



Folsom City Council Staff Report

MEETING DATE:	5/26/2026
AGENDA SECTION:	Public Hearing
SUBJECT:	City of Folsom Community Facilities District No. 24 (Alder Creek West)
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the City Council conduct a public hearing and then adopt the following resolutions and conduct the first reading of the ordinance:

Resolution No. 11625- A Resolution of the City Council of the City of Folsom to Form a Community Facilities District, to Designate Improvement Areas within the District, to Designate a Future Annexation Area therein and to Levy Special Taxes therein

Resolution No. 11626- A Resolution of the City Council of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness in and for City of Folsom Community Facilities District No. 24 (Alder Creek West)

Resolution No. 11627- A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 24 (Alder Creek West)

Resolution No. 11628– A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 24 (Alder Creek West)

Ordinance No. 1370 – An Uncodified Ordinance Levying Special Taxes for the Fiscal Year 2026-27 and Following Fiscal Years Solely within and Relating to the City of Folsom Community Facilities District No. 24 (Alder Creek West) (Introduction and First Reading)

BACKGROUND / ISSUE

The Folsom Plan Area Specific Plan Public Facilities Financing Plan (“PFFP”), approved by the City Council on January 28, 2014 via Resolution 9298, is an \$877 million plan that describes the backbone infrastructure and facility requirements, presents a comprehensive financing strategy, and sets forth the estimated time horizon for the development of the Folsom Plan Area (“FPA”).

Landowners within the FPA requested to form the proposed City of Folsom Community Facilities District No. 24 (Alder Creek West) (“CFD No. 24”), including four separate Improvement Areas (“IA”), designated as Improvement Area No. 1, No. 2A, No. 2B and No. 3. A boundary map showing the proposed CFD 24 and the four separate improvement areas is below



Special tax revenues generated from each IA within CFD No. 24 will help fund all or a portion of the project’s share of PFFP backbone infrastructure and facilities. A detailed list of authorized facilities can be found under Exhibit A of Resolution No. 11581. A summary of the facilities authorized to be funded by CFD No. 24 include, but are not limited to:

- Transportation Improvements including all public roadway improvement designed to meet the needs of development within CFD No. 24, including internal subdivision streets and related underground utilities.
- Water System Improvements
- Recycled Water System Improvements

- Drainage System Improvements
- Wastewater System Improvements
- Park, Parkway and Open Space Improvements
- Specific Plan Infrastructure Fee Infrastructure
- Other Incidental Expenses and Bond Issuance Costs

In addition, the following project-specific services are anticipated to be funded by CFD No. 24 special taxes:

- Open space maintenance
- Landscape corridors and paseos
- Street light maintenance
- Medians, entries and entry monumentation
- Neighborhood park maintenance, repair and replacement
- Community amenities
- Storm water management
- Other miscellaneous costs related to any of the items described above
- Anticipated future repairs or replacements costs.
- Public Services for Police, Fire and other emergency services

The proposed CFD No. 24 is located within the FPA and is generally bounded by U.S. Highway 50 on the north, Prairie City Road on the west, and White Rock Road on the south. Each IA within CFD No. 24 includes several Assessor's Parcel Numbers, which are identified in the proposed boundary map for CFD No. 24, included as Attachment 4. The proposed development plan for each IA within CFD No. 24 includes the following:

Improvement Area	SF/SFHD Units	MLD Units	Total Units
IA 1	276	0	276
IA 2A	0	329	329
IA 2B	296	132	428
IA 3	391	0	391
Total	963	461	1,424

The CFD No. 24 funding stream will be a combination of bonded indebtedness and pay-as-you-go ("PAYGO") funding, both secured by the levy of special taxes upon property within the boundaries of CFD No. 24.

On April 14, 2026, this City Council approved a proposed boundary map and declared the intention to form CFD No. 24 and to levy special taxes within CFD No. 24 by passage of Resolution No. 11581. On that same date, this City Council declared the necessity for incurring bonded indebtedness in and for CFD No. 24 and in and for each IA designated therein by passage of Resolution No. 11582.

A Public Hearing is required as part of the formation process of a Community Facilities District. Notice of the hearing was mailed to the landowners within CFD No. 24 on May 8, 2026, and published in the Folsom Telegraph on May 15, 2026. A copy of the required CFD Public Hearing Report has been made available in the City Clerk's office since May 15, 2026, and is also included with this report as Attachment 6.

POLICY / RULE

Chapter 5 of the Folsom Plan Area Public Facilities Financing Plan authorizes the formation of CFDs to finance the construction, acquisition, and servicing of FPA backbone infrastructure and public facilities

Section 2.5.3 of the First Amended and Restated Tier 1 Development Agreement authorizes the formation of infrastructure CFDs.

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

Mello-Roos Community Facilities Act of 1982

ANALYSIS

CFD No. 24 will be structured as an extended-term CFD and will provide the necessary funding to help fund all or a portion of the project's share of PFFP backbone infrastructure and facilities, including related environmental mitigation obligations. The PFFP backbone infrastructure and facilities will be financed using both bond proceeds and PAYGO special tax revenues. The extended-term CFD structure is proposed to help to meet the challenge of high-cost infrastructure and facilities while also aligning the timing of future funding availability with the need for such funding.

The PFFP backbone facilities to be funded via CFD No. 24, and listed above, were originally anticipated to be funded by either Community Facilities District No. 18 (Folsom Plan Area - Area-Wide Improvements and Services) or funded as part of project specific CFDs established for each development within the FPA.

The special tax revenue generated from taxable parcels within each IA of CFD No. 24 will be comprised of a special tax to fund facilities and a special tax to fund services. The 2026/27 maximum facilities special tax rates, set forth in each IA's Rate and Method of Apportionment (RMA), for each land use category are provided in the table below:

Land Use Category	Improvement Area	Village / Lot #	2026/27 Maximum Facilities Special Tax Rate	Per
Single-Family Detached Property - SF Zoning	IA 1	5	\$3,920	Lot
Single-Family Detached Property - SFHD Zoning	IA 1	6	\$3,505	Lot
Single-Family Detached Property - SF Zoning	IA 1	7A	\$5,402	Lot
Single-Family Detached Property - SFHD Zoning	IA 1	7B	\$4,522	Lot
Single-Family Detached Property - SF Zoning	IA 1	7B	\$5,719	Lot
Single-Family Detached Property - MLD Zoning	IA 2A	1A	\$2,547	Lot
Single-Family Detached Property - MLD Zoning	IA 2A	1B	\$2,598	Lot
Single-Family Detached Property - MLD Zoning	IA 2A	1C	\$2,498	Lot
Single-Family Detached Property - SFHD Zoning	IA 2B	2A	\$2,947	Lot
Single-Family Detached Property - SFHD Zoning	IA 2B	2B	\$2,563	Lot
Single-Family Detached Property - MLD Zoning	IA 2B	3A	\$2,573	Lot
Single-Family Detached Property - SF Zoning	IA 2B	3B	\$5,025	Lot
Single-Family Detached Property - SF Zoning	IA 2B	4A	\$3,848	Lot
Single-Family Detached Property - SF Zoning	IA 2B	4B	\$5,042	Lot
Single-Family Detached Property - SF Zoning	IA 3	8A	\$4,237	Lot
Single-Family Detached Property - SF Zoning	IA 3	8A	\$4,083	Lot
Single-Family Detached Property - SF Zoning	IA 3	8B	\$5,013	Lot
Single-Family Detached Property - SF Zoning	IA 3	8C	\$5,563	Lot
Single-Family Detached Property - SF Zoning	IA 3	9A	\$5,086	Lot
Single-Family Detached Property - SF Zoning	IA 3	9B	\$4,279	Lot
Permit Ready Multi-Family/Non-Residential Property	IA 1, IA 2B, IA3		\$20,000	Acre
Large Lot Property	IA 1, IA 2B, IA3		\$20,000	Acre
Undeveloped Property	IA 1, IA 2B, IA3		\$20,000	Acre
Permit Ready Multi-Family/Non-Residential Property	IA 2A		\$23,000	Acre
Large Lot Property	IA 2A		\$23,000	Acre
Undeveloped Property	IA 2A		\$23,000	Acre

The CFD No. 24 facilities special tax can be levied and collected through Fiscal Year 2085/86. Each fiscal year, commencing with 2027/28, the maximum facilities special tax rate will be increased by 2% annually.

The 2026/27 maximum services special tax rates, set forth in each IA's RMA for each land use category are provided in the table below:

Land Use Category	Improvement Area	Village / Lot #	2026/27 Maximum Services Special Tax Rate	Per
Single-Family Detached Property - SF Zoning	IA 1	5	\$858	Lot
Single-Family Detached Property - SFHD Zoning	IA 1	6	\$616	Lot
Single-Family Detached Property - SF Zoning	IA 1	7A	\$977	Lot
Single-Family Detached Property - SFHD Zoning	IA 1	7B	\$659	Lot
Single-Family Detached Property - SF Zoning	IA 1	7B	\$659	Lot
Single-Family Detached Property - MLD Zoning	IA 2A	1A	\$450	Lot
Single-Family Detached Property - MLD Zoning	IA 2A	1B	\$470	Lot
Single-Family Detached Property - MLD Zoning	IA 2A	1C	\$400	Lot
Single-Family Detached Property - SFHD Zoning	IA 2B	2A	\$578	Lot
Single-Family Detached Property - SFHD Zoning	IA 2B	2B	\$566	Lot
Single-Family Detached Property - MLD Zoning	IA 2B	3A	\$461	Lot
Single-Family Detached Property - SF Zoning	IA 2B	3B	\$857	Lot
Single-Family Detached Property - SF Zoning	IA 2B	4A	\$931	Lot
Single-Family Detached Property - SF Zoning	IA 2B	4B	\$840	Lot
Single-Family Detached Property - SF Zoning	IA 3	8A	\$695	Lot
Single-Family Detached Property - SF Zoning	IA 3	8A	\$695	Lot
Single-Family Detached Property - SF Zoning	IA 3	8B	\$869	Lot
Single-Family Detached Property - SF Zoning	IA 3	8C	\$816	Lot
Single-Family Detached Property - SF Zoning	IA 3	9A	\$796	Lot
Single-Family Detached Property - SF Zoning	IA 3	9B	\$653	Lot

The CFD No. 24 services special tax can be levied and collected until the bonds mature, or the “Transition Event”, per the RMA. Each fiscal year, commencing with 2027/28, the maximum services special tax rate will be increased by the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

After the Transition Event, both the facilities special tax and services special tax levies will cease, and a transition services special tax will replace the prior funding. The transition services special tax will be an amount equal to 50% of the maximum facilities special tax rate the year prior to the Transition Event plus the maximum services special tax rate the year prior to the Transition Event. Each fiscal year, commencing with the transition year, the maximum transition services special tax rate will be increased by the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

As described above, CFD No. 24 will include an extended-term in order to provide the financing to fund CFD No. 24 authorized facilities through multiple CFD bond issues and the generation of PAYGO special tax revenue from the levy and collection of the special tax. The primary pledge of CFD No. 24 special tax revenues will be to service outstanding CFD No. 24 debt. Special tax revenues in excess of the annual debt service and administrative expenses will be used on a PAYGO basis. 100% of the PAYGO revenue beginning with CFD No. 24 formation through the 20th fiscal year is intended to be available to the landowners to fund eligible facilities. After that, any PAYGO revenues may be used at the City's discretion to continue to fund or acquire eligible facilities, or the City may elect to reduce the special tax levy amount to eliminate PAYGO revenues.

Approving the resolutions attached:

- Forms CFD No. 24 and designates four Improvement Areas therein
- Authorizes the levy of special taxes within each Improvement Area therein
- Deems it necessary to incur bonded indebtedness within each Improvement Area
- Calls for a special mailed ballot election within each Improvement Area
- Declares the results of the special mailed ballot election within each Improvement Area

An ordinance is also being introduced to levy special taxes within CFD No. 24 for fiscal year 2026/27 and following fiscal years. This is the first reading of the ordinance.

FINANCIAL IMPACT

The services special tax for CFD No. 24 was structured to include police, fire, and other emergency services as project-specific services.

The CFD No. 24 formation, bonded indebtedness, and expenses are solely the responsibility of CFD No. 24. The General Fund is not impacted by the CFD No. 24 Rate and Method of Apportionment.

ENVIRONMENTAL REVIEW

An Initial Study and Mitigated Negative Declaration prepared for the Folsom Plan Area Backbone Infrastructure Project were previously prepared for, and adopted by the City Council on February 24, 2015, in accordance with the requirements of the California Environmental Quality Act. Pursuant to CEQA Guidelines section 15378(c), the term "project" does not mean each separate governmental approval for an approved activity which may be subject to several discretionary approvals by governmental agencies. Additionally, the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment is not defined as a "project" under CEQA. CEQA Guidelines Section 15378(b)(4) and 15061(b)(3).

ATTACHMENTS

1. Resolution No. 11625 - A Resolution of the City Council of the City of Folsom to Form a Community Facilities District, to Designate Improvement Areas within the District, to Designate a Future Annexation Area therein and to Levy Special Taxes therein
2. Resolution No. 11626 - A Resolution of the City Council of the City of Folsom Deeming it Necessary to Incur Bonded Indebtedness in and for City of Folsom Community Facilities District No. 24 (Alder Creek West)
3. Resolution No. 11627 - A Resolution of the City Council of the City of Folsom Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 24 (Alder Creek West)
4. Resolution No. 11628 – A Resolution of the City Council of the City of Folsom Declaring Election Results in the City of Folsom Community Facilities District No. 24 (Alder Creek West)
5. Ordinance No. 1370 – An Uncodified Ordinance Levying Special Taxes for the Fiscal Year 2026-27 and Following Fiscal Years Solely within and Relating to the City of Folsom Community Facilities District No. 24 (Alder Creek West) (Introduction and First Reading)
6. City of Folsom Community Facilities District No. 24 (Alder Creek West) Public Hearing Report
7. Landowner Ballots, Waivers and Consents

Submitted,

Stacey Tamagni
CFO/Finance Director

Attachment 1

RESOLUTION NO. 11625

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM
TO FORM A COMMUNITY FACILITIES DISTRICT, TO DESIGNATE
IMPROVEMENT AREAS WITHIN THE DISTRICT, TO DESIGNATE A FUTURE
ANNEXATION AREA THEREIN AND TO LEVY
SPECIAL TAXES THEREIN**

WHEREAS, a community facilities district is proposed to be established (the “Community Facilities District”) under the terms of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the “Act”); and

WHEREAS, pursuant to Section 53350 of the Act, four improvement areas are proposed to be designated within the Community Facilities District (each, an “Improvement Area” and, collectively, the “Improvement Areas”); and

WHEREAS, pursuant to Section 53339.2, certain property is proposed to be designated for annexation into the Community Facilities District in the future with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed (the “Future Annexation Area”); and

WHEREAS, the boundaries of the Community Facilities District, the Future Annexation Area, and each portion of the Community Facilities District designated as an Improvement Area, are described in a boundary map on file in the office of the City Clerk of the City of Folsom (the “City Clerk”); and

WHEREAS, for the preliminary scope of the project and financing contemplated by these proceedings, reference is made to Resolutions No. 11581 (the “Resolution of Intention”) and No. 11582 adopted by the City Council of the City (the “City Council”) on April 14, 2026; and

WHEREAS, on May 26, 2026, at the time and place scheduled for the public hearing concerning the formation of the Community Facilities District, the designation of the Future Annexation Area and the designation of the Improvement Areas, said public hearing of protests was duly convened by the City Council, and the City Council duly heard all interested parties desiring to be heard; and

WHEREAS, the City Council determined that a majority protest under Section 53324 of the Government Code was not made at the public hearing and therefore the proposed formation of the Communities Facilities District, the designation of the Future Annexation Area and the designation of each Improvement Area and special tax to be levied within each Improvement Area have not been eliminated by majority protest pursuant to said Section 53324; and

WHEREAS, pursuant to the Act, the City Council has previously reviewed the proposed Rate and Method of Apportionment of Special Tax (the “Rate and Method”) for each Improvement Area;

WHEREAS, it has been determined that certain clerical and non-substantive errors were identified within the text of the Rate and Method for Improvement Area No. 3 of the Community Facilities District, and said Rate and Method has subsequently been modified solely to correct such errors for purposes of clarity and administrative accuracy; and

WHEREAS, the City Council hereby finds and determines that, notwithstanding these clerical corrections, the probable special tax to be levied on any particular parcel within Improvement Area No. 3 remains unchanged from the amounts previously noticed and contemplated, and such modifications do not increase the maximum special tax rates or change the methodology of apportionment in a manner adverse to any property owner;

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

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

Section 2. The City Council hereby forms the Community Facilities District under the terms of the Act. The boundaries of the Community Facilities District, each Improvement Area and the Future Annexation Area are shown on the boundary map approved by the Resolution of Intention (the “Boundary Map”). A copy of the recorded Boundary Map is on file with the City Clerk and was recorded on April 16, 2026, at Book 145, Page 35 in the Book of Maps of Assessment and Community Facilities Districts in the official real estate records of the County of Sacramento. Property owners within the Future Annexation Area may annex into Community Facilities District No. 24 by unanimous consent, without further future action by the City Council.

Section 3. The name of the Community Facilities District is “City of Folsom Community Facilities District No. 24 (Alder Creek West)” (“CFD 24”).

Section 4. Pursuant to Section 53350 of the Act, the City Council hereby designates the portion of CFD 24 described as Improvement Area No. 1 in the Boundary Map as an improvement area, the portion of CFD 24 described as Improvement Area No. 2A in the Boundary Map as an improvement area, the portion of CFD 24 described as Improvement Area No. 2B in the Boundary Map as an improvement area, and the portion of CFD 24 described as Improvement Area No. 3 in the Boundary Map as an improvement area.

Section 5. The names of the Improvement Areas designated within CFD 24 are “City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area No. 1” (“Improvement Area No. 1”), “City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area No. 2A” (“Improvement Area No. 2A”), “City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area No. 2B” (“Improvement Area No. 2B”), and “City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area No. 3” (“Improvement Area No. 3”), respectively.

Section 6. The types of public facilities (the “Facilities”) and services (the “Services”) proposed to be financed by CFD 24, and to the financing of which each Improvement Area is proposed to contribute, are set forth on Exhibit A and Exhibit B attached to this resolution,

respectively. The City Council hereby finds and determines that these Facilities and Services are necessitated to meet increased demands placed upon the City by new development occurring or anticipated within each Improvement Area.

Section 7. All of the Facilities to be financed will have an estimated useful life of at least five (5) years. They are public facilities that the City or another governmental entity is authorized by law to construct, own or operate or to which they may contribute revenue. The Facilities to be financed need not be physically located within CFD 24.

Section 8. The types of incidental expenses and bond issuance costs proposed to be incurred are set forth on Exhibit C attached to this resolution.

Section 9. Except where funds are otherwise available, special taxes sufficient to pay for all Facilities and Services will be annually levied within each Improvement Area. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure the related levy of the special tax shall attach to all nonexempt real property within CFD 24, and the lien shall continue in force and effect until the special tax obligation (or any portion thereof) is paid or prepaid and permanently satisfied and the special tax lien is cancelled in accordance with law or until collection of the special tax by the City ceases. The rate and method of apportionment of the special tax to be levied in each Improvement Area, as modified by this Resolution, are set forth in Exhibits D-1, D-2A, D-2B and D-3, respectively, attached to this resolution. The special tax with respect to the Facilities on any parcel within each Improvement Area shall not be levied after the earlier of (i) Fiscal Year 2085-86 or (ii) the Fiscal Year occurring 50 years following (a) the Fiscal Year in which the first building permit was issued or (b) the first series of bonds or other debt issued for the respective Improvement Area. The special tax with respect to the Services shall be levied perpetually until the collection of the special tax by the City ceases. In the case of any special tax to pay for the Facilities and to be levied against any parcel used for private residential purposes, under no circumstances will the special tax levied against any parcel be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within any Improvement Area by more than 10 percent of the special tax for Facilities that would be levied in that Fiscal Year but for such delinquencies or defaults.

Section 10. Advances of funds or contributions of work in kind from any lawful source, specifically including owners of property within each Improvement Area, may be reimbursed from bond proceeds or from special tax revenues or both to the extent of the lesser of the value or cost of the contribution, but any agreement to do so shall not constitute a debt or liability of the City.

To the extent the Facilities will not be constructed by the City, in the opinion of the City Council, the public interest will not be served by allowing the property owners in CFD 24 to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act.

Section 11. The City intends to reserve to itself the right and authority to allow bond tenders from any interested landowner within CFD 24 to be accepted under Government Code sections 53344.1 and 53356.8 in full or partial payment of any installment of the special taxes or the interest or penalties thereon.

Section 12. The Office of Management and Budget, 50 Natoma Street, Folsom, California, (916) 355-7347, is designated as the office responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number, and for responding to inquiries regarding estimates of future special tax levies. The City Manager, the Finance Director and the Chief Financial Officer are each authorized, on behalf of the City, to negotiate and execute, from time to time, one or more contracts with private consultants to provide this service in lieu of the Office of Management and Budget, provided that the fees and charges for such private consultants will be provided for out of special tax revenues in each Improvement Area.

Section 13. Any bonds issued in these proceedings shall be callable in accordance with the provisions of the Act and as more specifically to be set forth in any resolution providing for the form, execution and issuance of bonds.

Section 14. The special tax will be billed as a separate line item on the secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular *ad valorem* property taxes. However, the City reserves the right, under Section 53340, to utilize any method of collecting each special tax which it shall, from time to time, determine to be in the best interests of the City, including, but not limited to, direct billing by the City to the property owners and supplemental billing, and when lawfully available, judicial foreclosure of the special tax lien.

Section 15. This City Council hereby establishes the annual appropriations limit for Improvement Area No. 1 at \$31,000,000, for Improvement Area No. 2A at \$21,000,000, for Improvement Area No. 2B at \$35,000,000, and for Improvement Area No. 3 at \$47,000,000, each for the 2026-27 fiscal year.

Section 16. Based upon a certificate relative to voters heretofore filed with the City Clerk, the qualified electors for the election to be held in these proceedings shall be the landowners owning land within each Improvement Area. The City Clerk or her designee will conduct the election by mailed ballot and hereby designates the City Clerk as the official to conduct the mailed-ballot election.

Section 17. This City Council now finds and determines that all proceedings up to and including the adoption of this resolution were and are valid and in conformity with the requirements of the Act. This determination and finding is final and conclusive in accordance with Government Code Section 53325.1(b).

Section 18. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 26th day of May 2026 by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

EXHIBIT A
AUTHORIZED FACILITIES
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

The Facilities to be financed by CFD 24 include facilities designed to meet the needs of development within CFD 24, whether such facilities are located within or outside the boundaries of CFD 24, and include but are not limited to the following:

Transportation Improvements

Eligible roadway improvements include, but are not limited to: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, Bus Rapid Transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed herein also include any and all necessary underground potable and recycled water, sanitary sewer, and storm drainage system improvements.

Water System Improvements

Authorized facilities include any and all water facilities designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to: water storage, treatment and distribution facilities including waterlines and appurtenances, gate valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading and paving; curbs and gutters; booster pump stations and power; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

Recycled Water System Improvements

Authorized facilities include any and all recycled water system facilities designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to: treatment and distribution facilities including pipelines and appurtenances, gate valves, flow meters, booster pump pressurization system, and other improvements related thereto - such as site clearing, grading and paving; curbs and gutters; booster pump stations; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

Drainage System Improvements

Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to: excavation and grading, pipelines and appurtenances, outfalls and water quality measures, detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; access roads, gates, and fencing; and striping and signage and other improvements related thereto.

Wastewater System Improvements

Authorized facilities include any and all wastewater facilities designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main lines; force mains; lift stations; upgrades to existing lift stations; odor-control facilities; and permitting related thereto; and related sewer system improvements.

Park, Parkway and Open Space Improvements

Authorized facilities include any and all improvements to parks, parkways and open space required for development of property within CFD 24. These facilities include, but may not be limited to: grading, turf, shrubs and trees, landscaping irrigation, site lighting, drainage, sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges, storm drain crossings, wetland mitigation, hawk mitigation for authorized facilities herein, access gates and fencing and related open space improvements. Authorized facilities include acquisition of any and all parkland as well as open space/bike trail/public access easements required for development of property within CFD 24.

Specific Plan Infrastructure Fee Infrastructure

Authorized facilities include any and all improvements that are included in the Specific Plan Infrastructure Fee Program adopted by the City Council on September 8, 2015, including any future amendments thereto.

Other Incidental Expenses and Bond Issuance Costs

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the Mello-Roos CFD; issuance of bonds (if any); determination of the amount of taxes; collection of taxes; payment of taxes; costs of calculating and providing reimbursements from one-time special tax payments; or costs otherwise incurred in order to carry out the authorized purposes of CFD 24; and any other expenses incidental to the formation and implementation of CFD 24 and to the construction, completion, inspection and acquisition of the authorized facilities.

EXHIBIT B
AUTHORIZED SERVICES
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

The authorized services to be funded from the levy and collection of annual special taxes include those set forth below in addition to the costs associated with collecting and administering the special taxes and annual administration of CFD 24.

CFD 24 will be eligible to fund all or a portion of the costs of reconstruction and/or rehabilitation, operation, maintenance, repair and replacement, and servicing of the following items not otherwise subject to funding from the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services):

1. Open Space improvements, operations and management, monitoring, maintenance (including general maintenance, signage, City owned fence maintenance, trash and debris collection, and bike trails and their appurtenances [drainage culverts or pipes from adjacent subdivisions] within open space), creation and maintenance of fire breaks, Permits, Vandalism/Graffiti, Flood Conveyance (Vegetation/tree removals), Beaver dam removals, Outfall/drainage swale maintenance, Erosion control/bank stabilization, Native planting/replanting, Pre and post emergent, maintenance activities as required by a 404 permit and Operations and Management Plan-Conservation and Passive Recreation Open Space, dated June 9, 2017, and repair and replacement of facilities within open space areas in the Project Area.
2. The maintenance of on-site landscape corridors and paseos designed to serve land uses within CFD 24, including general maintenance, masonry walls, accent lighting, water and utility costs.
3. The maintenance of streetlights, including any utility costs related thereto.
4. The maintenance of medians, entries, and entry monumentation.
5. Neighborhood park maintenance, and repair and replacement.
6. Community amenities, such as a community clubhouse.
7. Storm water management, water quality structural controls, including drainage swales constructed between storm drain facilities and receiving waters.
8. Miscellaneous costs related to any of the items described above including planning, engineering, GIS, legal, and city and county administration costs.
9. The levy of special taxes to accumulate sinking funds for anticipated future repairs or replacement costs of landscape corridors, irrigation facilities, medians, entries and entry

monumentation, lighting, neighborhood parks, storm water management and other facilities maintained by CFD 24 as determined by the Administrator.

Annual maintenance functions and costs generally will include the installation, maintenance and servicing of ground cover, shrubs and trees, irrigation systems, street lighting, fencing, sound walls, sidewalks, monuments, enhanced open space maintenance including but not limited to maintaining the enhanced open space areas located adjacent to avoided or created habitat mitigation areas and other buffer areas between the enhanced open space and vertical development, bike trails, walkways, entry signage, street pavers, and labor, materials, supplies, utilities (including water and electricity) and equipment, as applicable, for property owned or maintained by the City. Annual maintenance costs include an allowance for long-term repair and replacement of improvements.

CFD 24 may fund any of the following related to the maintenance of the services described above: obtaining, repairing, reconstructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of the personnel necessary or convenient to provide the services, and other related expenses and the provision of reserves for repairs and replacements for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof. CFD 24 may also fund administrative fees of the City related to CFD 24.

CFD 24 will further be eligible to fund all or a portion of the costs of the following public services:

Police, fire and other emergency services that are in addition to those services that were provided within the boundaries of CFD 24 at the time of formation of CFD 24, including but not limited to (i) the costs of contracting services, (ii) related equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City and non-City staff that directly provide police, fire and emergency services, and (iv) City and non-City overhead costs associated with providing such services within CFD 24.

EXHIBIT C
INCIDENTAL EXPENSES AND BOND ISSUANCE COSTS
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

It is anticipated that the following incidental expenses may be incurred for CFD 24:

- Engineering services
- Special tax consultant services
- City review and administration
- Bond counsel services
- Bond counsel expenses
- Disclosure counsel services
- Disclosure counsel expenses
- Independent municipal advisor services and expenses
- Appraiser services
- Market absorption study and real estate economist services
- Initial bond transfer agent, fiscal agent, registrar and paying agent fees
- Rebate calculation service set up charge
- Bond printing
- Offering memorandum printing and mailing costs
- Publishing, mailing and posting of notices
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Bond syndication costs
- Governmental notification and filing costs
- Credit enhancement costs
- Real estate acquisition costs
- Rating agency fees
- Charges and fees of City other than those waived

Certain annual costs may be included in each annual special tax levy. These include:

- Annual bond transfer agent, fiscal agent, registrar and paying agent fees
- Annual rebate calculation costs
- Special tax consultant costs and administration expenses
- Other necessary consultant costs
- Costs of posting and collecting the special taxes
- Personnel and Administrative costs of the City
- Arbitrage rebate
- Continuing disclosure reporting and compliance

EXHIBIT D-1

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA NO. 1**

[ATTACHED]

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 1**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 1 (CFD No. 24 IA1) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA1 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA1.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA1 under the Act.

“CFD No. 24 IA1” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 1.

“CFD No. 24 IA1 Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA1.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA1 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA1, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA1, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA1, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA1 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA1 to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA1 Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA1.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA1 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA1 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA1.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA1, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA1.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA1, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA1.

“Public Property” means any property within the boundaries of CFD No. 24 IA1, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA1, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA1 for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA1, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA1 Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA1 that are not exempt from the CFD No. 24 IA1 Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA1 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA1 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA1.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA1, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA1 for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA1 Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA1 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA1 shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA1 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA1 an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA1.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA1 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA1 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA1 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA1.

Using the definitions and procedures described herein, the CFD No. 24 IA1 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA1 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA1 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA1 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA1 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA1 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA1, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA1 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA1 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA1 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA1 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA1 Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA1 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA1 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA1 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA1, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA1 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA1 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA1 Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA1, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF Zoning	5	\$3,920	\$858	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	3,505	616	Residential Lot
Single-Family Detached Property – SF Zoning	7A	5,402	977	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	4,522	659	Residential Lot
Single-Family Detached Property – SF Zoning	7B	5,719	659	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SF Zoning	5	\$3,920	\$858	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	3,505	616	Residential Lot
Single-Family Detached Property – SF Zoning	7A	5,402	977	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	4,522	659	Residential Lot
Single-Family Detached Property – SF Zoning	7B	5,719	659	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	5	38	\$3,920	\$148,960
Single-Family Detached Property – SFHD Zoning	6	99	3,505	346,955
Single-Family Detached Property – SF Zoning	7A	56	5,402	302,512
Single-Family Detached Property – SFHD Zoning	7B	42	4,522	189,924
Single-Family Detached Property – SF Zoning	7B	41	5,719	234,479
Total Minimum Facilities Revenue⁽⁴⁾				\$1,222,870

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 5, 6, 7A and 7B.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SF Zoning	5	\$_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7A	_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7B	_____	Residential Lot
Small Lot Final Map Property:			
Single-Family Detached Property – SF Zoning	5	\$_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7A	_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7B	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$_____	Acre
Large Lot Property		\$_____	Acre
Undeveloped Property		\$_____	Acre

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.

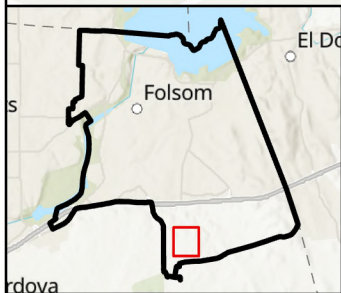
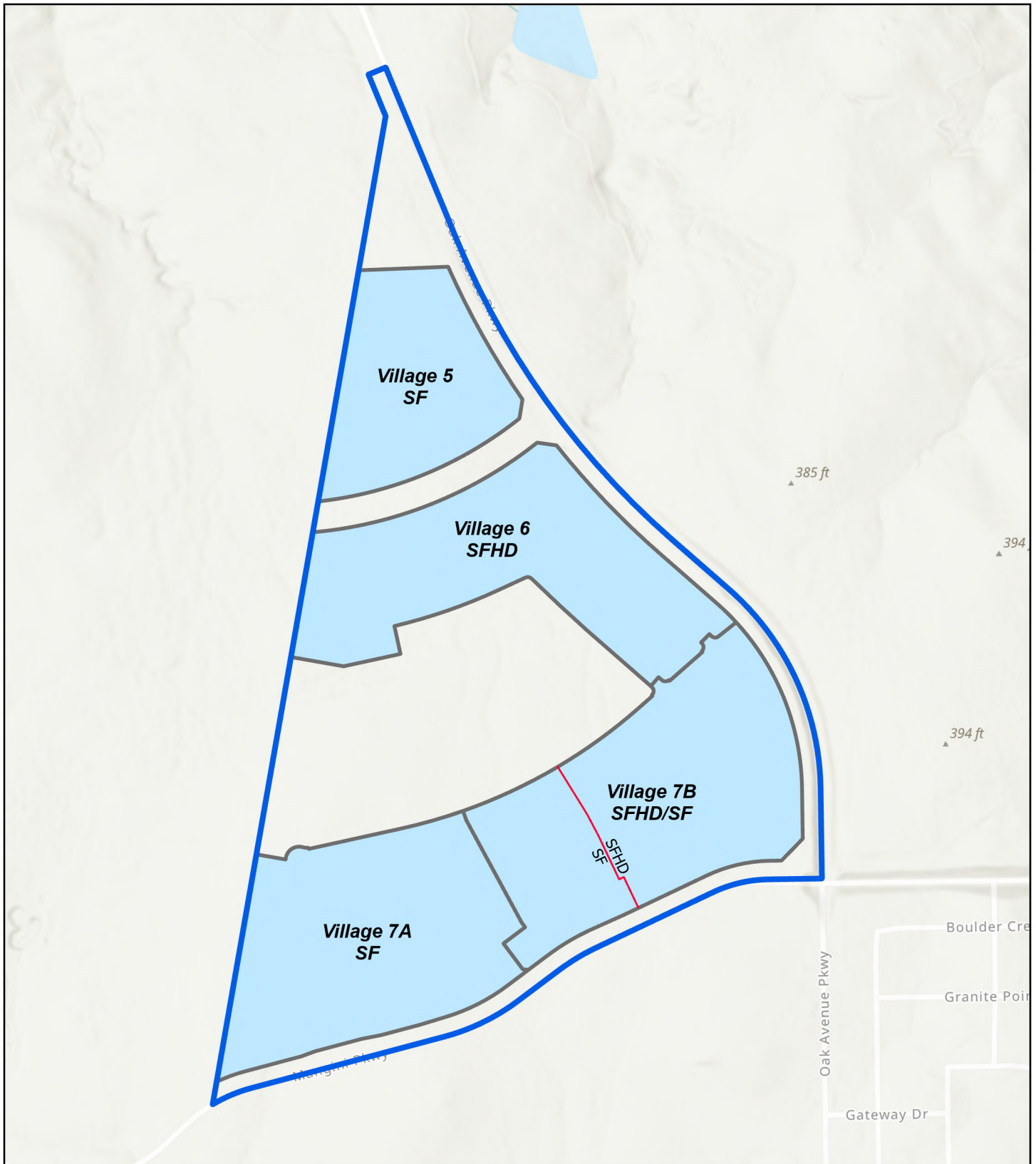
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	5	38	\$_____	\$_____
Single-Family Detached Property – SFHD Zoning	6	99	_____	_____
Single-Family Detached Property – SF Zoning	7A	56	_____	_____
Single-Family Detached Property – SFHD Zoning	7B	42	_____	_____
Single-Family Detached Property – SF Zoning	7B	41	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$_____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Lot/Village 5, 6, 7A and 7B.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
MAP OF VILLAGES**



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 1	
Improvement Area 1 Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

0 0.05 0.1 Mi

0 300 600 US Feet

For illustration purposes only, not an official map.

EXHIBIT D-2A

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA NO. 2A**

[ATTACHED]

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 2A**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2A (CFD No. 24 IA2A) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA2A Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA2A, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA2A.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA2A under the Act.

“CFD No. 24 IA2A” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2A.

“CFD No. 24 IA2A Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA2A.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA2A Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA2A, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA2A, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA2A, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2A for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA2A to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA2A Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA2A.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA2A Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA2A which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA2A.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA2A, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA2A.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA2A, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA2A.

“Public Property” means any property within the boundaries of CFD No. 24 IA2A, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA2A, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2A for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA2A, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA2A Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA2A that are not exempt from the CFD No. 24 IA2A Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA2A Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA2A have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA2A.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA2A, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2A for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA2A Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA2A Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA2A that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA2A shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2A according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2A an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA2A.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2A Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2A according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA2A and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA2A.

Using the definitions and procedures described herein, the CFD No. 24 IA2A Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2A according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2A Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA2A Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA2A Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA2A Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2A, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA2A records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA2A Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA2A Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA2A Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA2A Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA2A Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA2A Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA2A Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA2A, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA2A Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA2A Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA2A Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA2A, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Multi-Family Attached Property – MLD Zoning	1A	\$2,547	\$450	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	2,598	470	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	2,498	400	Residential Lot
Small Lot Final Map Property:				
Multi-Family Attached Property – MLD Zoning	1A	\$2,547	\$450	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	2,598	470	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	2,498	400	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$23,000	N/A	Acre
Large Lot Property		\$23,000	N/A	Acre
Undeveloped Property		\$23,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Multi-Family Attached Property – MLD Zoning	1A	104	\$2,547	\$264,888
Multi-Family Attached Property – MLD Zoning	1B	101	2,598	262,398
Multi-Family Attached Property – MLD Zoning	1C	124	2,498	309,752
Total Minimum Facilities Revenue⁽⁴⁾				\$837,038

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 1A, 1B, and 1C.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Multi-Family Attached Property – MLD Zoning	1A	\$_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	_____	Residential Lot
Small Lot Final Map Property:			
Multi-Family Attached Property – MLD Zoning	1A	\$_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$_____	Acre
Large Lot Property		\$_____	Acre
Undeveloped Property		\$_____	Acre

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.

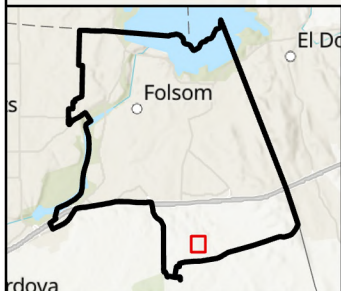
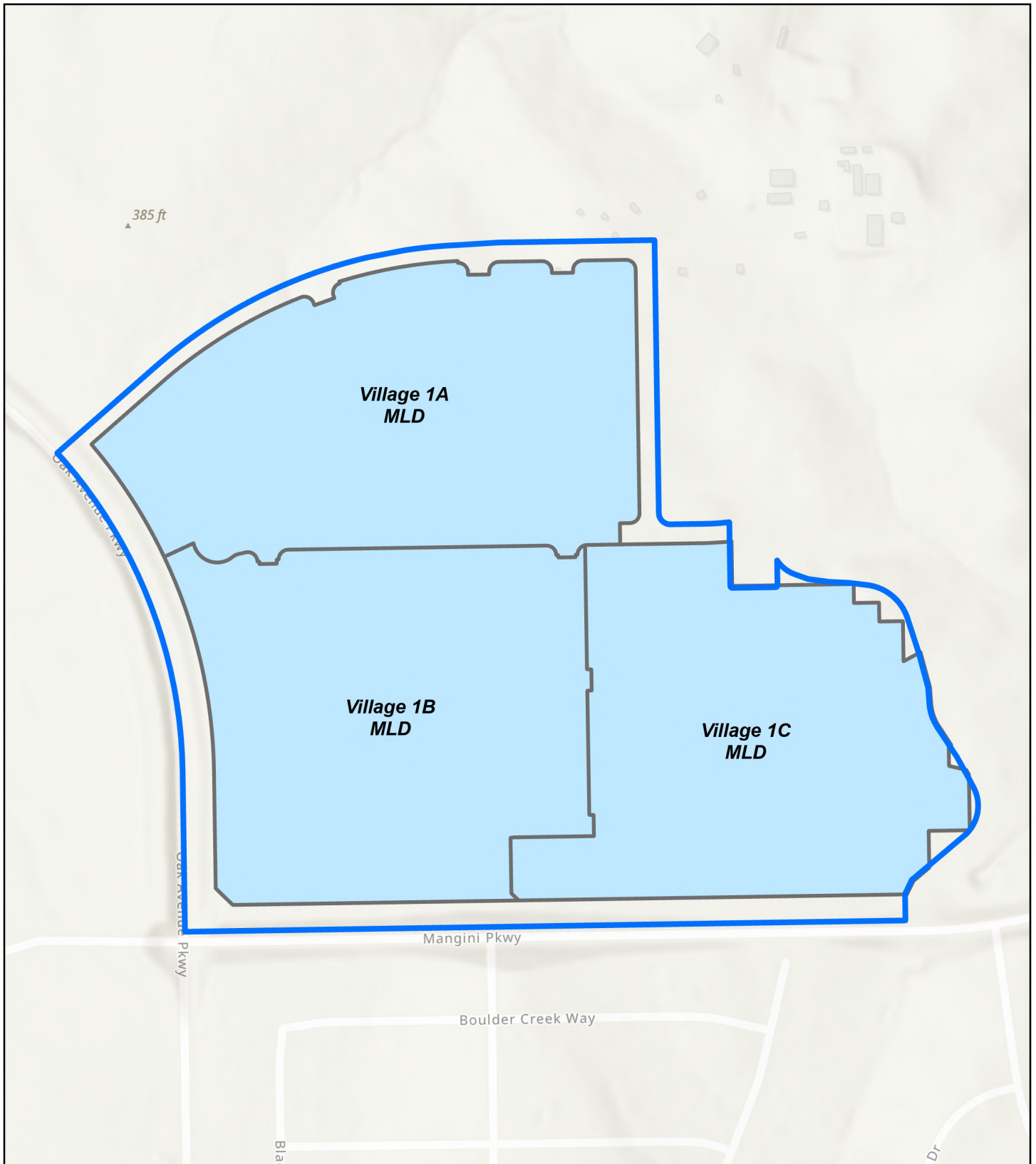
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Multi-Family Attached Property – MLD Zoning	1A	104	\$_____	\$_____
Multi-Family Attached Property – MLD Zoning	1B	101	_____	_____
Multi-Family Attached Property – MLD Zoning	1C	124	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$_____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 1A, 1B, and 1C.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
MAP OF VILLAGES**



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2A	
Improvement Area 2A Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

For illustration purposes only, not an official map.

EXHIBIT D-2B

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA NO. 2B**

[ATTACHED]

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 2B**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2B (CFD No. 24 IA2B) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA2B Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA2B, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA2B.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA2B under the Act.

“CFD No. 24 IA2B” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2B.

“CFD No. 24 IA2B Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA2B.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA2B Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA2B, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA2B, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA2B, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2B for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA2B to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA2B Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA2B.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA2B Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA2B which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA2B.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA2B, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA2B.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA2B, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA2B.

“Public Property” means any property within the boundaries of CFD No. 24 IA2B, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA2B, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2B for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA2B, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA2B Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA2B that are not exempt from the CFD No. 24 IA2B Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA2B Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA2B have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA2B.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA2B, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2B for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA2B Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA2B Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA2B that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA2B shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2B according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2B an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA2B.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2B Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2B according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA2B and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA2B.

Using the definitions and procedures described herein, the CFD No. 24 IA2B Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2B according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2B Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA2B Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA2B Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA2B Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2B, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA2B records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA2B Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA2B Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA2B Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA2B Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA2B Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA2B Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA2B Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA2B, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA2B Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA2B Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA2B Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA2B, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SFHD Zoning	2A	\$2,947	\$578	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	2,563	566	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	2,573	461	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,025	857	Residential Lot
Single-Family Detached Property – SF Zoning	4A	3,848	931	Residential Lot
Single-Family Detached Property – SF Zoning	4B	5,042	840	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SFHD Zoning	2A	\$2,947	\$578	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	2,563	566	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	2,573	461	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,025	857	Residential Lot
Single-Family Detached Property – SF Zoning	4A	3,848	931	Residential Lot
Single-Family Detached Property – SF Zoning	4B	5,042	840	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Single-Family Detached Property – SFHD Zoning	2A	106	\$2,947	\$312,382
Single-Family Detached Property – SFHD Zoning	2B	71	2,563	181,973
Multi-Family Attached Property – MLD Zoning	3A	132	2,573	339,636
Single-Family Detached Property – SF Zoning	3B	25	5,025	125,625
Single-Family Detached Property – SF Zoning	4A	31	3,848	119,288
Single-Family Detached Property – SF Zoning	4B	63	5,042	317,646
Total Minimum Facilities Revenue⁽⁴⁾				\$1,396,550

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 2A, 2B, 3A, 3B, 4A, and 4B.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SFHD Zoning	2A	\$ _____	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	3B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4B	_____	Residential Lot
Small Lot Final Map Property:			
Single-Family Detached Property – SFHD Zoning	2A	\$ _____	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	3B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4B	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$ _____	Acre
Large Lot Property		\$ _____	Acre
Undeveloped Property		\$ _____	Acre

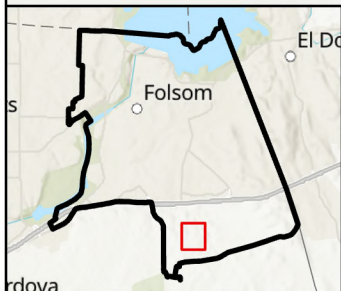
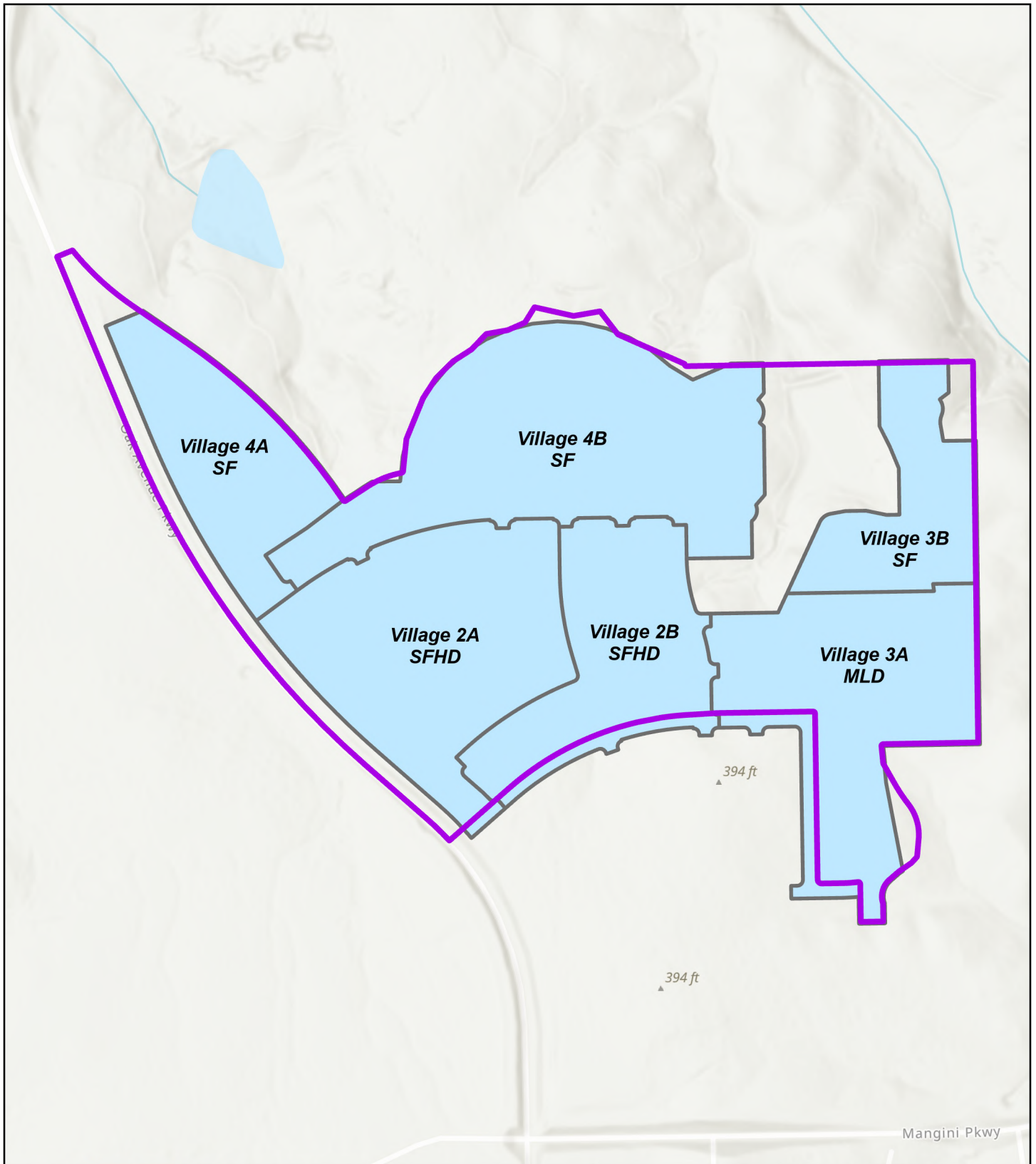
- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Single-Family Detached Property – SFHD Zoning	2A	106	\$_____	\$_____
Single-Family Detached Property – SFHD Zoning	2B	71	_____	_____
Multi-Family Attached Property – MLD Zoning	3A	132	_____	_____
Single-Family Detached Property – SF Zoning	3B	25	_____	_____
Single-Family Detached Property – SF Zoning	4A	31	_____	_____
Single-Family Detached Property – SF Zoning	4B	63	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$_____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 2A, 2B, 3A, 3B, 4A, and 4B.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
MAP OF VILLAGES**



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2B	
Improvement Area 2B Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

0 0.05 0.1 Mi

0 275 550 US Feet

For illustration purposes only, not an official map.

EXHIBIT D-3

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA NO. 3**

[ATTACHED]

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 3**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 3 (CFD No. 24 IA3) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA3 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA3.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA3 under the Act.

“CFD No. 24 IA3” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 3.

“CFD No. 24 IA3 Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA3.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA3 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA3, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA3, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA3, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA3 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA3 to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA3 Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA3.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA3 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA3 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA3.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA3, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA3.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA3, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA3.

“Public Property” means any property within the boundaries of CFD No. 24 IA3, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA3, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA3 for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA3, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA3 Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA3 that are not exempt from the CFD No. 24 IA3 Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA3 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA3 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA3.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA3, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA3 for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA3 Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA3 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA3 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA3 shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA3 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA3 an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA3.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA3 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA3 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA3 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA3.

Using the definitions and procedures described herein, the CFD No. 24 IA3 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA3 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA3 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA3 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA3 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA3 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA3, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA3 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA3 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA3 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA3 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA3 Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA3 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA3 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA3 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA3, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA3 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA3 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA3 Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA3, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF Zoning	8A	\$4,237	\$695	Residential Lot
Single-Family Detached Property – SF Zoning	8A	4,083	695	Residential Lot
Single-Family Detached Property – SF Zoning	8B	5,013	869	Residential Lot
Single-Family Detached Property – SF Zoning	8C	5,563	816	Residential Lot
Single-Family Detached Property – SF Zoning	9A	5,086	796	Residential Lot
Single-Family Detached Property – SF Zoning	9B	4,279	653	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SF Zoning	2A	\$4,237	\$695	Residential Lot
Single-Family Detached Property – SF Zoning	2B	4,083	695	Residential Lot
Single-Family Detached Property – SF Zoning	3A	5,013	869	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,563	816	Residential Lot
Single-Family Detached Property – SF Zoning	4A	5,086	796	Residential Lot
Single-Family Detached Property – SF Zoning	4B	4,279	653	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	8A	52	\$4,237	\$220,324
Single-Family Detached Property – SF Zoning	8A	52	4,083	212,316
Single-Family Detached Property – SF Zoning	8B	27	5,013	135,351
Single-Family Detached Property – SF Zoning	8C	96	5,563	534,048
Single-Family Detached Property – SF Zoning	9A	62	5,086	315,332
Single-Family Detached Property – SF Zoning	9B	102	4,279	436,458
Total Minimum Facilities Revenue				\$1,853,829

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 8A, 8B, 8C, 9A and 9B.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SF Zoning	8A	\$_____	Residential Lot
Single-Family Detached Property – SF Zoning	8A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8C	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9B	_____	Residential Lot
Small Lot Final Map Property:			
Single-Family Detached Property – SF Zoning	8A	\$_____	Residential Lot
Single-Family Detached Property – SF Zoning	8A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8C	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9B	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$_____	Acre
Large Lot Property		\$_____	Acre
Undeveloped Property		\$_____	Acre

- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	8A	52	\$ _____	\$ _____
Single-Family Detached Property – SF Zoning	8A	52	_____	_____
Single-Family Detached Property – SF Zoning	8B	27	_____	_____
Single-Family Detached Property – SF Zoning	8C	96	_____	_____
Single-Family Detached Property – SF Zoning	9A	62	_____	_____
Single-Family Detached Property – SF Zoning	9B	102	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$ _____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 8A, 8B, 8C, 9A and 9B.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
MAP OF VILLAGES**

Attachment 2

RESOLUTION NO. 11626

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM DEEMING IT NECESSARY TO INCUR BONDED INDEBTEDNESS IN AND FOR CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)

WHEREAS, for the preliminary scope of the project and financing contemplated by these proceedings, reference is made to Resolutions No. 11581 and No. 11582 adopted by the City Council of the City of Folsom (the “City Council”) on April 14, 2026; and

WHEREAS, on May 26, 2026, at the time and place scheduled for the public hearing concerning the formation of the proposed City of Folsom Community Facilities District No. 24 (Alder Creek West) (the “District”) and designation of each improvement area therein (the “Improvement Areas”), said public hearing of protests was duly convened by the City Council, and the City Council duly heard all interested parties desiring to be heard; and

WHEREAS, at said hearing, the City Council determined that a majority protest under Section 53324 of the Government Code was not made at the hearing for any Improvement Area within the District and therefore the proposed formation of the District, designation of the Improvement Areas therein, and special tax to be levied within the District has not been eliminated by majority protest pursuant to said Section 53324;

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

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

Section 2. The City Council now deems it necessary to incur the contemplated bonded indebtedness for each Improvement Area within the District.

Section 3. The purpose for incurring the bonded indebtedness is to assist in the financing of the public facilities described in the Resolution to Form a Community Facilities District, to Designate a Future Annexation Therein and to Levy Special Taxes Therein adopted this date (the “Resolution of Formation”).

Section 4. All Taxable Property (as defined in Exhibits D-1, D-2A, D-2B and D-3 of the Resolution of Formation) within the boundaries of each respective Improvement Area of the District shall be subject to a special tax to repay the bonded indebtedness for the District.

Section 5. Subject to the requirements of the Resolution of Formation and this resolution, the amount of bonded indebtedness to be incurred, and the amount and timing of each issuance of bonds, shall be subject to the discretion of this City Council; provided that the maximum principal amount of bonded indebtedness to be paid for by City of Folsom Community Facilities District No. 24, Improvement Area No. 1 (Alder Creek West) is \$31,000,000; by City of Folsom Community Facilities District No. 24, Improvement Area No. 2A (Alder Creek West) is

\$21,000,000; by City of Folsom Community Facilities District No. 24, Improvement Area No. 2B (Alder Creek West) is \$35,000,000; and by City of Folsom Community Facilities District No. 24, Improvement Area No. 3 (Alder Creek West) is \$47,000,000.

Section 6. The maximum term of any issue of bonds under this authority shall not extend beyond 40 years from their date of issue.

Section 7. The maximum rate of interest shall be determined by competitive sale or by negotiation at the time of bond sale, but in any case shall not exceed the legal rate as specified, from time to time, by Government Code Section 53531 or any similar controlling provision of law.

Section 8. It is the intention of this City Council that any bonds issued may be made callable on terms to be specified in any resolution or indenture providing for the form, execution and issuance of bonds, in accordance with the terms of the Mello-Roos Community Facilities Act of 1982 (the “Act”).

Section 9. The question of the authorization to issue the bonds described herein and incur the bonded indebtedness to be paid for by the District will be submitted to the voters of each Improvement Area of the District at a special election in accordance with the Act and with the findings contained in the certificate regarding landowners heretofore filed in these proceedings.

Section 10. The City Clerk of the City of Folsom (the “City Clerk”) is hereby designated as the official to conduct a special, mailed-ballot election related to each Improvement Area of the District pursuant to Elections Code Sections 307 and 320.

Section 11. The special community facilities district election for each Improvement Area of the District (which shall be consolidated with the special community facilities district election to levy a special tax within such respective Improvement Area) shall be conducted by mailed ballot. In order to be counted, ballots must be returned to, and be physically received by the City Clerk before 6:30 p.m. on May 26, 2026. If all authorized ballots are received prior to that time, the City Clerk shall be so notified and, pursuant to Government Code Section 53326(d), immediately close the election and declare the results.

Section 12. The ballot language for Improvement Area No. 1 shall be as follows:

Shall the City of Folsom be authorized to issue a maximum amount not to exceed \$31,000,000 in bonds that will be paid for by Improvement Area No. 1 of the City of Folsom Community Facilities District No. 24 (Alder Creek West) (the “District”), designate Improvement Area No. 1 and a future annexation therein, levy a special tax in Improvement Area No. 1 and finance public facilities and services by and through the District and shall the appropriations limit for Improvement Area No. 1 within the District for fiscal year 2026-27 be established in the amount of \$31,000,000, all as specified in the City’s Resolution to Form a Community Facilities District, to Designate a Future Annexation Therein and to Levy Special Taxes Therein and Resolution Deeming it Necessary to Incur Bonded Indebtedness In and for City of Folsom Community Facilities District

No. 24 (Alder Creek West) adopted by the City Council of the City on May 26, 2026?

The ballot language for Improvement Area No. 2A shall be as follows:

Shall the City of Folsom be authorized to issue a maximum amount not to exceed \$21,000,000 in bonds that will be paid for by Improvement Area No. 2A of the City of Folsom Community Facilities District No. 24 (Alder Creek West) (the "District"), designate Improvement Area No. 2A and a future annexation therein, levy a special tax in Improvement Area No. 2A and finance public facilities and services by and through the District and shall the appropriations limit for Improvement Area No. 2A within the District for fiscal year 2026-27 be established in the amount of \$21,000,000, all as specified in the City's Resolution to Form a Community Facilities District, to Designate a Future Annexation Therein and to Levy Special Taxes Therein and Resolution Deeming it Necessary to Incur Bonded Indebtedness In and for City of Folsom Community Facilities District No. 24 (Alder Creek West) adopted by the City Council of the City on May 26, 2026?

The ballot language for Improvement Area No. 2B shall be as follows:

Shall the City of Folsom be authorized to issue a maximum amount not to exceed \$35,000,000 in bonds that will be paid for by Improvement Area No. 2B of the City of Folsom Community Facilities District No. 24 (Alder Creek West) (the "District"), designate Improvement Area No. 2B and a future annexation therein, levy a special tax in Improvement Area No. 2B and finance public facilities and services by and through the District and shall the appropriations limit for Improvement Area No. 2B within the District for fiscal year 2026-27 be established in the amount of \$35,000,000, all as specified in the City's Resolution to Form a Community Facilities District, to Designate a Future Annexation Therein and to Levy Special Taxes Therein and Resolution Deeming it Necessary to Incur Bonded Indebtedness In and for City of Folsom Community Facilities District No. 24 (Alder Creek West) adopted by the City Council of the City on May 26, 2026?

The ballot language for Improvement Area No. 3 shall be as follows:

Shall the City of Folsom be authorized to issue a maximum amount not to exceed \$47,000,000 in bonds that will be paid for by Improvement Area No. 3 of the City of Folsom Community Facilities District No. 24 (Alder Creek West) (the "District"), designate Improvement Area No. 3 and a future annexation therein, levy a special tax in Improvement Area No. 3 and finance public facilities and services by and through the District and shall the appropriations limit for Improvement Area No. 3 within the District for

fiscal year 2026-27 be established in the amount of \$47,000,000, all as specified in the City's Resolution to Form a Community Facilities District, to Designate a Future Annexation Therein and to Levy Special Taxes Therein and Resolution Deeming it Necessary to Incur Bonded Indebtedness In and for City of Folsom Community Facilities District No. 24 (Alder Creek West) adopted by the City Council of the City on May 26, 2026?

Section 13. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 26th day of May 2026, by the following roll call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, City Clerk

Attachment 3

RESOLUTION NO. 11627

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM
CALLING SPECIAL MAILED-BALLOT ELECTION IN THE CITY OF
FOLSOM COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)**

WHEREAS, reference is made to the Resolution to Form a Community Facilities District, to Designate a Future Annexation Therein and to Levy Special Taxes Therein (the “Resolution of Formation”) and to the Resolution Deeming it Necessary to Incur Bonded Indebtedness In and for City of Folsom Community Facilities District No. 24 (Alder Creek West) (the “Resolution of Necessity”), each adopted by the City Council of the City of Folsom (the “City Council”) on May 26, 2026; and

WHEREAS, the levy of a special tax within each Improvement Area (as defined herein) of CFD 24 (as defined herein) proposed in the Resolution of Formation shall be submitted to the voters pursuant to Government Code Section 53326; and

WHEREAS, the authorization to issue bonded indebtedness proposed in the Resolution of Necessity shall be submitted to the voters pursuant to Government Code Section 53351; and

WHEREAS, the setting of the appropriations limit shall be submitted to the voters pursuant to Government Code Section 53325.7; and

WHEREAS, the three ballot questions just described shall be combined into a single ballot measure pursuant to Government Code Section 53353.5. The ballot language shall be as shown on the form of ballot attached hereto as Exhibit A, which form of ballot is hereby approved; and

WHEREAS, a certificate regarding landowners has been filed with the City Clerk of the City of Folsom (the “City Clerk”);

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, as follows:

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

Section 2. This City Council hereby accepts the certificate regarding landowners heretofore filed in these proceedings and finds, in accordance therewith, that there are no registered voters residing within the boundaries of Improvement Area No. 1, Improvement Area No. 2A, Improvement Area No. 2B, and Improvement Area No. 3 (the “Improvement Areas”) of Community Facilities District No. 24 (Alder Creek West) (“CFD 24”) and have been no registered voters residing within the boundaries of each such Improvement Area for the 90 days preceding the date hereof. Accordingly, under Government Code Section 53326(b) the qualified electors in this election shall be the landowners owning land within each Improvement Area of CFD 24.

Section 3. The City Council further finds, in accordance with the certificate regarding landowners that the landowners of record owning property within CFD 24 are those set forth in

the attachment to the certificate regarding landowners and that the attachment correctly sets forth the number of acres owned by each landowner and the number of votes to which each is entitled.

Section 4. The City Council hereby approves the form of Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Proceedings and for Conducting Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 24 (Alder Creek West), attached hereto as Exhibit B. The City Council finds that the rights, procedures and time periods therein waived are solely for the protection of the voters, may be waived under Government Code Section 53326(a) and Section 53327(b), and that the waiver constitutes a full and knowing waiver, by any voter who has executed the form, of those rights, procedures and time periods.

Section 5. The City Council accepts the Certificate of the City Clerk that 100% of the voters eligible to vote in this election in each Improvement Area have delivered to the City Clerk properly executed waivers in the form of Exhibit B.

Section 6. Accordingly, this City Council hereby calls the special election described herein and sets May 26, 2026, as the election day. Pursuant to Government Code Section 53326(d), the election shall be conducted by mailed ballot. By attesting this resolution below, the City Clerk indicates her concurrence to such date and to the waivers and consents described in Section 4 hereof.

Section 7. The City Clerk is directed to cause the separate ballots to be mailed or delivered, in the form of Exhibit A hereto, to the landowners for each Improvement Area shown on the attachment to the certificate regarding landowners. The City Clerk or her designee shall complete the form of ballot for each Improvement Area, and shall fill in the names of the landowners and the number of votes to be cast on each ballot, according to the certificate regarding landowners, before delivery or mailing.

Section 8. The City Clerk shall accept personal or mail delivery of the ballots at any time up to 6:30 p.m. on May 26, 2026, provided, that if all authorized ballots are received by the City Clerk prior to that time, the City Clerk shall, pursuant to Government Code Section 53326(d), immediately close the election and declare the results to the City Council.

Section 9. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 26th day of May 2026, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

EXHIBIT A

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

FORM OF SPECIAL ELECTION BALLOT

(Mailed-Ballot Election)

This ballot is for the use of _____, a landowner owning land within City of Folsom Community Facilities District No. 24 (Alder Creek West), Improvement Area No. [1/2A/2B/3].

According to the provisions of the Mello-Roos Community Facilities Act of 1982 and the resolutions of the City Council of the City of Folsom, the above-named landowner is entitled to cast _____ votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail or in person, before 6:30 p.m. on May 26, 2026, to:

Christa Freemantle, City Clerk
City of Folsom
50 Natoma Street
Folsom, CA 95630

Mailing by that date will not be sufficient. The ballot must be physically received by the City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT, OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City of Folsom be authorized to issue a maximum amount _____ not _____ to _____ exceed _____	Number of votes YES _____
\$[31,000,000/21,000,000/35,000,000/47,000,000] in bonds that will be paid for by Improvement Area No. [1/2A/2B/3] of the City of Folsom Community Facilities District No. 24 (Alder Creek West) (the "District"), designate Improvement Area No. [1/2A/2B/3] and a future annexation therein, levy a special tax in Improvement Area No. [1/2A/2B/3] and finance public facilities and services by and through the District and shall the appropriations limit for Improvement Area No. [1/2A/2B/3] within the District for fiscal year 2026-27 be established in the amount of \$[31,000,000/21,000,000/35,000,000/47,000,000], all as specified in the City's Resolution to Form a Community Facilities District, to Designate a Future Annexation Therein and to Levy Special Taxes Therein and Resolution Deeming it	Number of votes NO _____

Necessary to Incur Bonded Indebtedness In and for City of
Folsom Community Facilities District No. 24 (Alder Creek West)
adopted by the City Council of the City on May 26, 2026?

Certification

The undersigned is or are the authorized representative(s) of the above-named landowner
and is the person legally authorized and entitled to cast this ballot on behalf of the above-named
landowner.

I declare under penalty of perjury under the laws of the State of California that the
foregoing is true and correct and that this declaration is executed as of May 26, 2026.

[LANDOWNER]

By:

Name:

Title:

EXHIBIT B

FORM OF WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR PROCEEDINGS AND FOR
CONDUCTING SPECIAL MAILED-BALLOT ELECTION
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

The undersigned _____, is the authorized representative of the owner (the "Owner") of all of the property within Improvement Area No. [1/2A/2B/3] of the above-captioned Community Facilities District (the "District").

The Owner is the present owner of [] acres of land located within the proposed boundaries of Improvement Area No. [1/2A/2B/3]. To the actual knowledge of the undersigned, there are no registered voters residing within Improvement Area No. [1/2A/2B/3], and there have been none during the 90 day period preceding May 26, 2026.

The undersigned is (or are) the person (or persons) legally entitled and authorized to cast the ballot for the Owner in the election to be conducted within Improvement Area No. [1/2A/2B/3] of the District to determine, among other things, whether certain land, including land owned by the Owner, shall be subject to an annual special tax.

The undersigned, on behalf of the Owner, certifies that the Owner has received notice of the May 26, 2026 public hearing to be held by the City Council of the City of Folsom (the "City") regarding the levy of special taxes in Improvement Area No. [1/2A/2B/3] and the incurring of bonded indebtedness by the District for Improvement Area No. [1/2A/2B/3]. The undersigned, on behalf of the Owner, agrees that the Owner received adequate notice of the May 26, 2026 hearing.

The Owner has received from the City, and the City has made available to the owner, necessary and relevant information regarding the proposed formation of the District and designation of Improvement Area No. [1/2A/2B/3] and the imposition of the special tax and the issuance of bonded indebtedness, as set forth in Resolution No. 11581 and Resolution No. 11582 adopted by the City Council of the City on April 14, 2026 (the "Resolutions") to finance the facilities, services and other amounts as set forth in the Resolutions.

In order to induce the City to conduct an election on the same date that the District is formed, the undersigned, on behalf of the Owner, hereby waives:

1. any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a);
2. preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b);
3. publication of notice of the election under Government Code Section 53352;

4. requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101;
5. requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5;
6. requirements pertaining to impartial analysis, arguments or rebuttals concerning the election provided in Elections Code Sections 9160 to 9167, inclusive and Elections Code Section 9190; and
7. any other time limits or procedural requirements pertaining to the conduct of the election.

The undersigned, on behalf of the Owner, hereby waives any right to notice and hearing and consents to authorized facilities, expenses and rate and method of apportionment of special tax as described in the Resolution of Formation to be adopted by the City Council of the City of Folsom on May 26, 2026.

The undersigned, on behalf of the Owner, hereby waives any and all defects in notice or procedure in the formation of the District, time periods to record the boundary map, conduct of the election, whether known or unknown (other than the right to have ballots accurately counted), and states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the Owner.

Further, the undersigned, on behalf of the Owner, hereby waives any entitlement to initiate or prosecute any form of legal proceedings, including judicial proceedings, to challenge any aspect of the proceedings for levy of the special tax and for issuance of special tax bonds in the District.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on _____, 2026.

[LANDOWNER]

By:

Name:

Title:

Attachment 4

RESOLUTION NO. 11628

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM DECLARING ELECTION RESULTS IN THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)

WHEREAS, reference is made to the Resolution Calling Special Mailed-Ballot Election in the City of Folsom Community Facilities District No. 24 (Alder Creek West) (the “Resolution Calling Election”) adopted by the City Council of the City of Folsom (the “City Council”) on May 26, 2026; and

WHEREAS, the City Council has received, reviewed and hereby accepts the Certificate of City Clerk Regarding Election Results, dated May 26, 2026;

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

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

Section 2. The City Council hereby finds and declares that the ballot measure submitted to the qualified electors of the Improvement Area No. 1 for City of Folsom Community Facilities District No. 24 (Alder Creek West) pursuant to the Resolution Calling Election has been passed and approved by those qualified electors in accordance with California Government Code Sections 53328 and 53355.

Section 3. The City Council hereby finds and declares that the ballot measure submitted to the qualified electors of the Improvement Area No. 2A for City of Folsom Community Facilities District No. 24 (Alder Creek West) pursuant to the Resolution Calling Election has been passed and approved by those qualified electors in accordance with California Government Code Sections 53328 and 53355.

Section 4. The City Council hereby finds and declares that the ballot measure submitted to the qualified electors of the Improvement Area No. 2B for City of Folsom Community Facilities District No. 24 (Alder Creek West) pursuant to the Resolution Calling Election has been passed and approved by those qualified electors in accordance with California Government Code Sections 53328 and 53355.

Section 5. The City Council hereby finds and declares that the ballot measure submitted to the qualified electors of the Improvement Area No. 3 for City of Folsom Community Facilities District No. 24 (Alder Creek West) pursuant to the Resolution Calling Election has been passed and approved by those qualified electors in accordance with California Government Code Sections 53328 and 53355.

Section 6. The City Council hereby authorizes and directs the City Clerk to record the separate notice of special tax lien related to each such ballot measure in accordance with the provisions of California Government Code Section 53328.3 and California Streets and Highways Code Section 3114.5.

Section 7. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 26th day of May 2026, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 5

ORDINANCE NO. 1370

AN UNCODIFIED ORDINANCE LEVYING SPECIAL TAXES FOR THE FISCAL YEAR 2026-27 AND FOLLOWING FISCAL YEARS SOLELY WITHIN AND RELATING TO THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)

The City Council of the City of Folsom hereby ordains as follows:

SECTION 1 PURPOSE

The City Council of the City of Folsom hereby finds, determines and declares based on the record before it that:

1. The City is authorized to establish a community facilities district pursuant to the terms of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311 (the “Act”); and
2. On May 26, 2026, the City Council adopted its Resolution No. 11625 (the “Resolution of Formation”) establishing the City of Folsom Community Facilities District No. 24 (Alder Creek West) (the “District”) and designated four separate improvement areas therein (the “Improvement Areas”), pursuant to the Act; and
3. In accordance with the separate Rate and Method of Apportionment for each Improvement Area, the Resolution of Formation approved the annual levy, subject to voter approval, of a special tax in connection with each Improvement Area of the District (the “Special Tax”); and
4. The Resolution of Formation proposed the establishment of an appropriations limit for each Improvement Area of the District (the “Appropriations Limit”); and
5. On May 26, 2026, the City Clerk, as elections official, conducted an election of the landowners of each Improvement Area of the District (the “Elections”); and
6. On May 26, 2026, the City Council adopted its Resolution No. 11628 certifying that, at the Elections, the landowners of each Improvement Area of the District approved the Special Tax and the Appropriations Limit for each respective Improvement Area; and
7. The City Council desires to levy and impose the Special Tax and to take other related actions.

SECTION 2

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FOLSOM
RESOLVES:**

1. The recitals set forth in Section 1 are true and correct.
2. A special tax is hereby levied on all Taxable Property (as defined in the respective Rate and Method of Apportionment) within each Improvement Area of the District, for the 2026-27 fiscal year and for all subsequent fiscal years in the amount of the maximum authorized tax, provided that this amount may be adjusted annually, subject to the maximum authorized special tax limit, by resolution of the City Council.
3. The Finance Director of the City of Folsom or designee thereof (the “CFD Administrator”) is authorized and directed, to determine each year, without further action of the City Council, the Special Tax, to prepare the annual Special Tax roll in the amount of the Special Tax in accordance with the related exhibit and, without further action of the City Council, to provide all necessary and appropriate information to the Sacramento County Auditor-Controller’s Office (the “County”) in proper form, and in proper time, necessary to effect the correct and timely billing and collection of the Special Tax on the secured property tax roll of the County; provided, that as provided in the Resolution of Formation and Section 53340 of the California Government Code, the City has reserved the right to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of the City of Folsom (the “City”), including but not limited to, direct billing by the City to the property owners and supplemental billing.
4. The appropriate officers and agents of the City are authorized to make adjustments to the Special Tax roll prior to the final posting of the Special Tax to the County tax roll each fiscal year, as may be necessary to achieve a correct match of the Special Tax levy with the assessor’s parcel numbers finally utilized by the County in sending out property tax bills.
5. The City agrees that, in the event the Special Tax is collected on the secured tax roll of the County, the County may deduct its reasonable and agreed charges for collecting the Special Tax from the amounts collected, prior to remitting the Special Tax collections to the City.
6. Taxpayers who have requested changes or corrections of the Special Tax pursuant to Section J of the respective Rate and Method of Apportionment and who are not satisfied with the decision of the CFD Administrator (whether the CFD Administrator disagrees with the taxpayer or concludes that the City is not authorized to consider the change requested), may appeal to the City Council. The appeal must be in writing and fully explain the grounds of appeal, and must be based solely on the correction of mistakes in the levy based upon the status of the property, and no other appeals will be allowed. The CFD Administrator shall schedule the appeal for consideration within a reasonable time at a City Council meeting.

SECTION 3 SEVERABILITY

If for any cause any portion of this ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel by a court of competent jurisdiction, the balance of

this ordinance, and the application of the Special Tax to the remaining parcels, shall not be affected.

SECTION 4 EFFECTIVE DATE

This ordinance shall take effect and be in force as a tax measure thirty (30) days following its second reading and adoption at a meeting of the City Council; and before the expiration of twenty (20) days after its passage the same shall be published, with the names of the members voting for and against the same, at least once in a newspaper of general circulation published and circulated in the District.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on May 26, 2026, and the second reading is to occur at the regular meeting of the City Council on June 9, 2026.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this ___th day of June 2026 by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 6

CITY OF FOLSOM

Public Hearing Report for:

**Community Facilities District No. 24
(Alder Creek West)**

May 2026

Prepared by NBS for and on behalf of the City of Folsom



nbsgov.com

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INTRODUCTION

The City Council (the “City Council”) of the City of Folsom (the “City”) did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code; hereafter referred to as the “Act”), on April 14, 2026, adopt Resolution No. 11581 entitled “A Resolution of the City Council of the City of Folsom Approving a Proposed Boundary Map and Declaring Intention to Form a Community Facilities District to be Named ‘City of Folsom Community Facilities District No. 24 (Alder Creek West),’ Identify Territory Proposed for Annexation to the Community Facilities District in the Future and to Levy Special Taxes Therein” (the “Resolution of Intention”). In the Resolution of Intention, the City Council directed the study and filing of a public hearing report (the “Report”) required by Section 53321.5 of the Act for the proposed City of Folsom Community Facilities District No. 24 (Alder Creek West) (the “District” or “CFD 24”).

Section 53321.5 of the Act provides that the Report contain the following:

1. A brief description of the public facilities and services to be provided by the District; and
2. An estimate of the fair and reasonable cost of providing the public facilities and services, including the incidental expenses in connection therewith, any City administration costs, and all other related costs.

For particulars, reference is made to the Resolution of Intention for the District, as previously adopted on April 14, 2026 by the City Council.

NOW, THEREFORE, the City Manager of the City, the appointed responsible officer directed to prepare the Report or cause the Report to be prepared pursuant to the provisions of the Act, does hereby submit this Report containing the following information:

- **DISTRICT INFORMATION.** Information related to the District, including background information, land use plans, and the proposed boundaries that include those properties and parcels on which special taxes may be levied to pay for the costs and expenses of the facilities and services.
- **DESCRIPTION OF FACILITIES AND SERVICES.** A description of the facilities and services that the City Council has determined to be eligible to be funded by the District.
- **COST ESTIMATE.** The cost estimate for the District facilities and services.
- **RATE AND METHOD OF APPORTIONMENT.** The Rate and Method of Apportionment of Special Tax for each Improvement Area approved by this City Council on April 14, 2026. The Rate and Method of Apportionment for IA3 in this Report contains a correction of a clerical error on its Attachment A, incorporating the 2026/27 Maximum Facilities Special Tax Rate for the Land Use Categories inadvertently left blank on the Rate and Method of Apportionment approved by City Council on April 14, 2026.

DISTRICT INFORMATION

Background

The District is located within the Folsom Plan Area, south of Highway 50. The Folsom Plan Area is located on approximately 3,500 acres and is bounded by Prairie City Road on the west, Highway 50 on the north, White Rock Road on the south, and the Sacramento County/El Dorado County boundary on the east. The Folsom Plan Area is a master-planned community, and, through December 31, 2025, the City has received and approved several Specific Plan Amendments that have changed the entitlements to include approximately 11,300 residential units of various size and densities and approximately 2.5 million building square feet of non-residential land uses.

FOLSOM PLAN AREA SPECIFIC PLAN PUBLIC FACILITIES FINANCING PLAN

On January 28, 2014, the City Council approved the Folsom Plan Area Specific Plan Public Facilities Financing Plan (the “PFFP”). The PFFP is an \$877 million plan that describes the backbone infrastructure and facility requirements, presents a comprehensive financing strategy, and sets forth the estimated time horizon for the development of the Folsom Plan Area. The backbone infrastructure improvements identified in the PFFP include roadways, on-site water, off-site potable water, recycled water, wastewater (sewer), storm drainage, and habitat mitigation for infrastructure. The public facilities identified in the PFFP include public schools, parks, transit services, housing trust, trails, fire facilities and equipment, police facilities and equipment, a municipal service center, corporation yard, solid waste, branch library, a community and aquatic center, other general capital facilities, and transportation.

District Purpose

This District is being formed, with four separate improvement areas (the “Improvement Areas”) to provide funding for all or a portion of each Improvement Area’s share of the backbone infrastructure, on-site and off-site costs, the estimated Specific Plan Infrastructure Fee Program obligation, and other internal site improvements necessary for development. The District will provide funding for authorized facilities through a combination of bonded indebtedness and pay as you go funding (the “PAYGO”), both of which are secured by the levy of special taxes upon property within the boundaries of each Improvement Area of the District. In addition, a special tax will be levied upon District property to provide funding for development specific services that include open space, landscape corridors, street light maintenance, median, entries and entry monumentation maintenance, neighborhood park maintenance, community amenities, and storm water management.

District Description

The District boundaries include four Improvement Areas and encompass all of the property designated by the Assessor's Parcel Numbers below:

Improvement Area ("IA") 1:

A portion of 072-0060-093-0000 & a portion of 072-0060-098-0000

IA 2A:

A portion of 072-0060-007-0000, a portion of 072-0060-093-0000, a portion of 072-0060-098-0000, & a portion of 072-0060-102-0000

IA 2B:

A portion of 072-0060-007-0000, a portion of 072-0060-093-0000, & a portion of 072-0060-102-0000

IA 3:

072-3190-037-0000

The current development plans for each IA are presented in the table below.

Proposed Development within the Improvement Areas

Development Plan	Planned Residential Units or Acres			
	IA 1	IA 2A	IA 2B	IA 3
Single-Family Detached Property - SF Zoning ⁽¹⁾	135	0	119	391
Single-Family Detached Property - SFHD Zoning ⁽¹⁾	141	0	177	0
Single-Family Detached Property - MLD Zoning ⁽¹⁾	0	329	132	0
MHD Multi-Family Attached Property ⁽²⁾	0	0	0	0
Non-Residential Property ⁽²⁾	0	0	0	0

(1) Residential units.

(2) Acres.

District Boundaries

The proposed boundaries of the District, including the Improvement Areas, are identified on the map of the District recorded on April 16, 2026, in Book 148 at Page 35 of Maps of Assessment and Community Facilities Districts in the office of the County Recorder for the County of Sacramento. The District map is on file with the City Clerk, to which reference is hereby made and a reduced copy of such map is set forth in Appendix A of this Report.

DESCRIPTION OF FACILITIES AND SERVICES

Facilities

The facilities to be financed by the District include facilities designed to meet the needs of development within the District, whether such facilities are located within or outside the boundaries of the District, and include but are not limited to the following:

TRANSPORTATION IMPROVEMENTS

Eligible roadway improvements include, but are not limited to: acquisition of land and easements; roadway design; project management; bridge crossings and culverts; clearing, grubbing, and demolition; grading, soil import/export, paving (including slurry seal), and decorative/enhanced pavement concrete and/or pavers; joint trenches, underground utilities and undergrounding of existing utilities; dry utilities and appurtenances; curbs, gutters, sidewalks, bike trails (including onsite and off-site), enhanced fencing, and access ramps; street lights, signalization, and traffic signal control systems; bus turnouts; signs and striping; erosion control; median and parkway landscaping and irrigation; entry monumentation; bus shelters, Bus Rapid Transit improvements including transfer stations and regional public transit improvements; masonry walls; traffic control and agency fees; and other improvements related thereto. Eligible improvements for the roads listed herein also include any and all necessary underground potable and recycled water, sanitary sewer, and storm drainage system improvements.

WATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all water facilities designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to: water storage, treatment and distribution facilities including waterlines and appurtenances, gate valves, pressure reducing stations, flow meters, fire hydrants, and other improvements related thereto such as site clearing, grading and paving; curbs and gutters; booster pump stations and power; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

RECYCLED WATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all recycled water system facilities designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to: treatment and distribution facilities including pipelines and appurtenances, gate valves, flow meters, booster pump pressurization system, and other improvements related thereto - such as site clearing, grading and paving; curbs and gutters; booster pump stations; stand-by generators; site lighting, drainage, sanitary sewer, and water service; landscaping and irrigation; access gates, and fencing; and striping and signage.

DRAINAGE SYSTEM IMPROVEMENTS

Authorized facilities include any and all drainage and storm drain improvements designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to: excavation and grading, pipelines and appurtenances, outfalls and water quality measures, detention/retention basins, drainage pretreatment facilities, drainage ways/channels, pump stations, landscaping and irrigation; access roads, gates, and fencing; and striping and signage and other improvements related thereto.

WASTEWATER SYSTEM IMPROVEMENTS

Authorized facilities include any and all wastewater facilities designed to meet the needs of development of property within CFD 24. These facilities include, but may not be limited to, pipelines and all appurtenances thereto; manholes; tie-in to existing main lines; force mains; lift stations; upgrades to existing lift stations; odor-control facilities; and permitting related thereto; and related sewer system improvements.

PARK, PARKWAY AND OPEN SPACE IMPROVEMENTS

Authorized facilities include any and all improvements to parks, parkways and open space required for development of property within CFD 24. These facilities include, but may not be limited to: grading, turf, shrubs and trees, landscaping irrigation, site lighting, drainage, sanitary sewer and water service, pedestrian and bicycle trails, protective fencing (including soundwalls), pedestrian/bicycle bridges, storm drain crossings, wetland mitigation, hawk mitigation for authorized facilities herein, access gates and fencing and related open space improvements. Authorized facilities include acquisition of any and all parkland as well as open space/bike trail/public access easements required for development of property within CFD 24.

SPECIFIC PLAN INFRASTRUCTURE FEE ("SPIF") INFRASTRUCTURE

Authorized facilities include any and all improvements that are included in the SPIF Program adopted by the City Council on September 8, 2015, including any future amendments thereto.

OTHER INCIDENTAL EXPENSES AND BOND ISSUANCE COSTS

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Community Facilities Act of 1982, including, but not limited to, the cost of planning and designing the facilities (including the cost of environmental evaluation, remediation and mitigation); engineering and surveying; construction staking; utility relocation and demolition costs incidental to the construction of the public facilities; costs of project/construction management; costs (including the costs of legal services) associated with the formation of the Mello-Roos CFD; issuance of bonds (if any); determination of the amount of taxes; collection of taxes; payment of taxes; costs of calculating and providing reimbursements from one-time special tax payments; or costs otherwise incurred in order to carry out the authorized purposes of CFD 24; and any other expenses incidental to the formation and implementation of CFD 24 and to the construction, completion, inspection and acquisition of the authorized facilities.

Services

The authorized services to be funded from the levy and collection of annual special taxes include those set forth below in addition to the costs associated with collecting and administering the special taxes and annual administration of the District.

The District will be eligible to fund all or a portion of the costs of reconstruction and/or rehabilitation, operation, maintenance, repair and replacement, and servicing of the following items not otherwise subject to funding from the City of Folsom Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services):

- Open Space improvements, operations and management, monitoring, maintenance (including general maintenance, signage, City owned fence maintenance, trash and debris collection, and bike trails and their appurtenances [drainage culverts or pipes from adjacent subdivisions] within open space), creation and maintenance of fire breaks, Permits, Vandalism/Graffiti, Flood Conveyance (Vegetation/tree removals), Beaver dam removals, Outfall/drainage swale maintenance, Erosion control/bank stabilization, Native planting/replanting, Pre and post emergent, maintenance activities as required by a 404 permit and Operations and Management Plan-Conservation and Passive Recreation Open Space, dated June 9, 2017, and repair and replacement of facilities within open space areas in the Project Area.
- The maintenance of on-site landscape corridors and paseos designed to serve land uses within the District, including general maintenance, masonry walls, accent lighting, water and utility costs.
- The maintenance of streetlights, including any utility costs related thereto.
- The maintenance of medians, entries, and entry monumentation.
- Neighborhood park maintenance, and repair and replacement.
- Community amenities, such as a community clubhouse.
- Storm water management, water quality structural controls, including drainage swales constructed between storm drain facilities and receiving waters.
- Miscellaneous costs related to any of the items described above including planning, engineering, GIS, legal, and city and county administration costs.
- The levy of special taxes to accumulate sinking funds for anticipated future repairs or replacement costs of landscape corridors, irrigation facilities, medians, entries and entry monumentation, lighting, neighborhood parks, storm water management and other facilities maintained by the District as determined by the Administrator.

Annual maintenance functions and costs generally will include the installation, maintenance and servicing of ground cover, shrubs and trees, irrigation systems, street lighting, fencing, sound walls, sidewalks, monuments, enhanced open space maintenance including but not limited to maintaining the enhanced open space areas located adjacent to avoided or created habitat mitigation areas and other buffer areas between the enhanced open space and vertical development, bike trails, walkways, entry signage, street pavers, and labor, materials, supplies, utilities (including water and electricity) and equipment, as

applicable, for property owned or maintained by the City. Annual maintenance costs include an allowance for long-term repair and replacement of improvements.

The District may fund any of the following related to the maintenance of the services described above: obtaining, repairing, reconstructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of the personnel necessary or convenient to provide the services, and other related expenses and the provision of reserves for repairs and replacements for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof. The District may also fund administrative fees of the City related to CFD 24

CFD 24 will further be eligible to fund all or a portion of the costs of the following public services:

Police, fire and other emergency services that are in addition to those services that were provided within the boundaries of CFD 24 at the time of formation of CFD 24, including but not limited to (i) the costs of contracting services, (ii) related equipment, vehicles, ambulances, fire apparatus and supplies, (iii) the salaries and benefits of City and non-City staff that directly provide police, fire and emergency services, and (iv) City and non-City overhead costs associated with providing such services within CFD 24.

Incidental Expenses

It is anticipated that the following incidental expenses may be incurred for the District:

- Engineering services
- Special tax consultant services
- City review and administration
- Bond counsel services
- Bond counsel expenses
- Disclosure counsel services
- Disclosure counsel expenses
- Independent municipal advisor services and expenses
- Appraiser services
- Market absorption study and real estate economist services
- Initial bond transfer agent, fiscal agent, registrar and paying agent fees
- Rebate calculation service set up charge
- Bond printing
- Offering memorandum printing and mailing costs
- Publishing, mailing and posting of notices
- Underwriter's discount

- Bond reserve fund
- Capitalized interest
- Bond syndication costs
- Governmental notification and filing costs
- Credit enhancement costs
- Real estate acquisition costs
- Rating agency fees
- Charges and fees of City other than those waived

Certain annual costs may be included in each annual special tax levy. These include:

- Annual bond transfer agent, fiscal agent, registrar and paying agent fees
- Annual rebate calculation costs
- Special tax consultant costs and administrative expenses
- Other necessary consultant costs
- Costs of posting and collecting the special taxes
- Personnel and Administrative costs of the City
- Arbitrage rebate
- Continuing disclosure reporting and compliance

COST ESTIMATE

Estimated Cost of Public Facilities

The District is eligible to finance the authorized public facilities described in the Description of Facilities and Services section of this Report. The estimated cost for constructing all required facilities for the Alder Creek West subdivision is approximately \$301,410,180, covering backbone infrastructure, soft costs, and improvement area subdivision infrastructure. Backbone infrastructure improvements include upgrades to transportation, water systems, recycled water systems, drainage, wastewater, parks, parkways, and open spaces. Subdivision infrastructure encompasses underground utilities, roadways, street lighting, sound walls, and landscaping.

The District will provide the financing to fund the authorized public facilities and estimated SPIF obligation through bond issuance and the generation of PAYGO special tax revenue from the levy and collection of the facilities special tax within each IA. The primary pledge of facilities special tax revenues will be to service outstanding debt. Facilities special tax revenues in excess of the annual debt service and administrative expenses will be used on a PAYGO basis. The developers will retain 100 percent of the annual PAYGO revenues to fund authorized facilities for the first 20 years, beginning the fiscal year following the issuance of the first building permit or the issuance of the first series of bonds or other debt for the respective IA, whichever occurs first for each IA. Beginning the 21st year and thereafter, the City will be able to utilize 100 percent of the annual PAYGO revenues to fund or acquire eligible facilities.

Estimated Cost of Public Services

The District is eligible to finance the authorized public services described in the Description of Facilities and Services section of this Report. The authorized public services and the estimated costs herein are subject to review and confirmation and the actual costs may differ from the estimated costs presented below.

District Services Cost Estimate for each IA

Description	IA 1	IA 2A	IA 2B	IA 3
Landscaping & Irrigation	\$2,017	\$4,639	\$5,042	\$2,622
Sound Walls	4,809	1,390	1,279	4,170
Streetlights	21,756	0	25,540	0
Storm Drain	118,400	74,000	148,000	204,000
Park Maintenance	39,093	46,600	60,622	55,381
Public Safety Services	16,864	17,236	25,001	23,890
Total Services Cost Estimate for each IA:	\$202,939	\$143,865	\$265,484	\$290,063

Annual Appropriations Limit

The Fiscal Year 2026/27 annual appropriations limit for each IA is:

- IA 1: \$31,000,000

- IA 2A: \$21,000,000
- IA 2B: \$35,000,000
- IA 3: \$47,000,000

Maximum Bonded Indebtedness

The maximum authorized bonded indebtedness for each IA is:

- IA 1: \$31,000,000
- IA 2A: \$21,000,000
- IA 2B: \$35,000,000
- IA 3: \$47,000,000

Maximum Special Tax Rates

The determination and application of the maximum special tax rates for the Improvement Areas are more fully set forth in the Rate and Method of Apportionment for each IA, which are included under Appendices B through E of this Report. The Rate and Method of Apportionment for each IA of the District was included as part of the Resolution of Intention, approved by the City Council on April 14, 2026, and established Fiscal Year 2026/27 maximum special tax rates. The Fiscal Year 2026/27 maximum special tax rates for each IA are presented in the tables on the following pages.

Annual Maximum Special Tax Escalation

On each July 1, commencing on July 1, 2027, the Facilities Special Tax shall be increased by 2% of the maximum facilities special tax in effect for the previous Fiscal Year.

On each July 1, commencing on July 1, 2027, the Services Special Tax shall be increased by the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

On each July 1, commencing on July 1, 2027, the Transition Services Special Tax shall be increased by the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

IA 1
Maximum Special Tax Rates
Fiscal Year 2026/27

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF Zoning	5	\$3,920	\$858	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	3,505	616	Residential Lot
Single-Family Detached Property – SF Zoning	7A	5,402	977	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	4,522	659	Residential Lot
Single-Family Detached Property – SF Zoning	7B	5,719	659	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SF Zoning	5	\$3,920	\$858	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	3,505	616	Residential Lot
Single-Family Detached Property – SF Zoning	7A	5,402	977	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	4,522	659	Residential Lot
Single-Family Detached Property – SF Zoning	7B	5,719	659	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

IA 2A
Maximum Special Tax Rates
Fiscal Year 2026/27

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Multi-Family Attached Property – MLD Zoning	1A	\$2,547	\$450	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	2,598	470	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	2,498	400	Residential Lot
Small Lot Final Map Property:				
Multi-Family Attached Property – MLD Zoning	1A	\$2,547	\$450	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	2,598	470	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	2,498	400	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$23,000	N/A	Acre
Large Lot Property		\$23,000	N/A	Acre
Undeveloped Property		\$23,000	N/A	Acre

IA 2B
Maximum Special Tax Rates
Fiscal Year 2026/27

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SFHD Zoning	2A	\$2,947	\$578	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	2,563	566	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	2,573	461	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,025	857	Residential Lot
Single-Family Detached Property – SF Zoning	4A	3,848	931	Residential Lot
Single-Family Detached Property – SF Zoning	4B	5,042	840	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SFHD Zoning	2A	\$2,947	\$578	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	2,563	566	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	2,573	461	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,025	857	Residential Lot
Single-Family Detached Property – SF Zoning	4A	3,848	931	Residential Lot
Single-Family Detached Property – SF Zoning	4B	5,042	840	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

IA 3
Maximum Special Tax Rates
Fiscal Year 2026/27

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF Zoning	8A	\$4,237	\$695	Residential Lot
Single-Family Detached Property – SF Zoning	8A	4,083	695	Residential Lot
Single-Family Detached Property – SF Zoning	8B	5,013	869	Residential Lot
Single-Family Detached Property – SF Zoning	8C	5,563	816	Residential Lot
Single-Family Detached Property – SF Zoning	9A	5,086	796	Residential Lot
Single-Family Detached Property – SF Zoning	9B	4,279	653	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SF Zoning	2A	\$4,237	\$695	Residential Lot
Single-Family Detached Property – SF Zoning	2B	4,083	695	Residential Lot
Single-Family Detached Property – SF Zoning	3A	5,013	869	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,563	816	Residential Lot
Single-Family Detached Property – SF Zoning	4A	5,086	796	Residential Lot
Single-Family Detached Property – SF Zoning	4B	4,279	653	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

RATE AND METHOD OF APPORTIONMENT

All of the property located within the District, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of providing the necessary facilities and services for the District. Pursuant to Section 53325.3 of the Act, the tax imposed "is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property." The special tax "may be based on benefit received by parcels of real property, the cost of making facilities available to each parcel, or other reasonable basis as determined by the legislative body," although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Appendices B through E, the Rate and Method of Apportionment for each IA provides information sufficient to allow each property owner to estimate the maximum special tax that he or she will be required to pay.

Term of Facilities, Services, & Transition Services Special Tax

The District's facilities special tax shall be levied commencing in Fiscal Year 2026/27 and shall be levied to the extent necessary to fully satisfy the annual facilities special tax requirement. For each IA, the facilities special tax shall be levied for a period no longer than the earlier of fiscal year 2085/86 or the fiscal year occurring 50 years following the fiscal year in which the first building permit was issued or the first series of bonds or other debt was issued within the IA.

The District's services special tax shall be levied commencing in Fiscal Year 2026/27 and shall be levied until the transition event occurs, which shall be the earlier of Fiscal Year 2085/86 or the or the fiscal year when the District administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the facilities special tax in an improvement area have been fully repaid and the City determines that no additional bonds are to be issued, and (2) all facilities administrative expenses have been paid or reimbursed to an improvement area. The District's transition services special tax shall commence in the transition year, which is the first year in which the District administrator determines that the transition event occurred in the prior fiscal year.

The District's transition services special tax shall be levied commencing in the transition year and shall be levied in perpetuity unless and until such time the City determines that revenues are no longer needed to pay the transition services special tax requirement.

Manner of Collection

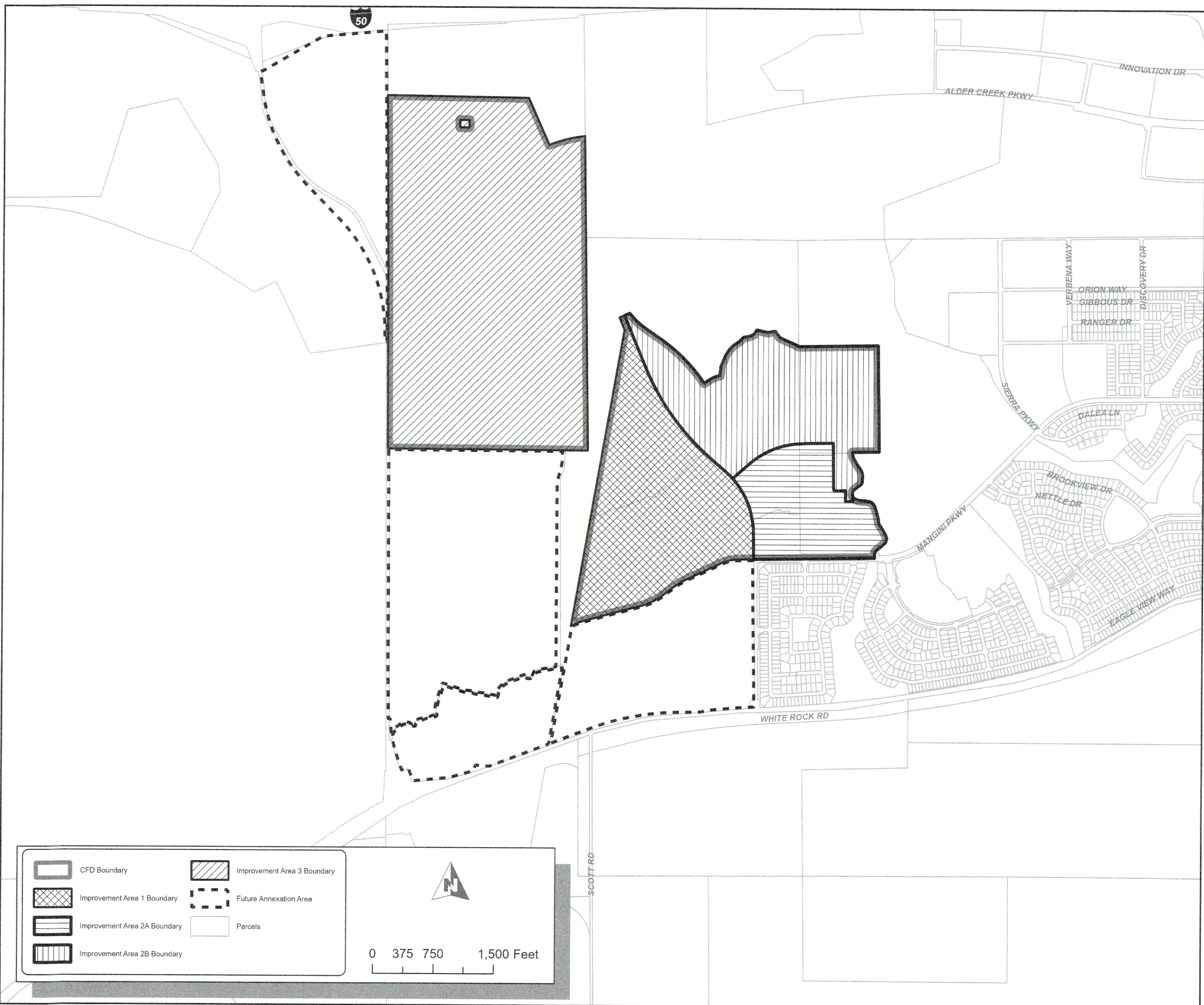
The annual District special tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the City, may directly bill the District special tax, and may collect special taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of taxable property that are delinquent in the payment of special taxes.

APPENDIX A: BOUNDARY MAP

The boundary map for the District, including the boundaries for the Improvement Areas, is shown on the following pages. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor, at the time this Report was prepared, and are incorporated by reference herein and made part of this Report.

MAP OF PROPOSED BOUNDARIES
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

CITY OF FOLSOM
COUNTY OF SACRAMENTO
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FOLSOM THIS 16th DAY OF April, 2026

C. Freeman
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST), CITY OF FOLSOM, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FOLSOM, AT A MEETING THEREOF, HELD ON THE 14 DAY OF April, 2026, BY ITS RESOLUTION NO. 4581

C. Freeman
CITY CLERK
CITY OF FOLSOM
SACRAMENTO COUNTY, CALIFORNIA

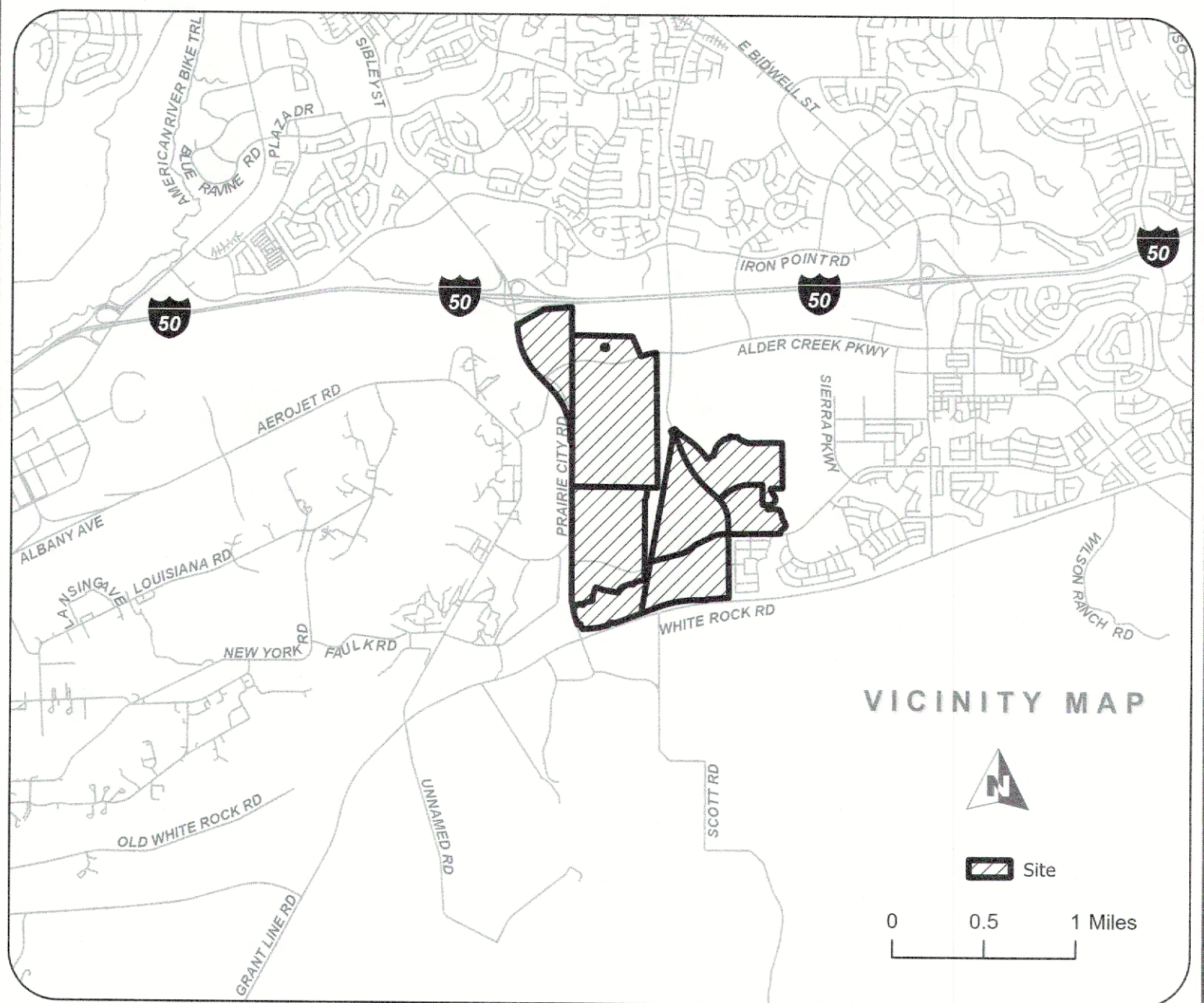
FILED THIS 16th DAY OF APRIL, 2026, AT THE HOUR OF 11:13 O'CLOCK A M, IN BOOK 148 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 35 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

Florence Evans
COUNTY RECORDER
COUNTY OF SACRAMENTO, CALIFORNIA

[Signature]
DEPUTY

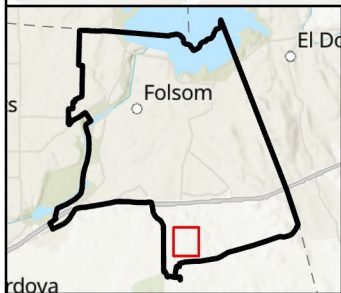
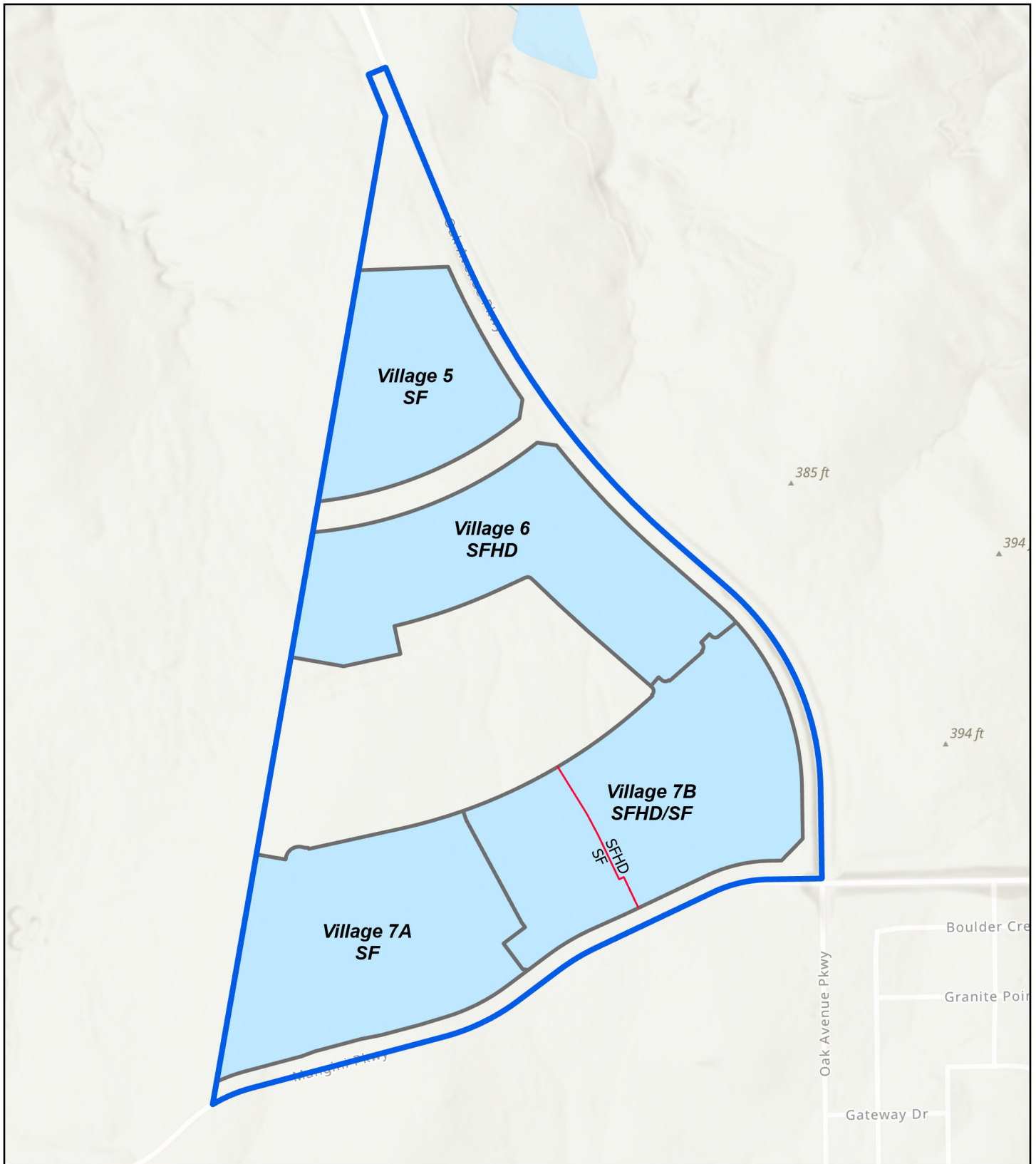
202604160877
Document No.

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.



Source: Sacramento County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California II FIPS 0402 Feet



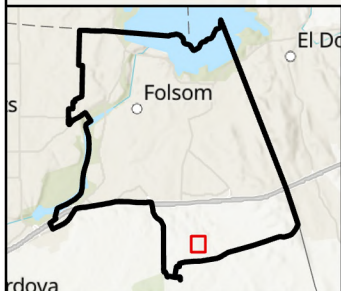
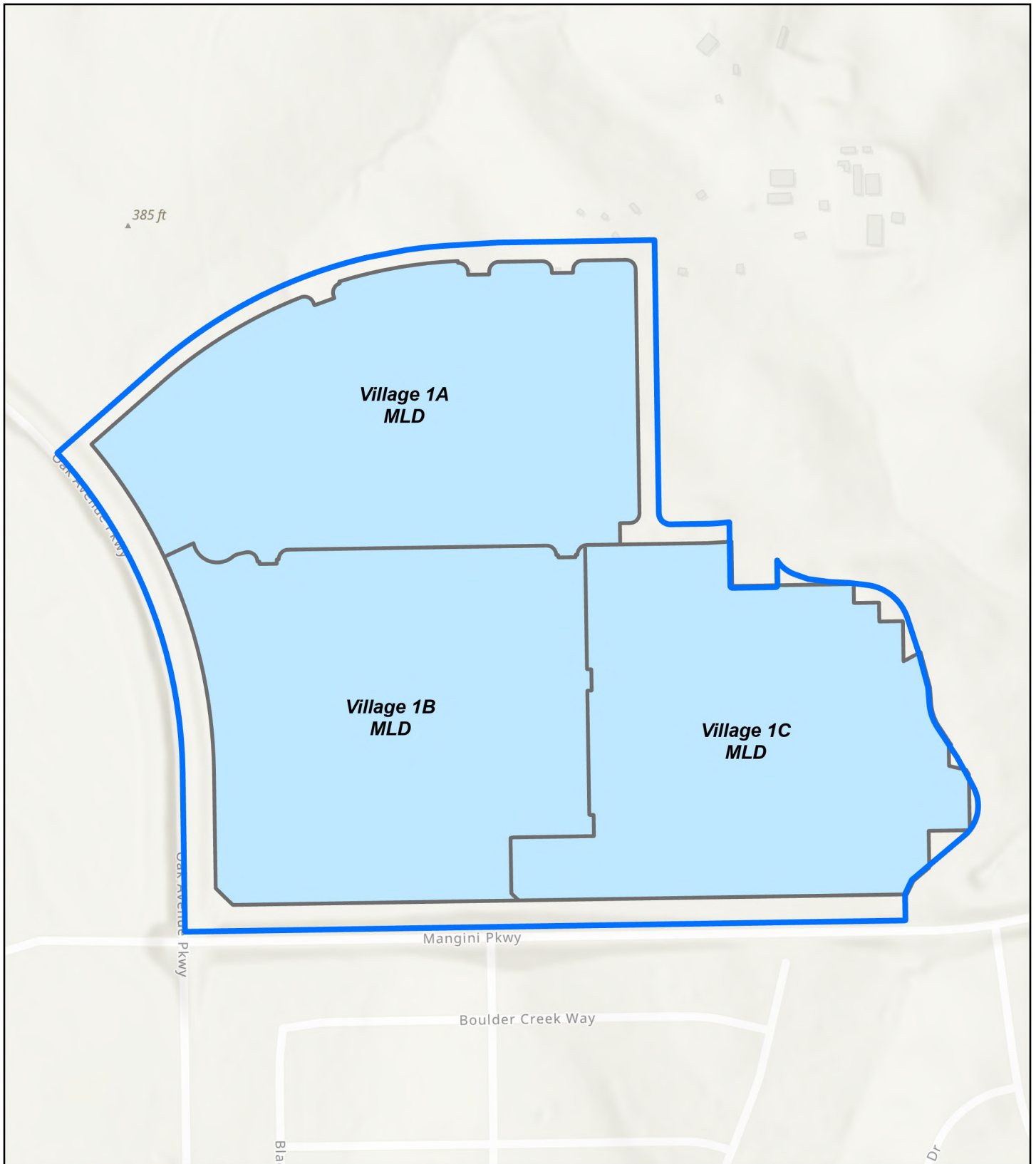


City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 1	
Improvement Area 1 Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

0 0.05 0.1 Mi

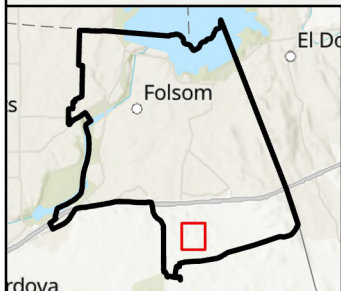
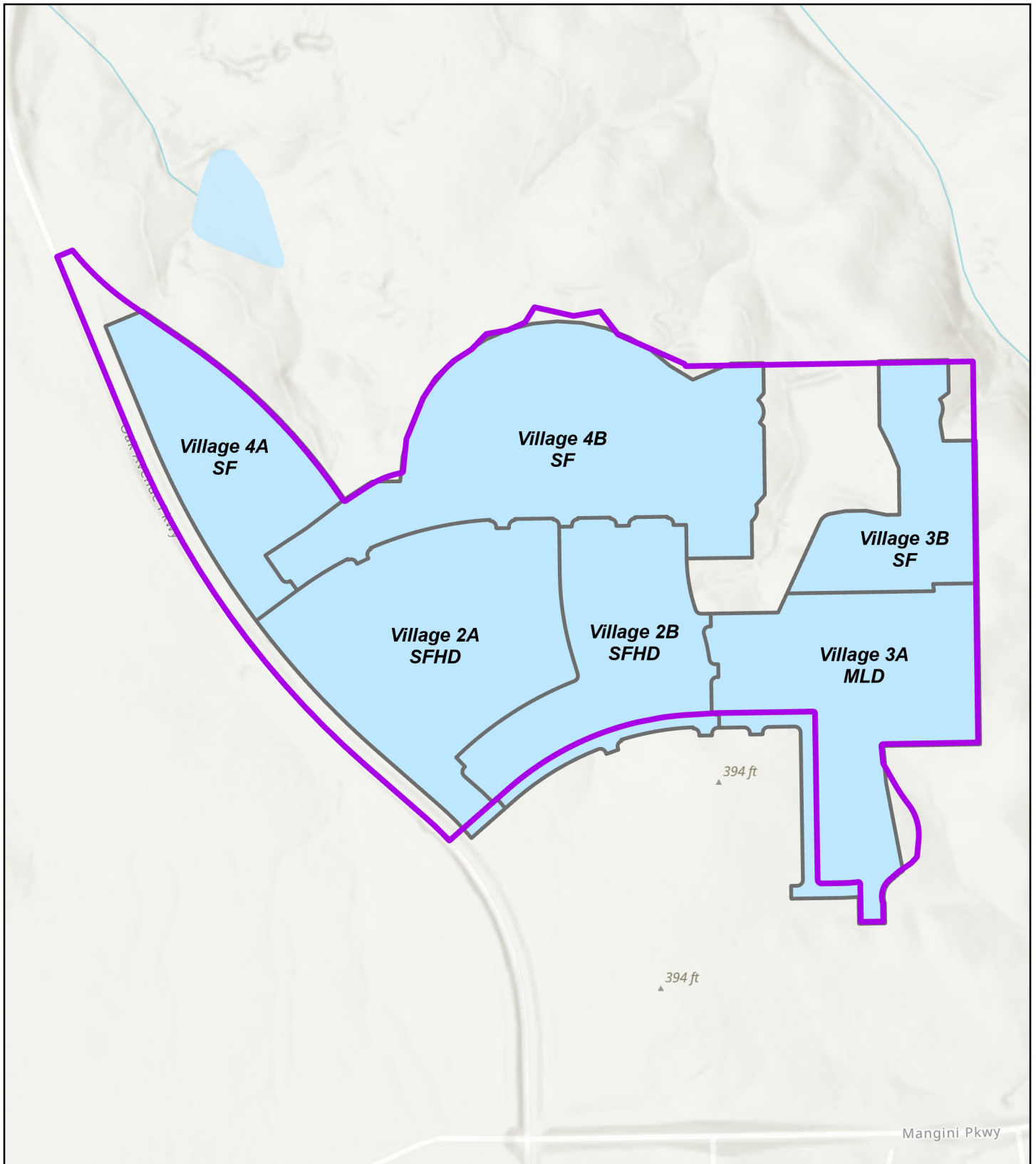
0 300 600 US Feet

For illustration purposes only, not an official map.



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2A	
Improvement Area 2A Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

For illustration purposes only, not an official map.

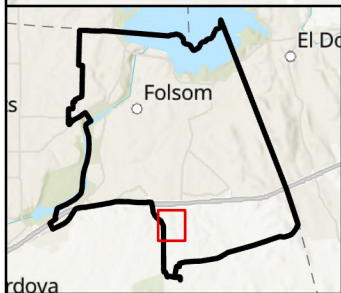
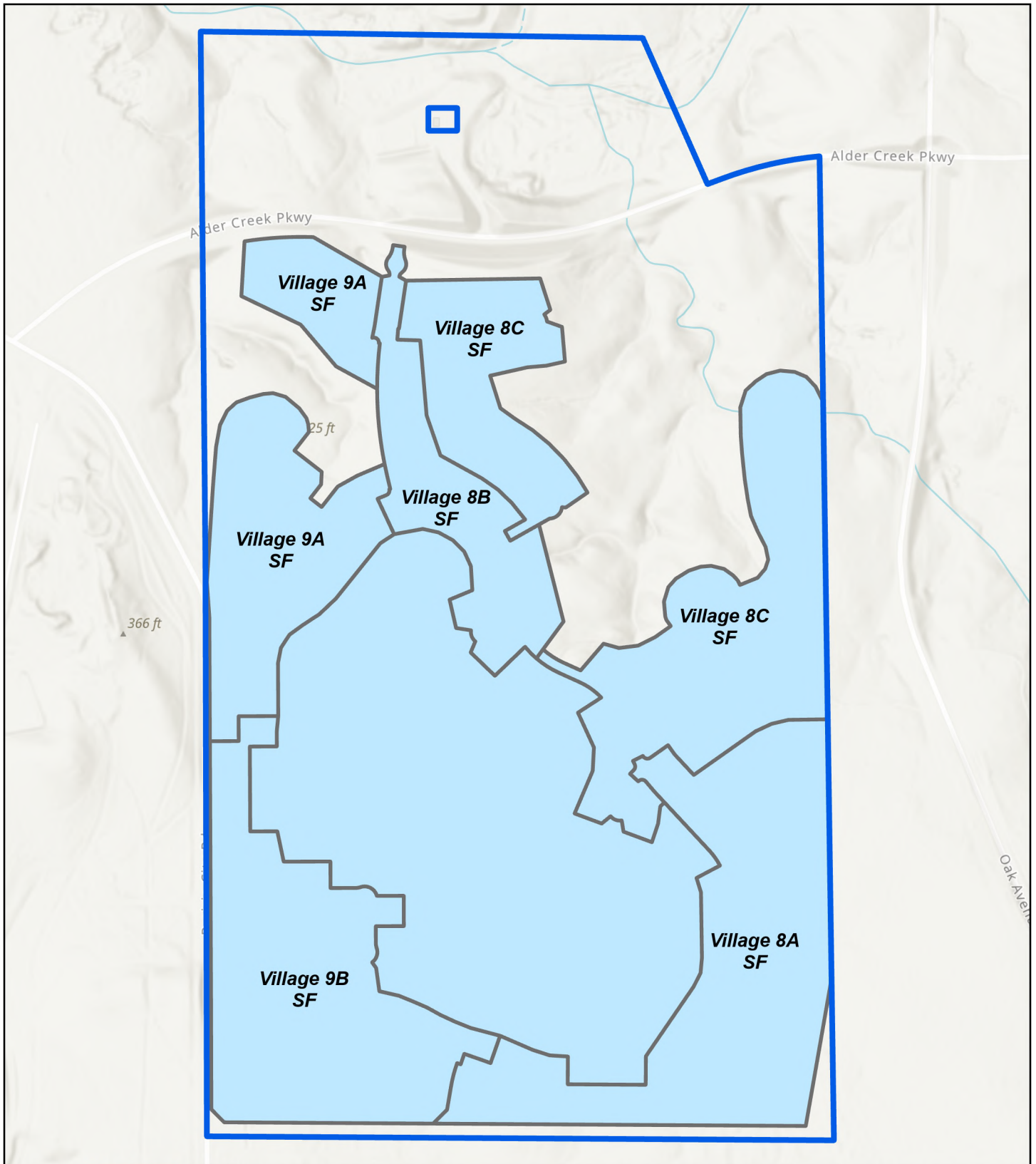


City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2B	
Improvement Area 2B Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

0 0.05 0.1 Mi

0 275 550 US Feet

For illustration purposes only, not an official map.



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 3	
Improvement Area 3 Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

N

0 0.05 0.1 Mi

0 320 640 US Feet

For illustration purposes only, not an official map.

APPENDIX B: RATE AND METHOD OF APPORTIONMENT – IA 1

The following pages provide a copy of the Rate and Method of Apportionment for IA 1.

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 1**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 1 (CFD No. 24 IA1) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA1 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA1.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA1 under the Act.

“CFD No. 24 IA1” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 1.

“CFD No. 24 IA1 Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA1.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA1 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA1, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA1, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA1, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA1 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA1 to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA1 Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA1.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA1 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA1 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA1.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA1, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA1.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA1, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA1.

“Public Property” means any property within the boundaries of CFD No. 24 IA1, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA1, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA1 for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA1, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA1 Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA1 that are not exempt from the CFD No. 24 IA1 Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA1 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA1 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA1.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA1, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA1 for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA1 Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA1 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA1 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA1 shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA1 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA1 an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA1.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA1 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA1 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA1 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA1.

Using the definitions and procedures described herein, the CFD No. 24 IA1 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA1 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA1 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA1 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA1 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA1 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA1, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA1 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA1 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA1 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA1 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA1 Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA1 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA1 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA1 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA1, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA1 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA1 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA1 Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA1, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF Zoning	5	\$3,920	\$858	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	3,505	616	Residential Lot
Single-Family Detached Property – SF Zoning	7A	5,402	977	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	4,522	659	Residential Lot
Single-Family Detached Property – SF Zoning	7B	5,719	659	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SF Zoning	5	\$3,920	\$858	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	3,505	616	Residential Lot
Single-Family Detached Property – SF Zoning	7A	5,402	977	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	4,522	659	Residential Lot
Single-Family Detached Property – SF Zoning	7B	5,719	659	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	5	38	\$3,920	\$148,960
Single-Family Detached Property – SFHD Zoning	6	99	3,505	346,955
Single-Family Detached Property – SF Zoning	7A	56	5,402	302,512
Single-Family Detached Property – SFHD Zoning	7B	42	4,522	189,924
Single-Family Detached Property – SF Zoning	7B	41	5,719	234,479
Total Minimum Facilities Revenue⁽⁴⁾				\$1,222,870

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 5, 6, 7A and 7B.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SF Zoning	5	\$_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7A	_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7B	_____	Residential Lot
Small Lot Final Map Property:			
Single-Family Detached Property – SF Zoning	5	\$_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	6	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7A	_____	Residential Lot
Single-Family Detached Property – SFHD Zoning	7B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	7B	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$_____	Acre
Large Lot Property		\$_____	Acre
Undeveloped Property		\$_____	Acre

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.

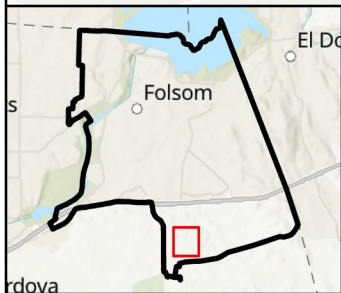
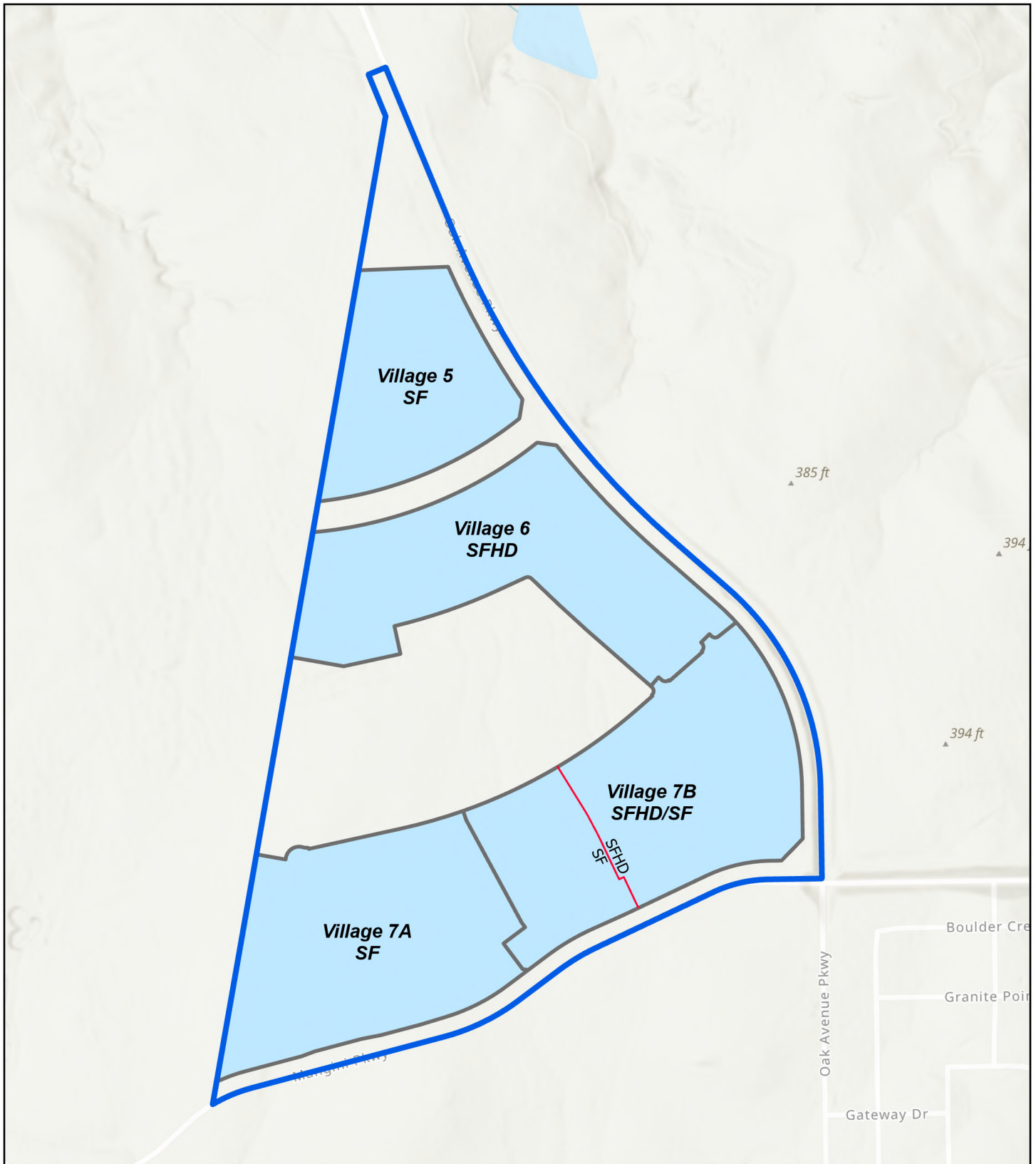
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	5	38	\$_____	\$_____
Single-Family Detached Property – SFHD Zoning	6	99	_____	_____
Single-Family Detached Property – SF Zoning	7A	56	_____	_____
Single-Family Detached Property – SFHD Zoning	7B	42	_____	_____
Single-Family Detached Property – SF Zoning	7B	41	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$_____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the total Effective Developed Property Maximum Facilities Special Tax Rate Evaluation for Single-Family Detached Property in Lot/Village 5, 6, 7A and 7B.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 1
MAP OF VILLAGES**



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 1	
Improvement Area 1 Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

0 0.05 0.1 Mi

0 300 600 US Feet

For illustration purposes only, not an official map.

APPENDIX C: RATE AND METHOD OF APPORTIONMENT – IA 2A

The following pages provide a copy of the Rate and Method of Apportionment for IA 2A.

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 2A**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2A (CFD No. 24 IA2A) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA2A Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA2A, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA2A.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA2A under the Act.

“CFD No. 24 IA2A” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2A.

“CFD No. 24 IA2A Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA2A.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA2A Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA2A, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA2A, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA2A, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2A for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA2A to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA2A Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA2A.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA2A Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA2A which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA2A.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA2A, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA2A.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA2A, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA2A.

“Public Property” means any property within the boundaries of CFD No. 24 IA2A, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA2A, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2A for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA2A, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA2A Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA2A that are not exempt from the CFD No. 24 IA2A Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA2A Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA2A have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA2A.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA2A, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2A for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA2A Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA2A Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA2A that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA2A shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2A according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2A an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA2A.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2A Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2A according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA2A and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA2A.

Using the definitions and procedures described herein, the CFD No. 24 IA2A Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2A according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2A Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA2A Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA2A Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA2A Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2A, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA2A records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA2A Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA2A Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA2A Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA2A Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA2A Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA2A Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA2A Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA2A, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA2A Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA2A Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA2A Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA2A, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Multi-Family Attached Property – MLD Zoning	1A	\$2,547	\$450	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	2,598	470	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	2,498	400	Residential Lot
Small Lot Final Map Property:				
Multi-Family Attached Property – MLD Zoning	1A	\$2,547	\$450	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	2,598	470	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	2,498	400	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$23,000	N/A	Acre
Large Lot Property		\$23,000	N/A	Acre
Undeveloped Property		\$23,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Multi-Family Attached Property – MLD Zoning	1A	104	\$2,547	\$264,888
Multi-Family Attached Property – MLD Zoning	1B	101	2,598	262,398
Multi-Family Attached Property – MLD Zoning	1C	124	2,498	309,752
Total Minimum Facilities Revenue⁽⁴⁾				\$837,038

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 1A, 1B, and 1C.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Multi-Family Attached Property – MLD Zoning	1A	\$_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	_____	Residential Lot
Small Lot Final Map Property:			
Multi-Family Attached Property – MLD Zoning	1A	\$_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	1C	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$_____	Acre
Large Lot Property		\$_____	Acre
Undeveloped Property		\$_____	Acre

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.

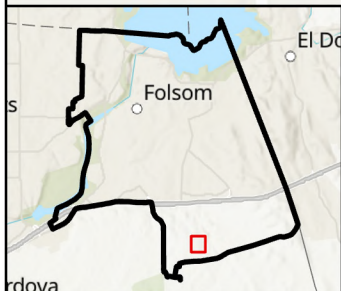
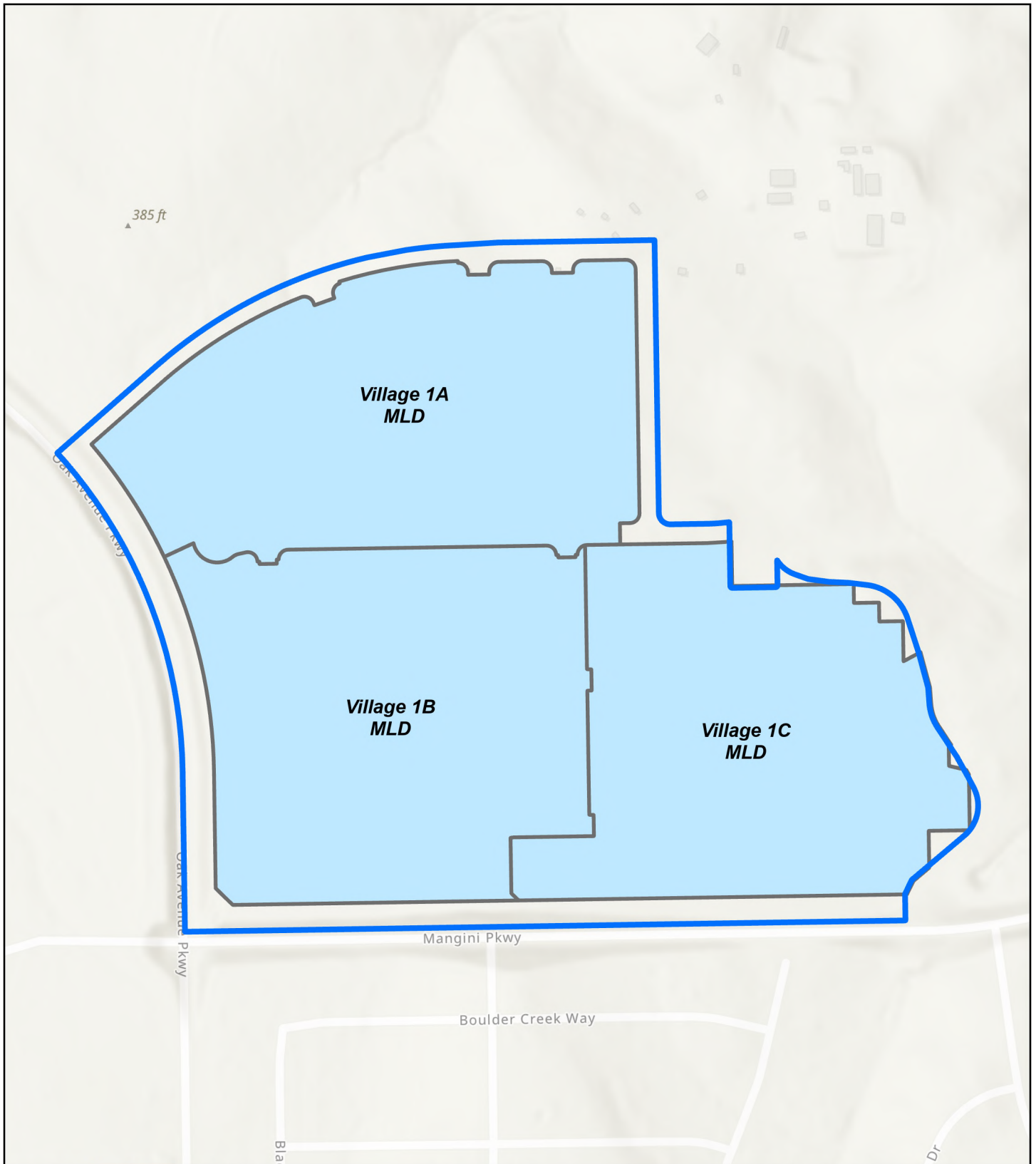
(2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

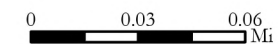
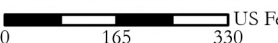
Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Multi-Family Attached Property – MLD Zoning	1A	104	\$_____	\$_____
Multi-Family Attached Property – MLD Zoning	1B	101	_____	_____
Multi-Family Attached Property – MLD Zoning	1C	124	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$_____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 1A, 1B, and 1C.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2A
MAP OF VILLAGES**



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2A	
 Improvement Area 2A Boundary	2026
 Village Boundaries	
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

For illustration purposes only, not an official map.

APPENDIX D: RATE AND METHOD OF APPORTIONMENT – IA 2B

The following pages provide a copy of the Rate and Method of Apportionment for IA 2B.

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 2B**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2B (CFD No. 24 IA2B) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA2B Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA2B, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA2B.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA2B under the Act.

“CFD No. 24 IA2B” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2B.

“CFD No. 24 IA2B Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA2B.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA2B Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA2B, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA2B, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA2B, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2B for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA2B to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA2B Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA2B.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA2B Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA2B which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA2B.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA2B, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA2B.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA2B, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA2B.

“Public Property” means any property within the boundaries of CFD No. 24 IA2B, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA2B, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2B for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA2B, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA2B Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA2B that are not exempt from the CFD No. 24 IA2B Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA2B Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA2B have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA2B.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA2B, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA2B for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA2B Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA2B Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA2B that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA2B shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2B according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2B an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA2B.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2B Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2B according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA2B and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA2B.

Using the definitions and procedures described herein, the CFD No. 24 IA2B Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA2B according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA2B Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA2B Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA2B Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA2B Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA2B, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA2B records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA2B Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA2B Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA2B Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA2B Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA2B Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA2B Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA2B Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA2B, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA2B Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA2B Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA2B Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA2B, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SFHD Zoning	2A	\$2,947	\$578	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	2,563	566	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	2,573	461	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,025	857	Residential Lot
Single-Family Detached Property – SF Zoning	4A	3,848	931	Residential Lot
Single-Family Detached Property – SF Zoning	4B	5,042	840	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SFHD Zoning	2A	\$2,947	\$578	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	2,563	566	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	2,573	461	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,025	857	Residential Lot
Single-Family Detached Property – SF Zoning	4A	3,848	931	Residential Lot
Single-Family Detached Property – SF Zoning	4B	5,042	840	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Single-Family Detached Property – SFHD Zoning	2A	106	\$2,947	\$312,382
Single-Family Detached Property – SFHD Zoning	2B	71	2,563	181,973
Multi-Family Attached Property – MLD Zoning	3A	132	2,573	339,636
Single-Family Detached Property – SF Zoning	3B	25	5,025	125,625
Single-Family Detached Property – SF Zoning	4A	31	3,848	119,288
Single-Family Detached Property – SF Zoning	4B	63	5,042	317,646
Total Minimum Facilities Revenue⁽⁴⁾				\$1,396,550

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 2A, 2B, 3A, 3B, 4A, and 4B.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SFHD Zoning	2A	\$ _____	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	3B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4B	_____	Residential Lot
Small Lot Final Map Property:			
Single-Family Detached Property – SFHD Zoning	2A	\$ _____	Residential Lot
Single-Family Detached Property – SFHD Zoning	2B	_____	Residential Lot
Multi-Family Attached Property – MLD Zoning	3A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	3B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	4B	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$ _____	Acre
Large Lot Property		\$ _____	Acre
Undeveloped Property		\$ _____	Acre

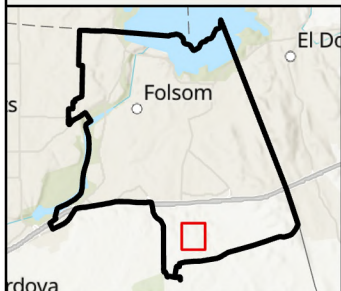
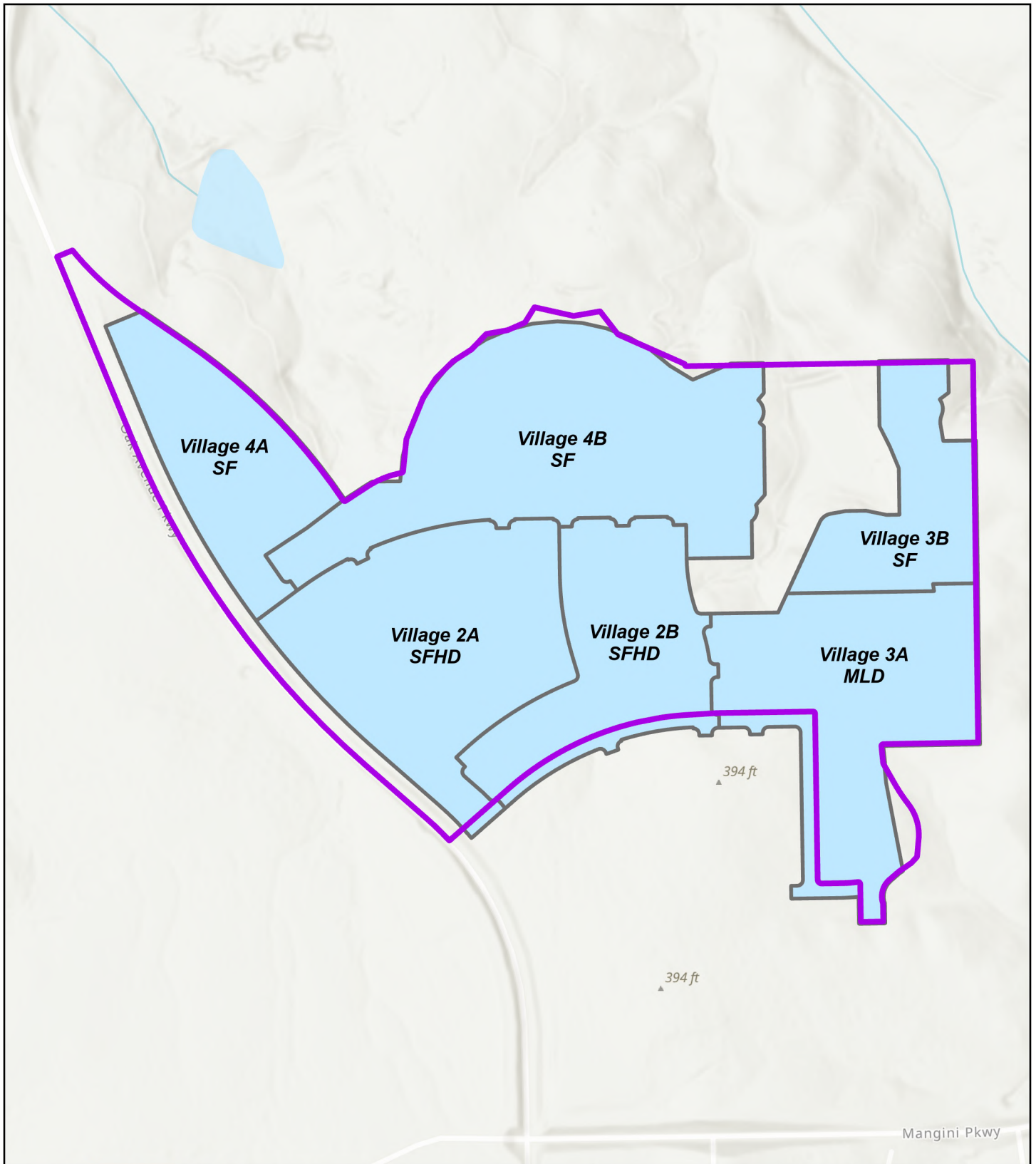
- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Single-Family Detached Property – SFHD Zoning	2A	106	\$_____	\$_____
Single-Family Detached Property – SFHD Zoning	2B	71	_____	_____
Multi-Family Attached Property – MLD Zoning	3A	132	_____	_____
Single-Family Detached Property – SF Zoning	3B	25	_____	_____
Single-Family Detached Property – SF Zoning	4A	31	_____	_____
Single-Family Detached Property – SF Zoning	4B	63	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$_____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 2A, 2B, 3A, 3B, 4A, and 4B.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 2B
MAP OF VILLAGES**



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 2B	
Improvement Area 2B Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

0 0.05 0.1 Mi

0 275 550 US Feet

For illustration purposes only, not an official map.

APPENDIX E: RATE AND METHOD OF APPORTIONMENT – IA 3

The following pages provide a copy of the Rate and Method of Apportionment for IA 3.

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)
IMPROVEMENT AREA 3**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 3 (CFD No. 24 IA3) and collected each Fiscal Year in an amount determined by the CFD No. 24 IA3 Administrator through the application of the Rate and Method of Apportionment as described below. All of the real property within CFD No. 24 IA3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Accessory Dwelling Unit” or “ADU” means a secondary residential unit of limited size, as defined in California Government Code Section 66313, as may be amended from time to time, that is accessory to a single-unit dwelling. The ADU may be on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU only.

“Acre” or “Acreage” means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

“Assessor's Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

“Authorized Services” means the services authorized to be financed by CFD No. 24 IA3.

“Bond Year” means a one-year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 24 IA3 under the Act.

“CFD No. 24 IA3” means City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 3.

“CFD No. 24 IA3 Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 24 IA3.

“County” means the County of Sacramento.

“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.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 24 IA3 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of

the duties required of it under the Indenture; the costs to the City, CFD No. 24 IA3, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 24 IA3, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 24 IA3, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA3 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 24 IA3 to: (i) Pay Facilities 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 known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 24 IA3 Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2085-2086 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued, or the first series of Bonds was issued within CFD No. 24 IA3.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"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, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential 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.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means, prior to the Transition Year, the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

Beginning in the Transition Year, “Maximum Special Tax”, means the total annual Maximum Transition Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year following the Transition Event on any Assessor’s Parcel of Taxable Property

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 24 IA3 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts partially prepaid pursuant to Section L. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Rate and Method of Apportionment. Following the Transition Event, the Minimum Facilities Revenue shall be zero.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s

Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Mixed-Use Residential Parcel” means a mixed-use Assessor’s Parcel that is designated for residential land use. If the mixed-use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed-Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 24 IA3 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 24 IA3.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including, without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Lots, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 24 IA3, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 24 IA3.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 24 IA3, which is (a) owned by a property owner association or (b) designated with specific boundaries

and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 24 IA3.

“Public Property” means any property within the boundaries of CFD No. 24 IA3, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, including Accessory Dwelling Units, as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 24 IA3, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA3 for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means, prior to the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required for CFD No. 24 IA3, before the Transition Year, to (i) pay Services Administrative Expenses in an amount

designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 24 IA3 Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means, before the Transition Year, the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

Beginning in the Transition Year, the annual Transition Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

"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.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision

Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 24 IA3 that are not exempt from the CFD No. 24 IA3 Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Transition Event” means the earlier of (i) Fiscal Year 2085-2086 or (ii) the Fiscal Year when the CFD No. 24 IA3 Administrator determines that both of the following events have occurred (1) all Bonds secured by the levy and collection of the Facilities Special Tax in CFD No. 24 IA3 have been fully repaid and the City determines that no additional Bonds are to be issued, and (2) all Facilities Administrative Expenses have been paid or reimbursed to CFD No. 24 IA3.

“Transition Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Transition Services Special Tax including, but not limited to, the following: the costs of computing the Transition Services Special Taxes and preparing the annual Transition Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Transition Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Transition Services Special Tax; and the costs of the City, CFD No. 24 IA3, or any designee thereof related to any appeal of the levy or application of the Transition Services Special Tax. Transition Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 24 IA3 for any other administrative purposes related to the Transition Services Special Tax.

“Transition Services Special Tax” means, after the Transition Event, the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Transition Services Special Tax Requirement.

“Transition Services Special Tax Escalation Factor” means the maximum of two percent (2%) or the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%).

“Transition Services Special Tax Rate” means, calculated in the Transition Year, the amount equal to the prior year’s Maximum Services Special Tax Rate plus fifty percent (50%) of the prior year’s

Maximum Facilities Special Tax Rate. The Transition Services Special Tax Escalation Factor shall be applied beginning in the Transition Year. Following the Transition Year, the Transition Services Special Tax Rate shall be equal to the prior year's Transition Services Special Tax Rate, increased by the Transition Services Special Tax Escalation Factor.

"Transition Services Special Tax Requirement" Beginning in the Transition Year, to (i) pay Transition Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair, replacement and contingency funds, capital improvement funds, or reserve funds related to the Authorized Services expenses; (iv) pay for reasonably anticipated delinquent Transition Services Special Taxes based on the delinquency rate for Transition Services Special Taxes levied in the previous Fiscal Year; less (v) a credit for funds available to reduce the annual Transition Services Special Tax levy as determined by the CFD No. 24 IA3 Administrator.

"Transition Year" means the first year in which the CFD No. 24 IA3 Administrator determines that the Transition Event occurred in the prior Fiscal Year.

"Trustee" means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 24 IA3 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcels that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor's Parcels within the boundaries of CFD No. 24 IA3 shall be designated as either Taxable Property or Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

Prior to the Transition Year, a Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA3 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2026-2027 is set forth in Attachment B of this Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities 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 sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The

Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first series of Bonds within CFD No. 24 IA3 an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this

Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 24 IA3.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and an estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum

Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities 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 sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as

Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section L, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA3 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year until the Transition Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA3 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

D.1. Prior to the Transition Event - Increase in the Maximum Services Special Tax

Prior to the Transition Event, on each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Prior to the Transition Event - Method of Apportionment of Services Special Tax

If, in any Fiscal Year prior to the Transition Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 24 IA3 and the Facilities Special Tax revenues generated are insufficient to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 24 IA3.

Using the definitions and procedures described herein, the CFD No. 24 IA3 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. TRANSITION SERVICES SPECIAL TAX

A Transition Services Special Tax shall be assigned to all Taxable Property within CFD No. 24 IA3 according to the Maximum Transition Services Special Tax Rates set forth in Attachment A of this Rate and Method of Apportionment.

E.1. After the Transition Event – Method of Apportionment of Transition Services Special Tax

Using the definitions and procedures described herein, the CFD No. 24 IA3 Administrator shall determine the Transition Services Special Tax Requirement and levy the Transition Services Special Tax until the amount of Transition Services Special Tax equals the Transition Services Special Tax Requirement. The Transition Services Special Tax shall be levied each Fiscal Year as follows:

First: The Transition Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first step has been completed, the Transition Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the first two steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Transition Services Special Tax Requirement after the three steps have been completed, the Transition Services Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Transition Services Special Tax in order to satisfy the Transition Services Special Tax Requirement.

F. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 24 IA3 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 24 IA3 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

G. EXEMPTIONS

The CFD No. 24 IA3 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property may be fully prepaid by the seller, pursuant to Section L, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section G.1. above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property; however, pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds, as applicable, any Assessor's Parcel that receives a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Facilities Special Tax.

H. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 24 IA3, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 24 IA3 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Rate and Method of Apportionment.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. REVIEW/APPEALS

The CFD No. 24 IA3 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 24 IA3 Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 24 IA3 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 24 IA3 Administrator shall review the appeal, meet with the appellant if the CFD No. 24 IA3 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 24 IA3 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 24 IA3 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

K. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 24 IA3, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

L. PREPAYMENT IN PART OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. An owner of an Assessor's Parcel intending to partially prepay the Facilities Special Tax obligation shall provide the CFD No. 24 IA3 Administrator with written notice of intent to partially prepay. Within 30 days of receipt of such written notice, the CFD No. 24 IA3 Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Any partial prepayment must be submitted at least 60 days before the next occurring bond redemption date, and the proceeds of such prepayment shall be provided to the Trustee for application toward bond redemption in accordance with the Indenture. The CFD No. 24 IA3 Administrator may charge a fee for providing this service.

L.1. Partial Prepayment Amount

The Facilities Special Tax may be prepaid in an amount determined at the time of prepayment based on the portion of Bonds then outstanding; provided, however, that no partial prepayment shall be accepted in an amount equal to an annual Special Tax amount less than the annual Transition Services Special Tax rate escalated to the then current fiscal year less the then current Services Special Tax rate.

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C above. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C above. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the earlier of the end of the Facilities Special Tax Term or the Transition Event, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Partial Prepayment Amount calculation, the Partial Prepayment Amount shall be first allocated to the Redemption Amount. If the Partial Prepayment Amount is insufficient to fund the Redemption Amount, then the Partial Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section L.1 by the total Maximum Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 24 IA3, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the “Bond Redemption Amount”).

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor’s Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the partial prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the partial prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the “Redemption Amount”).

If the Partial Prepayment Amount exceeds the Redemption Amount, then any remaining Partial Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Partial Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

In addition, the City has the authority to adjust the Partial Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

M. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2026-2027 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2026-2027 and shall be levied until the Transition Event to the extent necessary to fully satisfy the Services Special Tax Requirement.

The Maximum Transition Services Special Tax shall be levied commencing in the Fiscal Year following the Transition Event in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Transition Services Special Tax Requirement.

including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

**ATTACHMENT A
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
MAXIMUM SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Maximum Facilities Special Tax Rate⁽¹⁾	2026-2027 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF Zoning	8A	\$4,237	\$695	Residential Lot
Single-Family Detached Property – SF Zoning	8A	4,083	695	Residential Lot
Single-Family Detached Property – SF Zoning	8B	5,013	869	Residential Lot
Single-Family Detached Property – SF Zoning	8C	5,563	816	Residential Lot
Single-Family Detached Property – SF Zoning	9A	5,086	796	Residential Lot
Single-Family Detached Property – SF Zoning	9B	4,279	653	Residential Lot
Small Lot Final Map Property:				
Single-Family Detached Property – SF Zoning	2A	\$4,237	\$695	Residential Lot
Single-Family Detached Property – SF Zoning	2B	4,083	695	Residential Lot
Single-Family Detached Property – SF Zoning	3A	5,013	869	Residential Lot
Single-Family Detached Property – SF Zoning	3B	5,563	816	Residential Lot
Single-Family Detached Property – SF Zoning	4A	5,086	796	Residential Lot
Single-Family Detached Property – SF Zoning	4B	4,279	653	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$20,000	N/A	Acre
Large Lot Property		\$20,000	N/A	Acre
Undeveloped Property		\$20,000	N/A	Acre

(1) On each July 1, commencing on July 1, 2027, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, 2027, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT B
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres	2026-2027 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2026-2027 Minimum Facilities Revenue ⁽¹⁾⁽³⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	8A	52	\$4,237	\$220,324
Single-Family Detached Property – SF Zoning	8A	52	4,083	212,316
Single-Family Detached Property – SF Zoning	8B	27	5,013	135,351
Single-Family Detached Property – SF Zoning	8C	96	5,563	534,048
Single-Family Detached Property – SF Zoning	9A	62	5,086	315,332
Single-Family Detached Property – SF Zoning	9B	102	4,279	436,458
Total Minimum Facilities Revenue				\$1,853,829

- (1) On each July 1, commencing on July 1, 2027, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor's Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of a portion of Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 8A, 8B, 8C, 9A and 9B.

**ATTACHMENT C
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
EFFECTIVE TAX RATE EVALUATION MAXIMUM FACILITIES SPECIAL TAX RATES
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	2026-2027 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SF Zoning	8A	\$_____	Residential Lot
Single-Family Detached Property – SF Zoning	8A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8C	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9B	_____	Residential Lot
Small Lot Final Map Property:			
Single-Family Detached Property – SF Zoning	8A	\$_____	Residential Lot
Single-Family Detached Property – SF Zoning	8A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8B	_____	Residential Lot
Single-Family Detached Property – SF Zoning	8C	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9A	_____	Residential Lot
Single-Family Detached Property – SF Zoning	9B	_____	Residential Lot
Permit Ready Multi-Family/Non-Residential Property		\$_____	Acre
Large Lot Property		\$_____	Acre
Undeveloped Property		\$_____	Acre

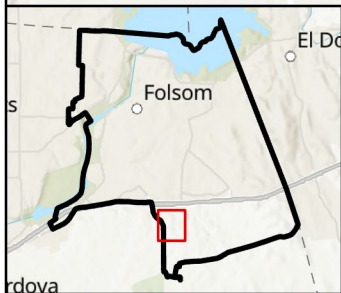
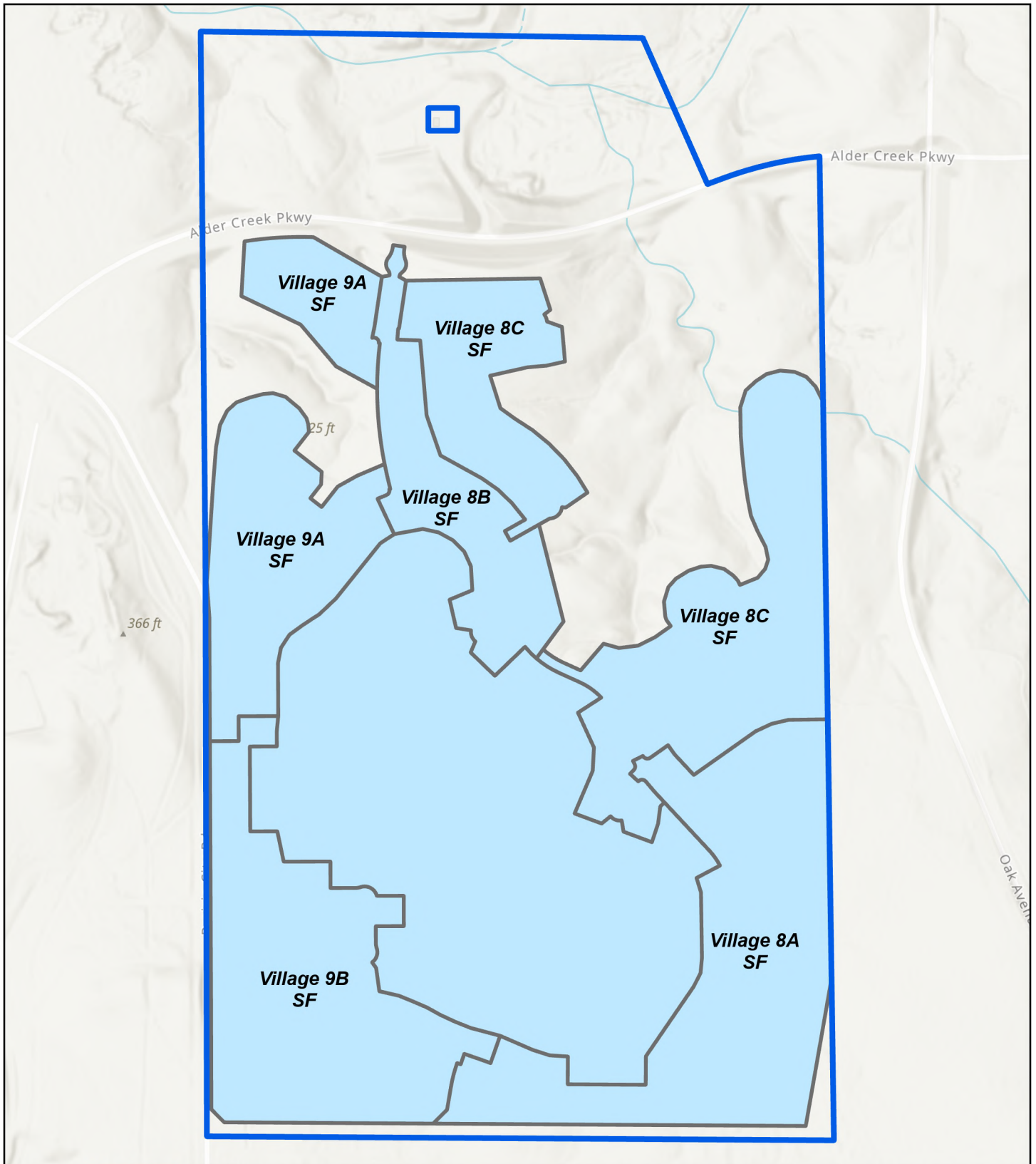
- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

**ATTACHMENT D
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
EFFECTIVE TAX RATE EVALUATION MINIMUM FACILITIES REVENUE
(FISCAL YEAR 2026-2027)**

Land Use Category	Lot / Village #	Planned Number of Residential Lots / Acres⁽¹⁾	2026-2027 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2026-2027 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:				
Single-Family Detached Property – SF Zoning	8A	52	\$ _____	\$ _____
Single-Family Detached Property – SF Zoning	8A	52	_____	_____
Single-Family Detached Property – SF Zoning	8B	27	_____	_____
Single-Family Detached Property – SF Zoning	8C	96	_____	_____
Single-Family Detached Property – SF Zoning	9A	62	_____	_____
Single-Family Detached Property – SF Zoning	9B	102	_____	_____
Total Effective Tax Rate Evaluation Minimum Facilities Revenue⁽⁵⁾				\$ _____

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor's Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid pursuant to Section L.
- (5) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property in Lot/Village 8A, 8B, 8C, 9A and 9B.

**ATTACHMENT E
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24 (ALDER CREEK WEST)
IMPROVEMENT AREA 3
MAP OF VILLAGES**



City of Folsom Community Facilities District No. 24 (Alder Creek West) Improvement Area 3	
Improvement Area 3 Boundary Village Boundaries	2026
Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet	

N

0 0.05 0.1 Mi

0 320 640 US Feet

For illustration purposes only, not an official map.

Attachment 7

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election)

This ballot is for the use of Alder Creek West Improvement Company LLC,
a landowner owning land within City of Folsom Community Facilities District No. 24 (Alder
Creek West), Improvement Area No. 1.

According to the provisions of the Mello-Roos Community Facilities Act of 1982 and the
resolutions of the City Council of the City of Folsom, the above-named landowner is entitled to
cast 87 votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail
or in person, before 6:30 p.m. on May 26, 2026, to:

Christa Freemantle, City Clerk
City of Folsom
50 Natoma Street
Folsom, CA 95630

Mailing by that date will not be sufficient. The ballot must be physically received by the
City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT,
OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City of Folsom be authorized to issue a maximum
amount not to exceed \$31,000,000 in bonds that will be paid for
by Improvement Area No. 1 of the City of Folsom Community
Facilities District No. 24 (Alder Creek West) (the "District"),
designate Improvement Area No. 1 and a future annexation
therein, levy a special tax in Improvement Area No. 1 and finance
public facilities and services by and through the District and shall
the appropriations limit for Improvement Area No. 1 within the
District for fiscal year 2026-27 be established in the amount of
\$31,000,000, all as specified in the City's Resolution to Form a
Community Facilities District, to Designate a Future Annexation
Therein and to Levy Special Taxes Therein and Resolution
Deeming it Necessary to Incur Bonded Indebtedness In and for
City of Folsom Community Facilities District No. 24 (Alder
Creek West) adopted by the City Council of the City on May 26,
2026?

Number of votes

YES

X

Number of votes

NO

Certification

The undersigned is or are the authorized representative(s) of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed as of May 26, 2026.

ALDER CREEK WEST IMPROVEMENT
COMPANY LLC

By:



Name: William B. Bunce

Title: President

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election)

This ballot is for the use of Alder Creek West Improvement Company LLC,
a landowner owning land within City of Folsom Community Facilities District No. 24 (Alder
Creek West), Improvement Area No. 2A.

According to the provisions of the Mello-Roos Community Facilities Act of 1982 and the
resolutions of the City Council of the City of Folsom, the above-named landowner is entitled to
cast 42 votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail
or in person, before 6:30 p.m. on May 26, 2026, to:

Christa Freemantle, City Clerk
City of Folsom
50 Natoma Street
Folsom, CA 95630

Mailing by that date will not be sufficient. The ballot must be physically received by the
City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT,
OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City of Folsom be authorized to issue a maximum
amount not to exceed \$21,000,000 in bonds that will be paid for
by Improvement Area No. 2A of the City of Folsom Community
Facilities District No. 24 (Alder Creek West) (the "District"),
designate Improvement Area No. 2A and a future annexation
therein, levy a special tax in Improvement Area No. 2A and
finance public facilities and services by and through the District
and shall the appropriations limit for Improvement Area No. 2A
within the District for fiscal year 2026-27 be established in the
amount of \$21,000,000, all as specified in the City's Resolution
to Form a Community Facilities District, to Designate a Future
Annexation Therein and to Levy Special Taxes Therein and
Resolution Deeming it Necessary to Incur Bonded Indebtedness
In and for City of Folsom Community Facilities District No. 24
(Alder Creek West) adopted by the City Council of the City on
May 26, 2026?

Number of votes

YES

X

Number of votes

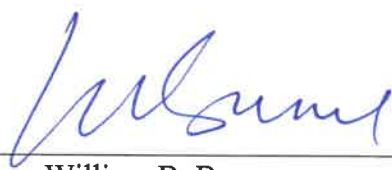
NO

Certification

The undersigned is or are the authorized representative(s) of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed as of May 26, 2026.

**ALDER CREEK WEST IMPROVEMENT
COMPANY LLC**

By: 

Name: William B. Bunce

Title: President

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election)

This ballot is for the use of Alder Creek West Improvement Company LLC,
a landowner owning land within City of Folsom Community Facilities District No. 24 (Alder
Creek West), Improvement Area No. 2B.

According to the provisions of the Mello-Roos Community Facilities Act of 1982 and the
resolutions of the City Council of the City of Folsom, the above-named landowner is entitled to
cast 86 votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail
or in person, before 6:30 p.m. on May 26, 2026, to:

Christa Freemantle, City Clerk
City of Folsom
50 Natoma Street
Folsom, CA 95630

Mailing by that date will not be sufficient. The ballot must be physically received by the
City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT,
OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City of Folsom be authorized to issue a maximum
amount not to exceed \$35,000,000 in bonds that will be paid for
by Improvement Area No. 2B of the City of Folsom Community
Facilities District No. 24 (Alder Creek West) (the "District"),
designate Improvement Area No. 2B and a future annexation
therein, levy a special tax in Improvement Area No. 2B and
finance public facilities and services by and through the District
and shall the appropriations limit for Improvement Area No. 2B
within the District for fiscal year 2026-27 be established in the
amount of \$35,000,000, all as specified in the City's Resolution
to Form a Community Facilities District, to Designate a Future
Annexation Therein and to Levy Special Taxes Therein and
Resolution Deeming it Necessary to Incur Bonded Indebtedness
In and for City of Folsom Community Facilities District No. 24
(Alder Creek West) adopted by the City Council of the City on
May 26, 2026?

Number of votes

YES

X

Number of votes

NO

Certification

The undersigned is or are the authorized representative(s) of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed as of May 26, 2026.

ALDER CREEK WEST IMPROVEMENT
COMPANY LLC

By:



Name: William B. Bunce

Title: President

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election)

This ballot is for the use of Alder Creek West Improvement Company LLC,
a landowner owning land within City of Folsom Community Facilities District No. 24 (Alder
Creek West), Improvement Area No. 3.

According to the provisions of the Mello-Roos Community Facilities Act of 1982 and the
resolutions of the City Council of the City of Folsom, the above-named landowner is entitled to
cast 235 votes on this ballot.

In order to be counted, this ballot must be certified below and be returned, either by mail
or in person, before 6:30 p.m. on May 26, 2026, to:

Christa Freemantle, City Clerk
City of Folsom
50 Natoma Street
Folsom, CA 95630

Mailing by that date will not be sufficient. The ballot must be physically received by the
City Clerk prior to the deadline in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT,
OR THE VOTER MAY WRITE NUMBERS IN THE SPACES PROVIDED.

BALLOT MEASURE

Shall the City of Folsom be authorized to issue a maximum
amount not to exceed \$47,000,000 in bonds that will be paid for
by Improvement Area No. 3 of the City of Folsom Community
Facilities District No. 24 (Alder Creek West) (the "District"),
designate Improvement Area No. 3 and a future annexation
therein, levy a special tax in Improvement Area No. 3 and finance
public facilities and services by and through the District and shall
the appropriations limit for Improvement Area No. 3 within the
District for fiscal year 2026-27 be established in the amount of
\$47,000,000, all as specified in the City's Resolution to Form a
Community Facilities District, to Designate a Future Annexation
Therein and to Levy Special Taxes Therein and Resolution
Deeming it Necessary to Incur Bonded Indebtedness In and for
City of Folsom Community Facilities District No. 24 (Alder
Creek West) adopted by the City Council of the City on May 26,
2026?

Number of votes

YES

X

Number of votes

NO

Certification

The undersigned is or are the authorized representative(s) of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed as of May 26, 2026.

ALDER CREEK WEST IMPROVEMENT
COMPANY LLC

By: 

Name: William B. Bunce

Title: President

WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR PROCEEDINGS AND FOR
CONDUCTING SPECIAL MAILED-BALLOT ELECTION
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

The undersigned is the authorized representative of the owner (the "Owner") of all of the property within Improvement Area No. 1 of the above-captioned Community Facilities District (the "District").

The Owner is the present owner of approximately 86.48 acres of land located within the proposed boundaries of Improvement Area No. 1. To the actual knowledge of the undersigned, there are no registered voters residing within Improvement Area No. 1, and there have been none during the 90 day period preceding May 26, 2026.

The undersigned is (or are) the person (or persons) legally entitled and authorized to cast the ballot for the Owner in the election to be conducted within Improvement Area No. 1 of the District to determine, among other things, whether certain land, including land owned by the Owner, shall be subject to an annual special tax.

The undersigned, on behalf of the Owner, certifies that the Owner has received notice of the May 26, 2026 public hearing to be held by the City Council of the City of Folsom (the "City") regarding the levy of special taxes in Improvement Area No. 1 and the incurring of bonded indebtedness by the District for Improvement Area No. 1. The undersigned, on behalf of the Owner, agrees that the Owner received adequate notice of the May 26, 2026 hearing.

The Owner has received from the City, and the City has made available to the owner, necessary and relevant information regarding the proposed formation of the District and designation of Improvement Area No. 1 and the imposition of the special tax and the issuance of bonded indebtedness, as set forth in Resolution No. 11581 and Resolution No. 11582 adopted by the City Council of the City on April 14, 2026 (the "Resolutions") to finance the facilities, services and other amounts as set forth in the Resolutions.

In order to induce the City to conduct an election on the same date that the District is formed, the undersigned, on behalf of the Owner, hereby waives:

1. any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a);
2. preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b);
3. publication of notice of the election under Government Code Section 53352;

4. requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101;
5. requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5;
6. requirements pertaining to impartial analysis, arguments or rebuttals concerning the election provided in Elections Code Sections 9160 to 9167, inclusive and Elections Code Section 9190; and
7. any other time limits or procedural requirements pertaining to the conduct of the election.

The undersigned, on behalf of the Owner, hereby waives any right to notice and hearing and consents to authorized facilities, expenses and rate and method of apportionment of special tax as described in the Resolution of Formation to be adopted by the City Council of the City of Folsom on May 26, 2026.

The undersigned, on behalf of the Owner, hereby waives any and all defects in notice or procedure in the formation of the District, time periods to record the boundary map, conduct of the election, whether known or unknown (other than the right to have ballots accurately counted), and states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the Owner.

Further, the undersigned, on behalf of the Owner, hereby waives any entitlement to initiate or prosecute any form of legal proceedings, including judicial proceedings, to challenge any aspect of the proceedings for levy of the special tax and for issuance of special tax bonds in the District.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on May 8, 2026.

ALDER CREEK WEST IMPROVEMENT
COMPANY LLC

By: 

Name: William B. Bunce

Title: President

WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR PROCEEDINGS AND FOR
CONDUCTING SPECIAL MAILED-BALLOT ELECTION
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

The undersigned is the authorized representative of the owner (the "Owner") of all of the property within Improvement Area No. 2A of the above-captioned Community Facilities District (the "District").

The Owner is the present owner of approximately 41.95 acres of land located within the proposed boundaries of Improvement Area No. 2A. To the actual knowledge of the undersigned, there are no registered voters residing within Improvement Area No. 2A, and there have been none during the 90 day period preceding May 26, 2026.

The undersigned is (or are) the person (or persons) legally entitled and authorized to cast the ballot for the Owner in the election to be conducted within Improvement Area No. 2A of the District to determine, among other things, whether certain land, including land owned by the Owner, shall be subject to an annual special tax.

The undersigned, on behalf of the Owner, certifies that the Owner has received notice of the May 26, 2026 public hearing to be held by the City Council of the City of Folsom (the "City") regarding the levy of special taxes in Improvement Area No. 2A and the incurring of bonded indebtedness by the District for Improvement Area No. 2A. The undersigned, on behalf of the Owner, agrees that the Owner received adequate notice of the May 26, 2026 hearing.

The Owner has received from the City, and the City has made available to the owner, necessary and relevant information regarding the proposed formation of the District and designation of Improvement Area No. 2A and the imposition of the special tax and the issuance of bonded indebtedness, as set forth in Resolution No. 11581 and Resolution No. 11582 adopted by the City Council of the City on April 14, 2026 (the "Resolutions") to finance the facilities, services and other amounts as set forth in the Resolutions.

In order to induce the City to conduct an election on the same date that the District is formed, the undersigned, on behalf of the Owner, hereby waives:

1. any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a);
2. preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b);
3. publication of notice of the election under Government Code Section 53352;

4. requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101;
5. requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5;
6. requirements pertaining to impartial analysis, arguments or rebuttals concerning the election provided in Elections Code Sections 9160 to 9167, inclusive and Elections Code Section 9190; and
7. any other time limits or procedural requirements pertaining to the conduct of the election.

The undersigned, on behalf of the Owner, hereby waives any right to notice and hearing and consents to authorized facilities, expenses and rate and method of apportionment of special tax as described in the Resolution of Formation to be adopted by the City Council of the City of Folsom on May 26, 2026.

The undersigned, on behalf of the Owner, hereby waives any and all defects in notice or procedure in the formation of the District, time periods to record the boundary map, conduct of the election, whether known or unknown (other than the right to have ballots accurately counted), and states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the Owner.

Further, the undersigned, on behalf of the Owner, hereby waives any entitlement to initiate or prosecute any form of legal proceedings, including judicial proceedings, to challenge any aspect of the proceedings for levy of the special tax and for issuance of special tax bonds in the District.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on May 8, 2026.

ALDER CREEK WEST IMPROVEMENT
COMPANY LLC

By: 

Name: William B. Bunce

Title: President

WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR PROCEEDINGS AND FOR
CONDUCTING SPECIAL MAILED-BALLOT ELECTION
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

The undersigned is the authorized representative of the owner (the "Owner") of all of the property within Improvement Area No. 2B of the above-captioned Community Facilities District (the "District").

The Owner is the present owner of approximately 85.05 acres of land located within the proposed boundaries of Improvement Area No. 2B. To the actual knowledge of the undersigned, there are no registered voters residing within Improvement Area No. 2B, and there have been none during the 90 day period preceding May 26, 2026.

The undersigned is (or are) the person (or persons) legally entitled and authorized to cast the ballot for the Owner in the election to be conducted within Improvement Area No. 2B of the District to determine, among other things, whether certain land, including land owned by the Owner, shall be subject to an annual special tax.

The undersigned, on behalf of the Owner, certifies that the Owner has received notice of the May 26, 2026 public hearing to be held by the City Council of the City of Folsom (the "City") regarding the levy of special taxes in Improvement Area No. 2B and the incurring of bonded indebtedness by the District for Improvement Area No. 2B. The undersigned, on behalf of the Owner, agrees that the Owner received adequate notice of the May 26, 2026 hearing.

The Owner has received from the City, and the City has made available to the owner, necessary and relevant information regarding the proposed formation of the District and designation of Improvement Area No. 2B and the imposition of the special tax and the issuance of bonded indebtedness, as set forth in Resolution No. 11581 and Resolution No. 11582 adopted by the City Council of the City on April 14, 2026 (the "Resolutions") to finance the facilities, services and other amounts as set forth in the Resolutions.

In order to induce the City to conduct an election on the same date that the District is formed, the undersigned, on behalf of the Owner, hereby waives:

1. any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a);
2. preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b);
3. publication of notice of the election under Government Code Section 53352;

4. requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101;
5. requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5;
6. requirements pertaining to impartial analysis, arguments or rebuttals concerning the election provided in Elections Code Sections 9160 to 9167, inclusive and Elections Code Section 9190; and
7. any other time limits or procedural requirements pertaining to the conduct of the election.

The undersigned, on behalf of the Owner, hereby waives any right to notice and hearing and consents to authorized facilities, expenses and rate and method of apportionment of special tax as described in the Resolution of Formation to be adopted by the City Council of the City of Folsom on May 26, 2026.

The undersigned, on behalf of the Owner, hereby waives any and all defects in notice or procedure in the formation of the District, time periods to record the boundary map, conduct of the election, whether known or unknown (other than the right to have ballots accurately counted), and states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the Owner.

Further, the undersigned, on behalf of the Owner, hereby waives any entitlement to initiate or prosecute any form of legal proceedings, including judicial proceedings, to challenge any aspect of the proceedings for levy of the special tax and for issuance of special tax bonds in the District.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on May 8, 2026.

ALDER CREEK WEST IMPROVEMENT
COMPANY LLC

By: 

Name: William B. Bunce

Title: President

WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR PROCEEDINGS AND FOR
CONDUCTING SPECIAL MAILED-BALLOT ELECTION
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 24
(ALDER CREEK WEST)

The undersigned is the authorized representative of the owner (the "Owner") of all of the property within Improvement Area No. 3 of the above-captioned Community Facilities District (the "District").

The Owner is the present owner of approximately 234.37 acres of land located within the proposed boundaries of Improvement Area No. 3. To the actual knowledge of the undersigned, there are no registered voters residing within Improvement Area No. 3, and there have been none during the 90 day period preceding May 26, 2026.

The undersigned is (or are) the person (or persons) legally entitled and authorized to cast the ballot for the Owner in the election to be conducted within Improvement Area No. 3 of the District to determine, among other things, whether certain land, including land owned by the Owner, shall be subject to an annual special tax.

The undersigned, on behalf of the Owner, certifies that the Owner has received notice of the May 26, 2026 public hearing to be held by the City Council of the City of Folsom (the "City") regarding the levy of special taxes in Improvement Area No. 3 and the incurring of bonded indebtedness by the District for Improvement Area No. 3. The undersigned, on behalf of the Owner, agrees that the Owner received adequate notice of the May 26, 2026 hearing.

The Owner has received from the City, and the City has made available to the owner, necessary and relevant information regarding the proposed formation of the District and designation of Improvement Area No. 3 and the imposition of the special tax and the issuance of bonded indebtedness, as set forth in Resolution No. 11581 and Resolution No. 11582 adopted by the City Council of the City on April 14, 2026 (the "Resolutions") to finance the facilities, services and other amounts as set forth in the Resolutions.

In order to induce the City to conduct an election on the same date that the District is formed, the undersigned, on behalf of the Owner, hereby waives:

1. any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a);
2. preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b);
3. publication of notice of the election under Government Code Section 53352;

4. requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101;
5. requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5;
6. requirements pertaining to impartial analysis, arguments or rebuttals concerning the election provided in Elections Code Sections 9160 to 9167, inclusive and Elections Code Section 9190; and
7. any other time limits or procedural requirements pertaining to the conduct of the election.

The undersigned, on behalf of the Owner, hereby waives any right to notice and hearing and consents to authorized facilities, expenses and rate and method of apportionment of special tax as described in the Resolution of Formation to be adopted by the City Council of the City of Folsom on May 26, 2026.

The undersigned, on behalf of the Owner, hereby waives any and all defects in notice or procedure in the formation of the District, time periods to record the boundary map, conduct of the election, whether known or unknown (other than the right to have ballots accurately counted), and states that the election is being expedited, pursuant to this waiver and consent, at the particular instance and request of the Owner.

Further, the undersigned, on behalf of the Owner, hereby waives any entitlement to initiate or prosecute any form of legal proceedings, including judicial proceedings, to challenge any aspect of the proceedings for levy of the special tax and for issuance of special tax bonds in the District.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on May 8, 2026.

ALDER CREEK WEST IMPROVEMENT
COMPANY LLC

By: 

Name: William B. Bunce

Title: President

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to facilitate double-sided printing
and minimize paper use.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE