Contract, Bond Purchase Contract, Continuing Disclosure Certificate, and Preliminary Official Statement.

Authorizing the officers of the City and the Folsom Ranch Financing Authority to execute any and all documents and take appropriate actions to prepare to issue such bonds.

CFD 21 – Special Tax Revenue Bonds

Recommend approval of:

- City Council Resolution No. 10603
- Folsom Ranch Financing Authority Resolution No. 007-FRFA