



REGULAR CITY COUNCIL MEETING AGENDA

City Hall - Council Chambers
4381 Broadway St., Suite 201, American Canyon
August 20, 2024
6:30 PM

Mayor: Leon Garcia
Vice Mayor: David Oro
Councilmembers: Mariam Aboudamous, Mark Joseph, Pierre Washington

Tonight's meeting is a limited public forum. American Canyon promotes respectful and responsible behavior among its meeting participants, whether they are present in person or remotely. Using offensive language or remarks that promote, foster, or perpetuate discrimination based on race, creed, color, age, religion, gender marital status, status regarding public assistance, national origin, physical or mental disability or sexual orientation/gender identification, as well as any other category protected by federal, state or local laws will not be tolerated. In the case of an occurrence, the speaker will be immediately disconnected from the microphone.

PUBLIC PARTICIPATION

City Council and other public meetings will be conducted in person. This meeting is also available via Zoom, is broadcast live to residents on Napa Valley TV, on our [website](#) and on [YouTube](#).

Zoom Link: Click [here](#). **Webinar ID:** 849 9699 3806; **Passcode:** 12345. **Phone in to Zoom:** 408-638-0968

Oral comments, during the meeting: Oral comments can be made in person during Open and Closed Session or through Zoom in Open Session only. On Zoom use the "raise your hand" tool during any public comment period. To avoid confusion, hands raised outside of Public Comment periods will be lowered.

Written comments: Submit written comments by the [eComments link](#), located on the Meetings & Agendas page of our website. eComments are available to council members in real time. To allow for Council review of comments, eComments will close at 3:00 pm on the day of the meeting.

The above identified measures exceed all legal requirements for participation in public comment, including those imposed by the Ralph M. Brown Act. For more information, please call the Office of the City Clerk at (707) 647-4369 or email cityclerk@cityofamericancanyon.org.

AGENDA MATERIALS: City Council agenda materials are published 72 hours prior to the meeting and are available to the public via the City's website at www.americancanyon.gov.

AMERICANS WITH DISABILITIES ACT: The City Council will provide materials in appropriate alternative formats to comply with the Americans with Disabilities Act. Please send a written request to City Clerk at 4381 Broadway, Suite 201, American Canyon, CA 94503 or by email to cityclerk@cityofamericancanyon.org. Include your name, address, phone number and brief description of the requested materials, as well as your preferred alternative format or auxiliary aid, at least three calendar days before the meeting.

CALL TO ORDER - CLOSED SESSION

ROLL CALL - CLOSED SESSION

PUBLIC COMMENTS - CLOSED SESSION ITEMS

This time is reserved for members of the public to address the City Council on Closed Session Items only. Comments must be made in person and are limited to 3 minutes. Comments for items on the Open Session agenda will be taken when the item is called in Open Session. Comments for Items not on the Closed Session or Open Session agenda will be heard during the Open Session Public Comment period.

MEETING RECESS - COUNCIL TO CONVENE IN CLOSED SESSION

5:30 P.M. CLOSED SESSION ITEMS

1. **Conference with Legal Counsel – Anticipated Litigation. Authorized pursuant to Government Code Section 54956.9 (d)(2). Two (2) Matters.**
Recommendation:

2. **Conference with Legal Counsel - Existing Litigation. Authorized pursuant to Government Code Section 54956.9(d)(1):**
 - a. ***City of American Canyon v. City of Vallejo, et al.* (Sacramento Superior Court Case No. 34-2022-00327471).**
 - b. ***City of American Canyon v. Leon Dale Schmidt* (Napa County Superior Court Cases No. 22CV001041 and 23PR00161).**
 - c. ***City of Vallejo v. City of American Canyon et al.* (Sacramento County Superior Court Case No. 23WM000055).**
 - d. ***City of Vallejo v. City of American Canyon et al.* (Sacramento County Superior Court Case No. 24WM000078).**
 - e. ***City of Vallejo v. City of American Canyon et al.* (Napa County Superior Court Case No. 24CV000544).**
 - f. ***Joanne Perez v. City of American Canyon* (Napa County Superior Court Case No. 23CV001474).**

6:30 P.M. OPEN SESSION - REGULAR MEETING

CALL TO ORDER - COUNCIL TO RECONVENE IN OPEN SESSION

PLEDGE OF ALLEGIANCE

ROLL CALL - OPEN SESSION

REPORT ON CLOSED SESSION/CONFIRMATION OF REPORTABLE ACTION

PROCLAMATIONS AND PRESENTATIONS

There are no Proclamations or Presentation items.

PUBLIC COMMENTS - ITEMS NOT ON CLOSED SESSION OR OPEN SESSION AGENDA

This time is reserved for members of the public to address the City Council on items that are not on the Closed Session or Open Session agenda and are within the subject matter jurisdiction of the City Council. Comments are limited to 3 minutes. Comments for items on the Open Session agenda will be taken when the item is called in Open Session. The City Council is prohibited by law from taking any action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the City Council does not respond to public comment at this time.

AGENDA CHANGES

The Mayor and Council may change the order of the Agenda or request discussion of a Consent Item. A member of the Public may request discussion of a Consent Item by making that request during Public Comment.

CONSENT CALENDAR

3. **Minutes of August 6, 2024**

Recommendation: Approve the minutes of the Regular City Council Meeting of August 6, 2024.

4. **Green Island Road Project Design Amendment**

Recommendation: Adopt a Resolution approving Amendment #8 to Agreement 2016-15 with CONSOR North America, Inc., in the amount of \$135,000 for design services, for a total contract amount not to exceed \$1,549,030, in conjunction with the Green Island Road Reconstruction and Widening Project (TR16-0700).

5. **Brightview Landscape Services Amendment #11**

Recommendation: Adopt a Resolution approving Amendment #11 to Agreement # 2017-A111 with Brightview Landscape Services in the amount of \$400,000 for a total amount not to exceed \$3,312,497 for annual landscape maintenance services.

6. **Janitorial Services FY24/25**

Recommendation: Adopt a Resolution approving Amendment #1 to Agreement #2021-79 for \$105,000, with Quali Serv Janitorial, for a total not to exceed of \$540,000.

PUBLIC HEARINGS

There are no Public Hearing items.

BUSINESS

7. **Green Island Road Project CFD Financing**

Recommendation: Adopt a resolution authorizing the following in conjunction with the Green Island Road Reconstruction and Widening Project (TR16-0700):

1. The issuance and sale of special tax bonds for and on behalf of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project); and
2. The City Manager to execute approved agreements related to the issuance and sale of such bonds, a preliminary office statement, and other related documents and actions.

8. **Voting Delegate and Alternate(s) for the League of California Cities 2024 Annual Business Meeting**

Recommendation: Approve a Minute Order designating a Voting Delegate and Alternate(s) for the League of California Cities 2024 Annual Business Meeting.

MANAGEMENT AND STAFF ORAL REPORTS

MAYOR/COUNCIL COMMENTS AND COMMITTEE REPORTS

The Mayor and Council may comment on matters of public concern and announce matters of public interest; no collective council action will be taken.

FUTURE AGENDA ITEMS

9. [Future Agenda Items of Note](#)

ADJOURNMENT

CERTIFICATION

I, Nicolle Hall, Deputy City Clerk, Community Development for the City of American Canyon, do hereby declare that the foregoing agenda of the City Council was posted in compliance with the Brown Act prior to the meeting date.

Nicolle Hall, Deputy City Clerk, Community Development

**CITY OF AMERICAN CANYON
REGULAR CITY COUNCIL MEETING**

ACTION MINUTES

August 6, 2024

4:30 P.M. OPEN SESSION - REGULAR MEETING

CALL TO ORDER

The City Council meeting was called to order at 4:31 p.m.

ROLL CALL

Present: Councilmember Mark Joseph, Councilmember Pierre Washington, Vice Mayor David Oro, Mayor Leon Garcia

Absent: None

Excused: Councilmember Mariam Aboudamous

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

PUBLIC COMMENTS - ITEMS NOT ON CLOSED SESSION OR OPEN SESSION AGENDA

Mayor Garcia called for public comments. Written comments: none. Oral comments: none. The public comment period was closed.

AGENDA CHANGES

CONSENT CALENDAR

Action: Motion to adopt the CONSENT CALENDAR made by Councilmember Mark Joseph, seconded by Councilmember Pierre Washington, and CARRIED by roll call vote.

Ayes: Councilmember Mark Joseph, Councilmember Pierre Washington, Vice Mayor David Oro, Mayor Leon Garcia

Nays: None

Abstain: None

Absent: Councilmember Mariam Aboudamous

Excused: None

1. Minutes of July 16, 2024

Action: Approved the Regular City Council Meeting Minutes of July 16, 2024.

2. Report Upon Return from Closed Session

Action: Approved the Report Upon Return from Closed Session

3. Revised Fiscal Year 2024/2025 Salary Schedule

Action: Adopted Resolution 2024-64 approving the Fiscal Year 2024/2025 Salary Schedule.

4. Quarterly Investment Report for City and Fire District for Fiscal Year 2023-24 Quarter 4

Action: Received and filed the City and Fire District's Treasurer's Report for the quarter ended June 30, 2024.

5. Ordinance Amending Municipal Code Titles 13 and 14 Second Reading

Action: Waived final reading, read by title only and adopted Ordinance 2024-07 amending Titles 13 and 14 of the City of American Canyon Municipal Code authorizing the City Council to amend the timing for payment of Development or Mitigation Impact Fees for sewer and water fees.

MAYOR/COUNCIL COMMENTS AND COMMITTEE REPORTS

Council members commented on items of interest.

FUTURE AGENDA ITEMS OF NOTE

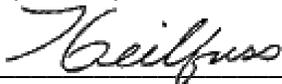
6. Future Agenda Items

ADJOURNMENT

The meeting was adjourned at 4:34 p.m.

CERTIFICATION

Respectfully Submitted,



Taresa Geilfuss, City Clerk



TITLE

Green Island Road Project Design Amendment

RECOMMENDATION

Adopt a Resolution approving Amendment #8 to Agreement 2016-15 with CONSOR North America, Inc., in the amount of \$135,000 for design services, for a total contract amount not to exceed \$1,549,030, in conjunction with the Green Island Road Reconstruction and Widening Project (TR16-0700).

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director/City Engineer
Ron Ranada, P.E., Senior Civil Engineer

BACKGROUND & ANALYSIS

Green Island Road Reconstruction

The Green Island Road Reconstruction and Widening Project (TR16-0700) ("Project") consists of reconstructing 1.9 miles of existing roads, including Green Island Road (from Paoli Loop to Jim Oswalt Way), Jim Oswalt Way, Mezzetta Court, Commerce Boulevard (north of North Slough), and Hanna Drive. In 2016, the City entered into an agreement (2016-15) with CONSOR North America, Inc. ("Conсор") to, among other things, complete the design and prepare the bid package(s) necessary to deliver the Project. Earlier this year (March 2024), Amendment #7 to the agreement was executed to mainly provide for revising and updating the Project's bid documents.

Subsequently, City staff identified water distribution system replacement work that needed to be done in Hanna Drive. The work includes the replacement of approximately 1,800 linear feet of ten-inch diameter domestic water main which is past its service life, and associated services and appurtenances. Staff requested and negotiated a proposal from Consor in the amount of \$135,000 for design services to incorporate the needed water system work into the Project. Staff has evaluated the proposal scope and fee, finds the proposal agreeable, and recommends the Council approve the suggested action.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

The overall estimated cost for the design and construction of the desired water system replacement in Hanna Drive is \$700,000.

The adopted FY 24-25 Capital Budget and Project Budget contemplated the work needed on the water distribution system in Hanna Drive. The Project has sufficient allocation to cover the associated design cost via Fund 510 (Water Operations).

ENVIRONMENTAL REVIEW

The Recommended Actions (to approve contact amendments) is not a "Project" subject to environmental review under the California Environmental Quality Act (CEQA).

Pursuant to the California Environmental Quality Act ("CEQA"), an Initial Study/Mitigated Negative Declaration ("IS/MND"), that includes a "Mitigation Monitoring and Reporting Plan ("MMRP"), was prepared for the Project and at a public hearing for consideration of the Project and its IS/MND on October 1, 2019, the City Council determined: 1) based upon the record that the Project will not have a significant effect upon the environment if the mitigation measures listed in the MND and MMRP are implemented; 2) adopted the IS/MND for the Project; 3) adopted the MMRP for the Project, and 4) directed staff to file a Notice of Determination for the Project consistent with the CEQA Guidelines.

ATTACHMENTS:

1. [Resolution - Consor Amendment Design](#)

RESOLUTION NO. 2024-

ADOPTING A RESOLUTION APPROVING AMENDMENT #8 TO AGREEMENT 2016-15 WITH CONSOR NORTH AMERICA, INC., IN THE AMOUNT OF \$135,000, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$1,549,030, IN CONJUNCTION WITH THE GREEN ISLAND ROAD RECONSTRUCTION AND WIDENING PROJECT (TR16-0700)

WHEREAS, on January 19, 2016, the City Council approved Agreement #2016-15 with CONSOR North America, Inc. (CONSOR) for design services in conjunction with the Green Island Road Reconstruction and Widening Project (Project) (TR16-0700); and

WHEREAS, the existing domestic water distribution system in Hanna Drive has aged past its service life, and is thus in need of replacement; and

WHEREAS, CONSOR has submitted a proposal in the amount of \$134,691 for the cost to complete the design for replacement of the water facilities in Hanna Drive, and to deliver the improvements as part of the bid package of the Green Island Road paving project; and

WHEREAS, sufficient funds to complete the design have been allocated to the Project from Fund 510 (Water Operations) via the adopted FY24-25 Capital Budget.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of American Canyon hereby authorizes the City Manager to execute Amendment #8 to Agreement 2016-15 with CONSOR North America, Inc., in the amount of \$135,000, for a total contract amount not to exceed \$1,549,030, in conjunction with the Green Island Road Reconstruction and Widening Project (TR16-0700).

PASSED, APPROVED and ADOPTED at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 20th day of August, 2024 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Leon Garcia, Mayor

ATTEST:

APPROVE AS TO FORM:

Taresa Geilfuss, CMC, City Clerk

William D. Ross, City Attorney



TITLE

Brightview Landscape Services Amendment #11

RECOMMENDATION

Adopt a Resolution approving Amendment #11 to Agreement # 2017-A111 with Brightview Landscape Services in the amount of \$400,000 for a total amount not to exceed \$3,312,497 for annual landscape maintenance services.

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director/City Engineer

BACKGROUND & ANALYSIS

Utilizing contract landscape maintenance firms is a cost effective way to maintain parks and landscaped areas in the Landscape and Lighting Assessment Districts and other locations citywide. In 2017 the City entered into Agreement 2017-A111 with Coast Landscape Management, now known as Brightview Landscape Services, to provide landscape maintenance services throughout the City. Over the life of the agreement multiple amendments for additional work, funding increases and time extensions have been approved by Council. Amendment #11 includes the annual FY24/25 expenses for landscape services and sufficient funding has been approved in the FY24/25 budget.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

Sufficient funds in the amount of \$400,000 for the requested services for Amendment #11 have been approved in the budget for FY24/25 in the following budget codes and amounts:

- Parks Maintenance - 100-50-540-42190, \$143,700
- LLAD 1 - 261-85-430-42310, \$35,000
- LLAD 2 - 262-85-430-42310, \$145,000
- LLAD 3 - 263-85-430-42310, \$44,000
- City Hall - 651-50-535-42310, \$2,800
- Wastewater - 540-50-570-42310, \$6,000

- Devlin Road (CFD) - 281-85-460-42310, \$16,000
- Public Safety - 100-30-310-42131, \$7,500

ENVIRONMENTAL REVIEW

15301 - The Project is exempt from review under the California Environmental Quality Act ("CEQA") under the Class 1 exemption of existing facilities of Section 15301 of Title 14 of the California Code of Regulations and said exemption is not negated by any exception under Section 15300.2 of said Regulations.

ATTACHMENTS:

1. [Resolution - Brightview FY2425](#)

RESOLUTION NO. 2024-

ADOPT A RESOLUTION APPROVING AMENDMENT # 11 TO AGREEMENT # 2017-A111 WITH BRIGHTVIEW LANDSCAPING SERVICES IN THE AMOUNT OF \$400,000 FOR A TOTAL AMOUNT NOT TO EXCEED \$3,312,497 FOR ANNUAL LANDSCAPE MAINTENANCE SERVICES

WHEREAS, utilizing contract landscape maintenance firms is a cost-effective way to maintain parks and landscaped areas in Landscaping and Lighting Assessment Districts and other citywide locations; and

WHEREAS, in 2017 the City awarded the Landscape Maintenance Services Contract (Agreement 2017-A111) to Coast Landscape (now known as BrightView Landscape Services) as the lowest responsive bidder; and

WHEREAS, sufficient funds exist in FY24/25 as follows:

- Park Maintenance – 100-50-450-42190, \$143,700
- LLAD 1 - 261-85-430-42310, \$35,000
- LLAD 2 - 262-85-430-42310, \$145,000
- LLAD 3 - 263-85-430-42310, \$44,000
- City Hall - 651-50-535-42310, \$2,800
- Wastewater - 540-50-570-42310, \$6,000
- Devlin Road (CFD) - 281-85-460-42310, \$16,000
- Public Safety - 100-30-310-42131, \$7,500

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of American Canyon approves Amendment #11 to Agreement #2017-A111 with Brightview Landscaping Services in the amount of \$400,000 for a total amount not to exceed \$3,312,497.

PASSED, APPROVED and ADOPTED at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 20th day of August, 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Leon Garcia, Mayor

ATTEST:

APPROVE AS TO FORM:

Taresa Geilfuss, CMC, City Clerk

William D. Ross, City Attorney



TITLE

Janitorial Services FY24/25

RECOMMENDATION

Adopt a Resolution approving Amendment #1 to Agreement #2021-79 for \$105,000, with Quali Serv Janitorial, for a total not to exceed of \$540,000.

CONTACT

Erica Ahmann Smithies, P.E., Public Works Director/City Engineer

BACKGROUND & ANALYSIS

The Building Maintenance Division consists of one employee which makes it necessary for routine janitorial services to be contracted out.

In 2021 Quali Serv Janitorial entered into Agreement #2021-79 with an expiration date of June 30, 2024. There have been many changes to City facilities over the last few years and Staff would like to go out to bid for a new vendor. To accommodate the timeline for the RFP process we would like to continue services with Quali Serv Janitorial until December 31, 2024. The cost for 6 months of services is \$105,000, bringing the agreement to an amount not to exceed \$540,000.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Organizational Effectiveness: "Deliver exemplary government services."

FISCAL IMPACT

Sufficient funds were budgeted for FY24/25 in the ISF Building Maintenance fund 651-50-535-42190 to accommodate \$105,000 for Amendment #1.

ENVIRONMENTAL REVIEW

None

ATTACHMENTS:

[1. Resolution - Janitorial](#)

RESOLUTION NO. 2024-

A RESOLUTION APPROVING AMENDMENT #1 TO AGREEMENT #2021-79 FOR \$105,000, WITH QUALI SERV JANITORIAL, FOR A TOTAL NOT TO EXCEED OF \$540,000

WHEREAS, City buildings require routine janitorial services; and

WHEREAS, contracting out the janitorial work is deemed to be the most cost-effective way for the work to be done; and

WHEREAS, the proposal from Quali Serv Janitorial proposal was selected to perform the janitorial service for the period of July, 1, 2021 to June 30, 2024 with an option to extend; and.

WHEREAS, Amendment #1 will extend the expiration date to December 31, 2024; and

WHEREAS, Sufficient funds were budgeted for FY 2024/25 in the ISF Building Maintenance Fund 651-50-535-42190.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of American Canyon hereby approves Amendment #1 to Agreement # 2021-79 for \$105,000, with Quali Serv Janitorial for a total not to exceed of \$540,000.

PASSED, APPROVED and ADOPTED at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 20th day of August 20, 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Leon Garcia, Mayor

ATTEST:

APPROVE AS TO FORM:

Taresa Geilfuss, CMC, City Clerk

William D. Ross, City Attorney



TITLE

Green Island Road Project CFD Financing

RECOMMENDATION

Adopt a resolution authorizing the following in conjunction with the Green Island Road Reconstruction and Widening Project (TR16-0700):

1. The issuance and sale of special tax bonds for and on behalf of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project); and
2. The City Manager to execute approved agreements related to the issuance and sale of such bonds, a preliminary office statement, and other related documents and actions.

CONTACT

Jason B. Holley, City Manager

Erica Ahmann Smithies, P.E., Public Works Director/City Engineer

Ron Ranada, P.E., Senior Civil Engineer

BACKGROUND & ANALYSIS

The Green Island Road Reconstruction and Widening Project is currently one of the City's most significant undertakings through its Capital Improvement Program. Through the Project, the City is providing much needed improvements as well as new amenities to the industrial area.

The improvements consist generally of roadway improvements, railroad construction costs, utility undergrounding costs, and related expenses expected to be incurred by the City to construct improvements to Green Island Road, Jim Oswalt Way, Mezzetta Court, Commerce Boulevard and Hanna Drive. The Improvements also include drainage system, sanitary sewer system, and flood control system improvements, landscape corridor and paseo improvements.

The Project improvements are detailed below and are listed in the sequence of construction:

1. **Railroad crossing reconstruction:** In order to construct the overall project, specialized work was necessary at the two existing railroad crossings that traverse Green Island Road.
 - i. Surface panel reconstruction – completed in 2020: The work fully replaced the railroad

crossing features, including rails, ties, and surface panels that were old, aged, and failing due to the significant vehicle traffic in and out of the district.

- ii. Signal crossing upgrades – started in 2020: The work upgraded the existing signal system infrastructure to serve the widened roadway and the Class I multi-use trail. This work will be completed when the corresponding roadway improvements are installed.
- iii. Underground utility bores - completed in 2021: The existing overhead utilities along Green Island Road that require undergrounding also traverse the two existing railroad crossings on Green Island Road. In order to complete the overall undergrounding work, specialized underground bores needed to be completed across the two railroad crossings.

2. **Rule 20 undergrounding project for existing overhead utilities** : In order to construct a portion of the improvements to Green Island Road, including its widening and a new Class I multi-use trail, approximately 4,500 feet of overhead utility lines and poles need to be relocated to a new underground system known as a “joint trench.” The City’s joint trench project (Green Island Road Rule 20A/B Utility Undergrounding Project, TR16-0703) has been substantially completed. Furthermore, PG&E’s work to install its new underground electrical system and remove its existing overhead lines has been substantially completed as well. AT&T has concluded its design and has been issued its City Encroachment Permit to proceed with its work.

3. **Road reconstruction**: Approximately 10,100 feet of existing roadways in the Green Island Industrial District will be reconstructed. The roads include Green Island Road (Paoli Loop to Mezzetta Court), Commerce Boulevard (Green Island Road to North Slough), Hanna Drive, Mezzetta Court, and Jim Oswalt Way. The method of reconstruction is through a process known as Full Depth Reclamation via Cement-treated Base (FDR-C). This process is suitable for the improvements needed and provides the added benefit of efficiency in cost, material, and minimizing construction impacts on traffic.

- i. The City applied for, and has been awarded a \$5.5 million construction grant from the U.S. Department of Commerce's Economic Development Administration.
- ii. Construction plans and specifications are being updated and are anticipated to be completed in September 2024. Due to a portion of the work falling within State right-of-way, Caltrans review will be engaged, which may potentially produce comments.
- iii. The City’s anticipates advertising for the project and awarding the construction contract in Fall 2024, with construction activities starting by the end of CY 2024 (provided that the utility undergrounding project is completed), and completion anticipated for Fall 2025.

4. **Class I Multi-use trail construction**: Approximately 4,200 feet of a new multi-use trail will be constructed along the north side of Green Island Road (Paoli Loop to Commerce Boulevard) for bicycle and pedestrian use. A portion of the trail is part of the Napa Valley Vine Trail. Bid advertisement is planned to coincide with the road reconstruction project’s advertisement.

Construction of the trail may be undertaken in conjunction with the road project. If not, it would be undertaken after the road project, sometime in 2025.

Special Financing District

Green Island Road Community Facilities District No. 2018-1 (“CFD 2018-1”) or (the “District”) was formed in 2019 to assist in the financing of the acquisition and construction of certain public facilities within the Green Island Road project. Through various City Council actions, the City Council has declared the necessity to incur bonded indebtedness for CFD 2018-1 in a maximum principal amount not to exceed \$14,000,000.

In 2020, the City, through the District, issued its “City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2020,” in the principal amount of \$5,165,000 (the “2020 Bonds”) as the first series of special tax bonds issued under the bond authorization.

The City, through the District, now desires to issue additional bonds under the authorization which will be issued on a parity basis to the 2020 Bonds (the “2024 Bonds”).

Based on the current status of the property within the District, the most recent County Assessor values of the property within the District at approximately \$1.092 billion. Based on the outstanding 2020 Bonds of \$4,825,000 (as of September 1, 2024) and the expected total par amount of \$4,795,000 of the 2024 Bonds, the property value compared to bonded debt lien estimated at \$9,620,000 would far exceed the additional bonds test requirement and also complies with the City’s CFD policy.

The financing-related resolution approves the sale of the Bonds in an amount not to exceed \$5,500,000, approves Supplemental Agreement No. 1 to Fiscal Agent Agreement, approves the Preliminary Official Statement, approves the Bond Purchase Agreement, and authorizes related documents on behalf of the District. Descriptions of these documents are as follows:

Supplemental Agreement No. 1: Supplement to the Fiscal Agent Agreement (original Fiscal Agent Agreement established in 2020), which sets forth the key terms of the 2024 Bonds, the provisions for disbursement of the proceeds of the 2024 Bonds, the disposition of the special taxes securing the 2024 Bonds, and the administration and payment of the 2024 Bonds.

Bond Purchase Agreement: Agreement between the City, on behalf of the District, and the underwriter (Piper Sandler & Co.) establishing the terms and conditions under which the underwriter will purchase the 2024 Bonds from the City. After the City delivers the 2024 Bonds to

the underwriter and the underwriter pays for them, the underwriter will put the 2024 Bonds on the market at the price and yield established during the bond pricing call, currently scheduled for the week of August 26, and investors will purchase the 2024 Bonds from the underwriter.

Preliminary Official Statement: Document that serves as the prospectus for the 2024 Bonds. It is the disclosure document relied on by bond investors that details the underlying security for the 2024 Bonds and all associated investment risks. The Official Statement is the offering document used by the underwriter to market the 2024 Bonds and indicated how investors in the 2024 Bonds will be repaid.

With the City Council's approval of this financing, staff will work with the finance team to determining the final bond sizing, and the preliminary Official Statement will be finalized and posted electronically for investors to review. Assuming the market remains stable, the City; NHA Advisors, LLC, the City's Municipal Advisor; and Piper Sandler & Co., the bond underwriter, will hold a pre-pricing call in late August to review bond market conditions and the preliminary interest rates, after which, the bonds will be sold. An authorized officer will then execute, on behalf of the City, the Bond Purchase Agreement described above, finalizing the bond interest rates and setting the delivery date.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

The adopted FY 24-25 Capital Budget and Project Budget reflect the proposed financing plan which, based on current estimates, will provide sufficient funding to the road construction contract. The construction contract is also anticipated to including the Class 1 Trail (funded by OBAG 3) and the recently added scope of water distribution system reconstruction in Hanna Drive (funded by Water Ops).

The Recommended Action will have no impact on the General Fund. The 2024 Bonds are secured solely by the Special Taxes levied on taxable property within the District and are not a debt of the City's General Fund. Costs of issuance are payable solely from proceeds of the 2024 Bonds. The net proceeds of the 2024 Bonds will be used for the Green Island Road Reconstruction and Widening Project.

In accordance with Government Code 5852.1, the following information consists of estimates of certain costs and charges for the 2024 Bonds that have been provided by NHA Advisors, LLC, the City's municipal advisor, which has been represented by such party to have been provided in good faith:

1. Estimated true interest cost of the 2024 Bonds: 4.99% (All-in true interest cost of 5.43%);

2. Estimated finance charge of the 2024 Bonds (sum of all fees and charges paid to third parties): \$348,825;
3. Estimated amount of proceeds of the Bonds received by the City (net of finance charges, reserves and capitalized interest, if any): \$4,244,974; and
4. Estimated total payment amount (sum total of all payments to pay debt service on the Bonds plus the finance charge not paid with proceeds of the 2024 Bonds) calculated to the final maturity of the 2024 Bonds: \$10,326,682.

ENVIRONMENTAL REVIEW

The Recommended Action to initiate contracts for planning studies is Statutorily Exempt from CEQA (§15262).

Pursuant to the California Environmental Quality Act (“CEQA”), an Initial Study/Mitigated Negative Declaration (“IS/MND”), that includes a “Mitigation Monitoring and Reporting Plan (“MMRP”), was prepared for the Project and at a public hearing for consideration of the Project and its IS/MND on October 1, 2019, the City Council determined: 1) based upon the record that the Project will not have a significant effect upon the environment if the mitigation measures listed in the MND and MMRP are implemented; 2) adopted the IS/MND for the Project; 3) adopted the MMRP for the Project, and 4) directed staff to file a Notice of Determination for the Project consistent with the CEQA Guidelines.

ATTACHMENTS:

1. [Resolution - GIR CFD - Srs 2024](#)
2. [Supplemental Agreement No. 1](#)
3. [Bond Purchase Agreement](#)
4. [Preliminary Official Statement](#)

RESOLUTION NO. 2024-___

AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL TAX BONDS FOR AND ON BEHALF OF THE CITY OF AMERICAN CANYON COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN ISLAND ROAD PROJECT), AND APPROVING AGREEMENTS RELATED TO THE ISSUANCE AND SALE OF SUCH BONDS, A PRELIMINARY OFFICIAL STATEMENT, AND OTHER RELATED DOCUMENTS AND ACTIONS

WHEREAS, in 2018, this City Council (the “Council”) of the City of American Canyon (the “City”) conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the “Act”), to form its Community Facilities District No. 2018-1 (Green Island Road Project) (the “District”), to authorize the levy of special taxes upon the land within the District for the purpose of providing moneys for public services and the construction and acquisition of authorized improvements for the District, and to authorize the issuance of up to \$14,000,000 of bonds secured by the facilities component of the special taxes to finance the improvements (the “Authorization”); and

WHEREAS, in 2020, the Council, as legislative body of the District, authorized the issuance of its “City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2020,” in the principal amount of \$5,165,000 (the “2020 Bonds”) as the first series of special tax bonds issued under the Authorization; and

WHEREAS, the Council, as the legislative body of the District, now desires to issue additional bonds designated “City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2024” (the “2024 Bonds”) under the Authorization, which will be issued on a parity basis to the 2020 Bonds; and

WHEREAS, there has been submitted to the City Council a Supplemental Agreement No. 1 to Fiscal Agent Agreement (“Supplemental Agreement No. 1”) between the City and U.S. Bank Trust Company, National Association, as fiscal agent, providing for the issuance of the 2024 Bonds, and the Council, with the aid of City staff, has reviewed Supplemental Agreement No. 1 and found it to be in proper order, and now desires to approve Supplemental Agreement No. 1 and the issuance of the 2024 Bonds, on the terms and conditions described herein; and

WHEREAS, the City proposes to sell the 2024 Bonds to Piper Sandler & Co., as underwriter (the “Underwriter”), pursuant to the terms of a Bond Purchase Agreement by and between the City and the Underwriter, and the Underwriter proposes to offer the 2024 Bonds to the investing public by means of a Preliminary Official Statement, and the Council, with the aid of City staff, has reviewed the Bond Purchase Agreement and the Preliminary Official Statement and found them to be in proper order, and now desires to approve said documents; and

WHEREAS, the information required to be obtained and disclosed with respect to the 2024 Bonds by the City Council in accordance with Section 5852.1 of the California Government Code is set forth in the staff report accompanying this Resolution; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2024 Bonds as contemplated by this Resolution and

the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON RESOLVES AS FOLLOWS:

1. **Findings.** This Council finds and determines that it is prudent in the management and development of land in the City and the District to issue the 2024 Bonds secured by the facilities component of the special tax levied in the District for the purpose of providing moneys for the construction and acquisition of authorized improvements for the District.

2. **Law Applicable.** For the purposes of these proceedings in and for the District, the Act shall be the authority for the issuance of the 2024 Bonds.

3. **Bonds Authorized.** Pursuant to the Act, the Authorization, and this Resolution, the 2024 Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$5,500,000, and that the City Manager, Finance Director or such other person or persons as either of them may designate (collectively, the "Authorized Officers") are hereby authorized and directed to determine the final principal amount and other terms and conditions of the 2024 Bonds. The 2024 Bonds shall be executed in the form set forth in and otherwise as provided in Supplemental Agreement No. 1.

The 2024 Bonds shall not be issued unless the value of the real property within the District subject to the special tax to pay debt service on the 2024 Bonds, based on assessed values and/or an appraisal by an independent appraiser hired by the City for the purpose of determining such value, is at least three (3) times the principal amount of the 2020 Bonds and the principal amount of the 2024 Bonds proposed to be issued and secured by the facilities component of the special tax levied pursuant to the Act on property within the District plus the amount of all other bounds outstanding that are secured by a special tax levied under the Act on property within the District or a special assessment levied on property within the District.

4. **Supplemental Agreement No. 1.** The Council hereby approves Supplemental Agreement No. 1 in the form presented to the Council at this meeting. The Authorized Officers, each acting alone or together with any other Authorized Officer, are each hereby authorized and directed to execute Supplemental Agreement No. 1, for and in the name and on behalf of the City and the District, in such forms, together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Officer executing such document upon consultation with Jones Hall, A Professional Law Corporation, as bond counsel to the City ("Bond Counsel"). The proceeds of the 2024 Bonds shall be applied by the City for the purposes and in the amounts as set forth in Supplemental Agreement No. 1, as finally executed and delivered.

5. **Covenant to Foreclose.** The City hereby covenants, for the benefit of the owners of the 2024 Bonds, to commence and diligently pursue to completion any foreclosure action regarding delinquent installments of any amount levied as a special tax for the payment of interest or principal of the 2024 Bonds, said foreclosure action to be commenced and pursued as more completely set forth in the original Fiscal Agent Agreement pursuant to which the 2020 Bonds were issued.

6. **Approval of Official Statement and Continuing Disclosure Undertaking.** The Council hereby approves the Preliminary Official Statement with respect to the 2024 Bonds, in substantially the form on file with the City Clerk. Distribution of the Preliminary Official Statement by the City and the

Underwriter is hereby approved, and, prior to the distribution of the Preliminary Official Statement, and each Authorized Officer, each acting alone or together with any other Authorized Officer, is authorized and directed, on behalf of the City, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the 2024 Bonds, and each Authorized Officer, each acting alone or together with any other Authorized Officer, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the City, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter the Continuing Disclosure Undertaking in substantially the form on file with the City Clerk, together with such changes and additions thereto deemed advisable by the Authorized Officer executing the same.

7. Approval of Bond Purchase Agreement. The Council hereby approves the Bond Purchase Agreement in substantially the form on file with the City Clerk; provided, that the aggregate principal amount of 2024 Bonds shall not exceed \$5,500,000, or result in an Underwriter’s discount in excess of 1.875%, or a true interest cost in excess of 6.25%. Subject to the foregoing parameters, an Authorized Officer is hereby authorized and directed to execute the Bond Purchase Agreement in substantially the form on file with the City Clerk, together with such changes and additions thereto deemed advisable by the Authorized Officer executing the same. The Council hereby finds and determines that the sale of the 2024 Bonds at negotiated sale as contemplated by the Bond Purchase Agreement will result in a lower overall cost.

8. Actions Authorized. All actions heretofore taken by the officers, employees and agents of the City with respect to the establishment of the District and the sale and issuance of the 2024 Bonds are hereby approved, confirmed and ratified, and the Authorized Officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements, requisitions and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2024 Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by a specified Authorized Officer as specified herein, may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer.

9. Effectiveness. This Resolution shall take effect upon its adoption.

* * * * *

PASSED, APPROVED and ADOPTED at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 20th day of August, 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Leon Garcia, Mayor

ATTEST:

APPROVE AS TO FORM:

Taresa Geilfuss, CMC, City Clerk

William D. Ross, City Attorney

**SUPPLEMENTAL AGREEMENT NO. 1 TO
FISCAL AGENT AGREEMENT**

by and between

CITY OF AMERICAN CANYON

and

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

Dated as of September 1, 2024

Relating to:

**\$ _____
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Special Tax Bonds
Series 2024**

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EXHIBIT A – FORM OF 2024 BOND

SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT

THIS SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT (this “Supplemental Agreement No. 1”), dated as of September 1, 2024, is by and between the CITY OF AMERICAN CANYON, a general law city and public body, corporate and politic, organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”) for and on behalf of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) (the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as fiscal agent (the “Fiscal Agent”), under a Fiscal Agent Agreement, dated as of February 1, 2020 (the “Original Fiscal Agent Agreement”) by and between the Fiscal Agent and the City.

RECITALS:

WHEREAS, the City Council of the City has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 *et seq.* of the California Government Code) (the “Act”); and

WHEREAS, the City Council, as the legislative body of the District, is authorized under the Act to levy special taxes to pay for the costs of facilities within the District and to authorize the issuance of bonds secured by said special taxes under the Act; and

WHEREAS, the Council, as legislative body of the District, previously authorized the issuance of special tax bonds of the City for the District in the maximum aggregate principal amount of not to exceed \$14,000,000 (the “Authorization”); and

WHEREAS, pursuant to the provisions of the Act and the Original Fiscal Agent Agreement, the City previously issued, for and on behalf of the District, \$5,165,000 initial principal amount of City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2020 (the “2020 Bonds”) for the purpose of financing various public improvements authorized to be funded by the District, which 2020 Bonds constituted the first series of special tax bonds issued pursuant to the Authorization; and

WHEREAS, Section 5.17 of the Original Fiscal Agent Agreement authorizes the issuance by Supplemental Agreement of additional special tax bonds secured under the Original Fiscal Agent Agreement on parity with the 2020 Bonds; and

WHEREAS, Section 8.03 of the Original Fiscal Agent Agreement authorizes amendments to the Original Fiscal Agent Agreement, without the consent of the Owners of the Bonds, to make modifications not adversely affecting any outstanding series of Bonds in any material respect, including to effectuate the issuance of additional bonds in accordance with Section 5.17; and

WHEREAS, after due investigation and deliberation the City has determined that it is in the interests of the City and the District at this time for the City, for and on behalf of the District, to provide for the issuance of its 2024 Bonds (as hereinafter defined), to provide moneys needed to construct and acquire the facilities necessary for development of property within the City; and

WHEREAS, this Supplemental Agreement No. 1 is a “Supplemental Agreement” as defined in Section 1.03 of the Original Fiscal Agent Agreement, and provides for the issuance of the 2024 Bonds as special tax bonds issued on parity to the 2020 Bonds

WHEREAS, the City and the Fiscal Agent desire to enter into this Supplemental Agreement No. 1 pursuant to Sections 5.17, 8.03 and 8.05 of the Original Fiscal Agent Agreement;

WHEREAS, the City has determined that all acts and proceedings required by law necessary to make the 2024 Bonds, when executed by the City for the District, authenticated and delivered by the Fiscal Agent and duly issued, the valid, binding and legal special obligations of the City for the District, and to constitute the Original Fiscal Agent Agreement, as amended and supplemented by this Supplemental Agreement No. 1, a valid and binding agreement for the uses and purposes herein and therein set forth, in accordance with its terms, have been done or taken and the execution and delivery of this Supplemental Agreement No. 1 have been in all respects duly authorized.

AGREEMENT :

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Supplement to Original Fiscal Agent Agreement. In accordance with the provisions of Sections 5.17, 8.03 and 8.05 of the Original Fiscal Agent Agreement, the Original Fiscal Agent Agreement is hereby amended by adding a new article thereto, to be designated as Article X. Such Article X shall read in its entirety as follows:

ARTICLE X

2024 BONDS

Section 10.01. Definitions. Section 1.03 of the Original Fiscal Agent Agreement is amended to add and/or modify the following definitions:

“*2020 Bonds*” means the “City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2020,” which are referred to the Original Fiscal Agent Agreement as the “2020 Bonds.”

“*2024 Bonds*” means the “City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2024,” authorized to be issued under Section 10.02(A).

“*2024 Costs of Issuance*” means items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the 2024 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Fiscal Agent including its first annual administration fee, expenses incurred by the City in connection with the issuance of the 2024 Bonds, financial advisor fees, (underwriter’s) discount or underwriting fee for the 2024 Bonds, legal fees and charges, including bond counsel, disclosure counsel, charges for execution, transportation and

safekeeping of the 2024 Bonds and other costs, charges and fees in connection with the foregoing.

“*2024 Costs of Issuance Fund*” means the fund by that name established and held by the Fiscal Agent pursuant to Section 10.07.

“*2024 Improvement Account*” means the account by that name established and held by the Fiscal Agent within the Improvement Fund pursuant to Section 3.04(A), as amended by Supplemental Agreement No. 1.

“*2024 Reserve Account*” means the account by that name established within the Reserve Fund in Section 10.06(B).

“*Agreement*” means the Fiscal Agent Agreement, dated as of February 1, 2020, as amended by Supplemental Agreement No. 1, and as it may be amended or supplemented from time to time by any other Supplemental Agreement.

“*Article X*” means this Article X which has been incorporated in and made a part of this Agreement pursuant to Supplemental Agreement No. 1, together with all amendments of and supplements to this Article X entered into pursuant to the provisions of Section 8.01.

“*Bonds*” means the 2020 Bonds, 2024 Bonds and any Additional Bonds issued pursuant to the terms of the Agreement.

“*Continuing Disclosure Certificate*” means (i) with respect to the 2020 Bonds, the Continuing Disclosure Certificate, dated as of February 6, 2020, by and between the City and NBS, in its capacity as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof and (ii) with respect to the 2024 Bonds, the Continuing Disclosure Certificate, dated as of September ___, 2024, by and among the City and NBS, in its capacity as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“*Closing Date*” means, when referring to the 2024 Bonds and as used in this Supplemental Agreement No. 1, September ___, 2024.

“*Interest Payment Dates*” means (i) with respect to the 2020 Bonds, March 1 and September 1 of each year, commencing September 1, 2020, and (ii) with respect to the 2024 Bonds, March 1 and September 1 of each year, commencing March 1, 2025.

“*Reserve Fund*” means the debt service reserve fund established for the 2020 Bonds, and was referred to in the Original Fiscal Agent Agreement as the “Reserve Fund.”

“*Supplemental Agreement No. 1*” means Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of September 1, 2024, between the City, for and on behalf of the District, and the Fiscal Agent.

“*Term 2024 Bonds*” means the 2024 Bonds maturing September 1, 20___ and September 1, 20___.

Section 10.02. Authorization of 2024 Bonds. 2024 Bonds in the aggregate principal amount of \$_____ are hereby authorized to be issued as Additional Bonds under and

subject to the terms of the Agreement, the Act, and other applicable laws of the State of California. The 2024 Bonds shall be designated the “City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2024.” Jurisdiction is hereby reserved to issue subsequent Additional Bonds, subject to the terms and conditions of the Agreement.

Section 10.03. Terms of 2024 Bonds.

(A) Form; Denominations. The 2024 Bonds shall be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof.

(B) Date of the 2024 Bonds. The 2024 Bonds shall be dated the Closing Date therefor.

(C) CUSIP Identification Numbers. “CUSIP” identification numbers shall be imprinted on the 2024 Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2024 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2024 Bonds. In addition, failure on the part of the City or the Fiscal Agent to use such CUSIP numbers in any notice to Owners shall not constitute an event of default or any violation of the City’s contract with such Owners and shall not impair the effectiveness of any such notice.

(D) Maturities, Interest Rates. The 2024 Bonds shall be issued as serial bonds and term bonds, and shall mature and become payable as follows:

Maturity Date (Sept. 1)	Principal Amount	Interest Rate	Maturity Date (Sept.1)	Principal Amount	Interest Rate
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[†] Term Bond

(E) Interest and Method of Payment. Interest on the 2024 Bonds shall be payable as provided in Section 2.02(E) of this Agreement, with the Closing Date as used therein being a Closing Date herein, and payments shall be made on the 2024 Bonds as provided in Section 2.02(F).

Section 10.04. Redemption of 2024 Bonds.

(A) Redemption Dates.

(i) Optional Redemption. The 2024 Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City

and by lot within a maturity, on any date on and after September 1, 20__ at the following respective redemption prices (expressed as percentages of the principal amount of the 2024 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

(ii) Mandatory Redemption From Prepayments. The 2024 Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2024 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and Interest Payment Dates thereafter	100

(iii) Mandatory Sinking Payment Redemption. The Term 2024 Bonds maturing September 1, 20__ are subject to mandatory sinking payment redemption in part on September 1, 20__ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
---	-------------------------

The Term 2024 Bonds maturing September 1, 20__ are subject to mandatory sinking payment redemption in part on September 1, 20__ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
---	-------------------------

The amounts in the foregoing tables shall be reduced pro rata, at the direction of the City in an Officer's Certificate, as a result of any prior partial optional or mandatory redemption of the Term 2024 Bonds pursuant to clause (A)(i) or clause (A)(ii) above. In the event of a redemption pursuant to clause (A)(i) or clause (A)(ii) above, the City shall provide the Fiscal Agent with a revised sinking fund schedule giving effect to the redemption so completed.

In lieu of redemption under this Section 10.04, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2024 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2024 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent an Officer's Certificate containing notice of its intention to redeem 2024 Bonds pursuant to clause (A)(i) or clause (A)(ii) not less than 45 days prior to the applicable redemption date.

(C) Redemption Procedure by Fiscal Agent; Rescission; Effect of Redemption. The redemption provisions set forth in Section 2.03(C) and Section 2.03(D) shall apply to the 2024 Bonds as if set forth herein.

Section 10.05. Form of 2024 Bonds; Authentication and Delivery.

(A) Form of 2024 Bonds. The 2024 Bonds, the form of Fiscal Agent's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement and the Act.

(B) Execution of 2024 Bonds. The 2024 Bonds shall be executed on behalf of the City by the Mayor and the City Clerk of the City who are in office on the date of adoption of this Agreement or at any time thereafter, and the seal of the City may be impressed, imprinted or reproduced by facsimile signature thereon. If any officer whose signature appears on any 2024 Bond ceases to be such officer before delivery of the 2024 Bonds to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2024 Bonds to the Owner. Any 2024 Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such 2024 Bond shall be the proper

officers of the City although at the nominal date of such 2024 Bond any such person shall not have been such officer of the City.

Only such of the 2024 Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, manually or electronically executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that such 2024 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Agreement.

(C) Authentication and Delivery of 2024 Bonds; Transfer and Exchange; Additional Provisions of the 2024 Bonds. At any time after the execution of Supplemental Agreement No. 1 and delivery by the City of an Officer’s Certificate that the requirements of Section 5.17 for the issuance of the 2024 Bonds as Additional Bonds have been met, the City may issue the 2024 Bonds for the District in the aggregate principal amounts set forth in Section 10.02 and deliver the 2024 Bonds to the Original Purchaser thereof. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the 2024 Bonds in accordance with the provisions of the Act and this Agreement, as supplemented by Supplemental Agreement No. 1, to authorize the payment of 2024 Costs of Issuance and costs of the Project by the Fiscal Agent from the proceeds of the 2024 Bonds and to do and cause to be done any and all acts and things necessary or convenient for delivery of the 2024 Bonds to the Original Purchaser.

The provisions of Sections 2.06 through 2.13 of the Original Fiscal Agent Agreement shall apply to the 2024 Bonds in a like manner as applied to the 2020 Bonds.

Section 10.06. Application of Proceeds of Sale of 2024 Bonds.

(A) Proceeds of 2024 Bonds. The proceeds of the purchase of the 2024 Bonds by the Original Purchaser in the amount of \$_____ (being the aggregate principal amount thereof, plus/less [net] original issue premium/discount of \$_____, less an Underwriter’s discount of \$_____), shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such proceeds on the Closing Date as follows:

- (i) Deposit in the 2024 Reserve Account of the Reserve Fund \$_____;
- (ii) Deposit in the 2024 Improvement Account of the Improvement Fund \$_____; and
- (iii) Deposit in the 2024 Costs of Issuance Fund \$_____.

(B) Additional Funds and Accounts. The Fiscal Agent may, in its discretion, establish a temporary fund or account in its books and records to facilitate transfers required under this Section 10.06.

Section 10.07. 2024 Costs of Issuance Fund. There is hereby established a separate fund to be known as the “2024 Costs of Issuance Fund”, which shall be held by the Fiscal Agent in trust. Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay 2024 Costs of Issuance, as set forth in an Officer’s Certificate containing respective amounts to be paid to the designated payees, signed by the Finance Director or a designee thereof and delivered to the Fiscal Agent. The Fiscal Agent shall pay all 2024 Costs of Issuance upon

receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such Officer's Certificate, or upon receipt of an Officer's Certificate requesting payment of a 2024 Costs of Issuance not listed on the initial Officer's Certificate delivered to the Fiscal Agent on the Closing Date. The Fiscal Agent shall maintain the 2024 Costs of Issuance Fund for a period of 45 days from the Closing Date and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the 2024 Improvement Account. Thereafter, every invoice received by the Fiscal Agent shall be paid from amounts on deposit in the 2024 Improvement Account and the Fiscal Agent shall close the 2024 Costs of Issuance Fund. Moneys in the 2024 Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the 2024 Costs of Issuance Fund to be used for the purposes of such fund.

Section 10.08. Procedure for Disbursement of 2024 Improvement Account.

(A) Disbursements. Disbursements from the 2024 Improvement Account shall be made by the Fiscal Agent according to the procedure set forth in Section 3.04, and an Officer's Certificate substantially in the form of Exhibit B to the Agreement (except that in such Officer's Certificate, reference shall be made to the 2024 Improvement Account and to the 2024 Bonds).

(B) Investment. Moneys in the Improvement Fund and the accounts established thereunder shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits from the investment of amounts in the Improvement Fund shall be retained by the Fiscal Agent in the Improvement Fund to be used for the purposes of the Improvement Fund.

(C) Closing of Fund. Upon the filing of an Officer's Certificate stating that the portion of the Project to be financed from the Improvement Fund and the accounts established thereunder has been completed and that all costs of such portion of the Project have been paid or are not required to be paid from the 2024 Improvement Account of the Improvement Fund, the Fiscal Agent shall transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for application to the payment of principal of and interest on the Bonds in accordance with Section 4.02 and the 2024 Improvement Account of the Improvement Fund shall be closed.

Section 10.09. Security for 2024 Bonds. The 2024 Bonds shall be Additional Bonds which shall be secured in the manner and to the extent set forth in Articles IV and V, and in this Article X. Nothing in the Original Fiscal Agent Agreement or this Supplemental Agreement No. 1 shall be interpreted to impair the security granted to the holders of the 2020 Bonds or the 2024 Bonds, which shall be secured on a parity basis.

Section 10.10. Effect of this Article X.

(A) Generally. Except as in this Article X expressly provided or except to the extent inconsistent with any provision of this Article X, the 2024 Bonds shall be deemed to be "Additional Bonds" under and within the meaning of Section 1.03, and every term and condition contained in the foregoing provisions of this Agreement shall apply to the 2024 Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article X.

(B) Specific References. References in the Original Fiscal Agent Agreement to the 2020 Bonds which, if the context requires reference to the 2020 Bonds and any Additional Bonds in order to maintain the parity relationship of the 2020 Bonds and any Additional Bonds

and the security therefor, shall be deemed to refer to 2024 Bonds and the 2020 Bonds as parity bonds, rather than referencing solely the 2020 Bonds.

SECTION 2. Attachment of Exhibit C. The Original Fiscal Agent Agreement is hereby further amended by incorporating therein an Exhibit C setting forth the form of the 2024 Bonds, which shall read in its entirety as set forth in Exhibit A attached hereto and hereby made a part hereof.

SECTION 3. Additional Amendments to Original Fiscal Agent Agreement. The Original Fiscal Agent Agreement is hereby further amended as follows:

(1) Section 1.03 of the Agreement is hereby amended, by modifying the definition of “Reserve Requirement” to add an additional clause as follows: “(d) the Reserve Requirement established in connection with the issuance of any series of Bonds shall not increase after the date of issuance of such Bonds.”

(2) Section 3.04(A) of the Agreement is hereby amended by adding thereto, as a new third sentence thereof, the following: “There is also hereby created within the Improvement Fund a separate account designated as the “2024 Improvement Account” of the Improvement Fund, which account is hereby established for purposes of accounting for the use and disposition of 2024 Bond proceeds directed to the Improvement Fund pursuant to Section 10.06 and 10.08.

(3) Section 4.03(A) of the Agreement is hereby amended by adding thereto, “In accordance with this Section 4.03(A), the Fiscal Agent shall establish a separate subaccount within the Reserve Fund known as the “2024 Reserve Account,” into which the amounts set forth in Section 10.06(A)(ii) shall be deposited. The 2020 Reserve Account and the 2024 Reserve Account shall be held by the Fiscal Agent within the Reserve Fund, which shall become a parity reserve fund securing equally and ratably all the Bonds, and shall be administered as set forth in the Agreement, as amended hereby. For clarity, a parity reserve fund for the Bonds is being established hereby, and amounts in the 2020 Reserve Account and in the 2024 Reserve Account shall be available, and are pledged, to the holders of the 2020 Bonds and 2024 Bonds on a parity basis.”

SECTION 4. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Supplemental Agreement No. 1 shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Supplemental Agreement No. 1. The City hereby declares that it would have entered into this Supplemental Agreement No. 1 and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 2024 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Supplemental Agreement No. 1 may be held illegal, invalid or unenforceable.

SECTION 5. Execution in Counterparts. This Supplemental Agreement No. 1 may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6. Governing Law. This Supplemental Agreement No. 1 shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the City and the Fiscal Agent have caused this Supplemental Agreement No. 1 to Fiscal Agent Agreement to be executed as of September 1, 2024.

CITY OF AMERICAN CANYON, a municipal corporation, for and on behalf of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project)

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

By: _____
Jason Holley
City Manager

By: _____
Vice President

ATTEST:

By: _____
Taresa Geilfuss
City Clerk

APPROVED AS TO FORM:

William D. Ross, City Attorney

EXHIBIT A TO SUPPLEMENTAL AGREEMENT NO. 1 TO FISCAL AGENT AGREEMENT

**EXHIBIT C TO ORIGINAL FISCAL AGENT AGREEMENT
FORM OF 2024 BOND**

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

No. _____

\$ _____

**CITY OF AMERICAN CANYON
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(GREEN ISLAND ROAD PROJECT)
SPECIAL TAX BONDS
SERIES 2024**

INTEREST RATE:
_____%

MATURITY DATE:
September 1, ____

BOND DATE:
September ____, 2024

CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of American Canyon (the "City") for and on behalf of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2025 (the "Interest Payment Dates"), at the Interest Rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at a designated corporate trust office of U.S. Bank Trust Company, National Association in San Francisco, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed by first class mail on each Interest Payment Date to the Owner hereof as of the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Owner's address as it appears on the registration books maintained by the Fiscal Agent, or by wire transfer made on such Interest Payment Date upon written instructions delivered to the Fiscal Agent by the applicable Record Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds.

This Bond is one of a duly authorized issue of bonds approved by resolution of the City Council of the City on _____, 2024 (the "Resolution"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Mello-Roos Act") for the purpose of providing moneys for the construction and acquisition of improvements within the District, and is one of the bonds designated "City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2024" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of February 1, 2020, as amended and supplemented by a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of September 1, 2024 (together, the "Agreement"), by and between the City and the Fiscal Agent and this reference incorporates the Agreement herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the State of California. Capitalized terms used but not defined herein are defined in the Agreement.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on this Bond are payable solely from the Special Tax Revenues and the amounts in certain funds held under the Agreement. "Special Tax Revenues" means the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (but excluding any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure), net of the administration charge of the County and the Administrative Expense Priority.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) such date of authentication is after a Record Date but on or prior to an Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (iii) such date of authentication is prior to the first Record Date, in which event interest will be payable from the Bond Date shown above; provided however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City as may be permitted by law. The Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein above.

The Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, 20__ at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

The Bonds are subject to mandatory redemption from prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payment Dates through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and Interest Payment Dates thereafter	100

The Term Bonds maturing September 1, 20__ are subject to mandatory sinking payment redemption in part on September 1, 20__ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date (<u>Sept. 1</u>)	Sinking Fund Payment
---	---------------------------------

The Term Bonds maturing September 1, 20__ are subject to mandatory sinking payment redemption in part on September 1, 20__ and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following table:

Mandatory Redemption Date (<u>Sept. 1</u>)	Sinking Fund Payment
---	---------------------------------

The amounts in the foregoing tables shall be reduced pro rata, at the direction of the City in an Officer's Certificate, as a result of any prior partial optional or mandatory redemption of the Term Bonds.

Notice of redemption with respect to the Bonds to be redeemed shall be given to the Owners thereof, in the manner, to the extent and subject to the provisions of the Agreement.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such Owner's order. The Fiscal Agent shall require the Owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) within 15 days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Agreement or any other document. This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed by the Fiscal Agent. It is hereby certified, recited and declared that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Fiscal Agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of American Canyon has caused this Bond to be executed by the facsimile signatures of the Mayor and the City Clerk of the City, all as of the Bond Date stated above.

CITY OF AMERICAN CANYON, for and on behalf of the CITY OF AMERICAN CANYON COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN ISLAND ROAD PROJECT)

By: _____
Mayor

By: _____
City Clerk

FISCAL AGENT’S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement.

Dated: _____, 2024

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

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

(Name, address and Tax identification Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, _____ to transfer the same on the registration books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

<p>\$ _____ CITY OF AMERICAN CANYON COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN ISLAND ROAD PROJECT) SPECIAL TAX BONDS SERIES 2024A (SENIOR)</p>	<p>\$ _____ CITY OF AMERICAN CANYON COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN ISLAND ROAD PROJECT) SPECIAL TAX BONDS SERIES 2024B (SUBORDINATE)</p>
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BOND PURCHASE AGREEMENT

_____, 2024

City of American Canyon
4381 Broadway Street, Suite 202
American Canyon, CA 94503

Ladies and Gentlemen:

Piper Sandler & Co., as underwriter (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the City of American Canyon (the “**City**”), which upon acceptance will be binding upon the Underwriter and the City. This offer is made subject to the City’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 8:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Fiscal Agent Agreement, dated as of February 1, 2020, as supplemented and amended by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of August 1, 2024 (together, the “**Fiscal Agent Agreement**”), each by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “**Fiscal Agent**”).

1. **Purchase, Sale and Delivery of the Bonds.**

A. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the City and the City hereby agrees to sell to the Underwriter all (but not less than all) of the \$ _____ aggregate principal amount of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2024A (Senior) (the “**2024A Bonds**”) and the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2024B (Subordinate) (the “**2024B Bonds**” and, together with the 2024A Bonds, the “**Bonds**”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the 2024A Bonds shall be \$ _____ (being 100% of the aggregate principal amount thereof [plus/less] [net] original issue [premium/discount] of \$ _____ and less an Underwriter’s discount of \$ _____). The purchase price for the 2024B Bonds shall be \$ _____ (being 100% of the aggregate principal amount thereof [plus/less] [net] original issue [premium/discount] of \$ _____ and less an Underwriter’s discount of \$ _____).

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Special Tax Revenues, as provided in the Fiscal

Agent Agreement, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California (the “Act”). The issuance of the Bonds has been duly authorized by the City pursuant to a resolution adopted on _____, 2024 (the “**Approving Resolution**”).

The 2024A Bonds are payable from the Special Tax Revenues generated by the levy of the Special Taxes (as defined in Section 3(F) herein) on a parity basis with the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2020 (the “**2020 Bonds**”), as set forth in the Fiscal Agent Agreement. The 2024B Bonds are payable from the Special Taxes on a subordinate basis to the 2020 Bonds and the 2024A Bonds, as set forth in the Fiscal Agent Agreement.

The net proceeds of the Bonds will be used, as indicated in the Fiscal Agent Agreement, for the following purposes: (i) construct and acquire certain public facilities authorized for the District, (ii) provide for deposits to debt service reserve accounts for each series of the Bonds, and (iii) pay costs of issuance of the Bonds.

B. The City acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations and agreements made by the City herein, and the City shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation or agreement made by the City herein is incorrect in any material respect.

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); and (iv) the City has consulted its own legal, financial and other advisors to the extent that the City has deemed appropriate.

C. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2024, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the “**Preliminary Official Statement**.” By its acceptance of this Purchase Agreement, the City hereby ratifies the use by the Underwriter of the Preliminary Official Statement and the preparation and distribution of the final Official Statement (together with any supplements thereto, the “**Official Statement**”) consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Jones Hall, A Professional Law Corporation, the City’s Bond Counsel (“**Bond Counsel**”) and Disclosure Counsel (“**Disclosure Counsel**”) and the Underwriter. The City agrees to execute the Official Statement and to provide a copy thereof to the Underwriter as set forth in Section 4.E.1 hereof. The City hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto.

The City further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Fiscal Agent Agreement, this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

D. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”), the City will undertake pursuant to the Continuing Disclosure Certificate, in the form attached to the Official Statement as Appendix D (the “**Continuing Disclosure Certificate**”), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

E. Except as the Underwriter and the City may otherwise agree, the City will deliver to the Underwriter, at the offices of Bond Counsel in San Francisco, California, or at such other location as may be mutually agreed upon by the Underwriter and the City, the documents hereinafter mentioned; and the City will deliver to the Underwriter through the facilities of The Depository Trust Company (“**DTC**”) in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the City and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement and the Act at 8:00 a.m. California time, on _____, 2024 (the “**Closing Date**”), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the “**Closing**”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. **Public Offering and Establishment of Issue Price.**

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices

B. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by NHA Advisors, LLC (the “**Municipal Advisor**”) and any notice or report to be provided to the City may be provided to the Municipal Advisor.

C. Except as otherwise set forth in Exhibit A, the City will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within

that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

D. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or
2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

E. The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

F. The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on: (A) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply

with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

G. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. “**public**” means any person other than an underwriter or a related party;

2. “**underwriter**” means: (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. “**sale date**” means the date of execution of this Purchase Agreement by all parties.

3. **Representations and Covenants of the City.** The City represents and covenants to the Underwriter that:

A. The City is duly organized and validly existing as a municipal corporation under the Constitution and laws of the State of California, and has duly authorized the formation of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Project) (the “**Community Facilities District**”) pursuant to resolutions and an ordinance duly adopted by the City Council (collectively, the “**Community Facilities District Formation Resolution**” and, together with the Approving Resolution authorizing the issuance of the Bonds, the “**City Resolutions**”) and the Act. The City Council, as the legislative body of the City and the Community Facilities District, (i) has duly adopted the City Resolutions, (ii) has duly adopted Ordinance No. 2019-03 of the City on March 19, 2019, levying special taxes within the Community Facilities District (the “**Ordinance**”), and (iii) has caused to be recorded in the real property records of Napa County a notice of special tax lien (the “**Notice of Special Tax Lien**”) (the Community Facilities District Formation Resolution, the Ordinance, the rate and method of apportionment of special taxes for the Community Facilities District approved by the City Council and the qualified electors in the Community Facilities District (the “**Rate and Method**”) and the Notice of Special Tax Lien are collectively referred to herein as the “**Formation Documents**”). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended, except to the extent set forth therein. The Community

Facilities District is duly organized and validly existing as a Community Facilities District under the laws of the State of California. The City has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the Fiscal Agent Agreement and this Purchase Agreement, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver its Bonds to the Underwriter; (iii) to enter into the Continuing Disclosure Certificate; and (iv) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Fiscal Agent Agreement, the Continuing Disclosure Certificate, this Purchase Agreement, the Bonds and the Official Statement.

This Purchase Agreement, the Fiscal Agent Agreement, the Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the “**City Documents**.”

B. The City has complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the City Documents, and any immaterial noncompliance by the City, if any, will not impair the ability of the City to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the City will continue to comply with the covenants of the City contained in the City Documents.

C. Except as described in the Preliminary Official Statement, the City is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, and the execution and delivery and the performance of its obligations under the City Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the City pursuant to the City Documents, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the City of its obligations under the City Documents or the performance of the conditions precedent to be performed by the City pursuant to the City Documents.

D. Except as may be required under the “blue sky” or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City of its obligations under the City Documents, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

E. The City Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

F. The 2024A Bonds are payable from the Special Tax Revenues generated by the levy of special taxes in the Community Facilities District (the “**Special Taxes**”) on a parity basis

with the 2020 Bonds, as set forth in the Fiscal Agent Agreement. The 2024B Bonds are payable from the Special Taxes on a subordinate basis to the 2020 Bonds and the 2024A Bonds, as set forth in the Fiscal Agent Agreement. The levy of the Special Taxes has been duly and validly authorized pursuant to the Act and, subject to the maximum rate of Special Taxes in the Rate and Method and the application of the Special Tax Revenues as set forth in the Fiscal Agent Agreement, the levy of the Special Taxes within the Community Facilities District will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Bonds when due and payable, all as provided in the Fiscal Agent Agreement. The City has covenanted in the Fiscal Agent Agreement to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes.

G. The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Tax Revenues, and in the moneys in the Special Tax Fund established pursuant to the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement.

H. Except as disclosed in the Preliminary Official Statement, or will be disclosed in the Official Statement, there are, to the best of the City's knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Taxes referred to in paragraph (G) hereof.

I. The information contained in the Preliminary Official Statement and in the Official Statement (other than statements therein pertaining to DTC and its book-entry system, as to which no view is expressed) does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (J) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

J. Up to and including 25 days after the End of the Underwriting Period, the City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "**End of the Underwriting Period**" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

K. At the time of acceptance hereof there is and as of the Closing there will be no action pending (notice of which has been served on the City) or to the best knowledge of the City threatened, in which any such action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the City to their respective offices; (ii) affects,

contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Tax Revenues or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State income taxation or contests the powers of the City or the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

L. Any certificate signed on behalf of the City by any officer or employee of the City authorized to do so shall be deemed a representation by the City to the Underwriter as to the statements made therein.

M. At or prior to the Closing, the City will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix G to the Official Statement. Except as disclosed in the Preliminary Official Statement, the City has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events in the last five years.

N. The City will apply the proceeds of its Bonds in accordance with the Fiscal Agent Agreement.

O. Between the date of the Purchase Agreement and the date of Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money payable or secured by Special Taxes, except as previously disclosed to the Underwriter.

The execution and delivery of this Purchase Agreement by the City shall constitute a representation to the Underwriter that the representations contained in this Section 3 are true as of the date hereof.

4. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations on the part of the City contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the City Resolutions, the Formation Documents, and the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds, and with the transactions

contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as was described in the Official Statement, the City shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, and the execution and delivery and the performance by the City of its obligations under the City Documents, the City Resolutions and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the City of its obligations under the City Documents or the City Resolutions.

C. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

D. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the inside cover page of the Official Statement, of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made

by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement are not exempt from qualification under or other requirements of the Fiscal Agent Agreement Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State of California officials authorized to do so;

4. The introduction, proposal or enactment of any amendment to the Federal or California Constitutions or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of Special Taxes as contemplated by the Official Statement;

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

7. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the City, to sell the Bonds;

8. The filing or threat of an Action described Section 3.K hereof; or

9. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City.

E. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the City by its City Manager or other authorized officer;

2. The City Documents, duly executed and delivered by all parties thereto;

3. The City Resolutions, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the City Resolutions are true, correct and complete copies of the City Resolutions duly adopted by the City Council;

4. The Formation Documents, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the Formation Documents are true, correct and complete copies of the Formation Documents duly adopted by the City Council;

5. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the City, of Bond Counsel, in substantially the form included as Appendix C to the Official Statement;

6. A supplemental opinion or opinions, dated the date of Closing and addressed to the Underwriter, of Bond Counsel, to the effect that:

(i) the City Documents have been duly authorized, executed and delivered by the City, and, assuming the City Documents constitute the valid and binding obligation of the other parties thereto, constitute the legally valid and binding obligations of the City enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and general principles of equity (regardless of whether such enforceability is considered in equity or at law);

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(iii) the information contained in the Official Statement on the cover and under the captions "INTRODUCTION," "THE 2024 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "LEGAL OPINION," "TAX MATTERS" and Appendices C and E thereof (except that no opinion or belief is expressed as to any financial or statistical data contained therein), insofar as it purports to summarize certain provisions of the Act, the Bonds, the Fiscal Agent Agreement and the exclusion from gross income for federal income tax purposes and exemption from State personal income taxes of interest on the Bonds, presents a fair and accurate summary of such provisions;

7. A letter of Disclosure Counsel addressed to the Underwriter, to the effect that, no facts have come to attention of Disclosure Counsel that have caused such counsel to believe that the Preliminary Official Statement, as of its date, or the Official Statement, as of its date and as of the Closing Date (except for the following items, which are expressly excluded from the scope of this sentence: any financial, statistical and demographic data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, the appraisal and information regarding DTC and its book-entry only system, that is contained or incorporated by reference in the Preliminary Official Statement or the Official Statement and the appendices to the Preliminary Official Statement or the Official Statement) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

8. A certificate dated the Closing Date and signed by an authorized representative of the City or an authorized designee, on behalf of the City to the effect that: (i) the representations made by the City contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, provided that any references as to the Preliminary Official Statement shall be deemed to be to the Official Statement; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the City has complied with all the agreements and satisfied all the conditions on its part to be satisfied under the City Documents prior to the Closing Date;

9. An opinion of the City Attorney of the City, dated the date of Closing and addressed to the Underwriter and the City, to the effect that:

(i) The City is a municipal corporation, corporate and politic, duly organized and existing under the Constitution and laws of the State of California;

(ii) The City Resolutions and the Formation Documents have been duly adopted at a meeting of the City Council, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the City Resolutions and the Formation Documents are in full force and effect and have not been modified, amended, rescinded or repealed since the date of their adoption;

(iii) The City Documents and the Official Statement have been duly authorized, executed and delivered by the City and the City Documents constitute the legal, valid and binding obligations of the City enforceable against the City in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(iv) To the best knowledge of such counsel, the execution and delivery of the City Documents and the Official Statement and compliance with the provisions thereof under the circumstances contemplated thereby: (a) do not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound; and (b) do not and will not in any material respect or constitute on the part of the City a violation, breach of or default under any court order or consent decree to which the City is subject;

(v) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of its members and officers to their respective offices; or (b) affect the validity of the City Documents, the City Resolutions or the Formation Documents, or restrain or enjoin the repayment of the Bonds or in any way contest or affect the validity of the City Documents, the City Resolutions or the Formation Documents, or contest the authority of the City to enter into or perform its obligations under any of the City Documents, the City Resolutions or the Formation Documents, or under which a

determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the City to use Special Tax Revenues for the repayment of the Bonds or affects in any manner the right or ability of the City to collect or pledge the Special Taxes levied within the Community Facilities District for the repayment of the Bonds;

10. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds, including certified copies of the Fiscal Agent Agreement and all resolutions of the City relating thereto;

11. A certificate dated the Closing Date from NBS (the “**Special Tax Administrator**”). addressed to the City and the Underwriter to the effect that: (i) the Special Taxes (after payment of estimated Administrative Expenses) if collected in the maximum amounts permitted pursuant to the Rate and Method as of the Closing Date would generate at least 110% of the annual debt service on the Bonds and the 2020 Bonds in each year, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Official Statement provided by the Special Tax Administrator concerning the Special Taxes and the Rate and Method and all information supplied by it for use in the Official Statement as of the date of the Official Statement and as of the Closing Date did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

12. Certified copies of the general resolution of the Fiscal Agent authorizing the execution and delivery of certain documents by certain officers of the Fiscal Agent, which resolution authorizes the execution of the Fiscal Agent Agreement and the authentication of the Bonds;

13. A certificate of the Fiscal Agent, addressed to the Underwriter and the City dated the Closing Date, to the effect that: (i) the Fiscal Agent is authorized to carry out corporate trust powers, and have full power and authority to perform its duties under the Fiscal Agent Agreement; (ii) the Fiscal Agent is duly authorized to execute and deliver the Fiscal Agent Agreement, to accept the obligations created by the Fiscal Agent Agreement and to authenticate the Bonds pursuant to the terms of the Fiscal Agent Agreement; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Fiscal Agent that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Fiscal Agent of the other transactions contemplated to be performed by the Fiscal Agent in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Fiscal Agent Agreement; and (iv) to the best of its knowledge, compliance with the terms of the Fiscal Agent Agreement will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which the Fiscal Agent is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Fiscal Agent or any of its activities or properties;

14. An opinion of counsel to the Fiscal Agent, dated the Closing Date, addressed to the Underwriter and the City to the effect that the Fiscal Agent is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Fiscal Agent Agreement, and that the Fiscal Agent Agreement has been duly authorized, executed and delivered by the Fiscal

Agent and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Fiscal Agent enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

15. A certificate of the City dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

16. An opinion of Stradling Yocca Carlson & Rauth LLP, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

17. The certificates of the City and the Special Tax Administrator required by Section 5.17 of the Fiscal Agent Agreement to the effect that the conditions required by Section 5.17 of the Fiscal Agent Agreement for the issuance of the 2024A Bonds as Additional Bonds; and

18. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations of the City contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City in connection with the transactions contemplated hereby and by the Fiscal Agent Agreement and the Official Statement.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the City nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the City set forth in Section 6 hereof shall continue in full force and effect.

5. **Conditions to the Obligations of the City.** The obligations of the City shall be subject to the satisfaction of the conditions contained in Section 4 of this Purchase Agreement.

6. **Expenses.** Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the City shall pay only from the proceeds of the Bonds or any other legally available funds of the City or the Community Facilities District, but only as the City and such other party providing such services may agree, all expenses and costs of the City incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, initial fees of the Fiscal Agent, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the City, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the City's employees which are incidental to implementing

this Purchase Agreement, including, but not limited to, meals, transportation and lodging of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees of its counsel.

7. **Notices.** Any notice of other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City of American Canyon, 4381 Broadway Street, Suite 202, American Canyon, CA 94503, Attention: City Manager; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 50 California Street, Suite 3100, San Francisco, CA 94111, Attention: Ralph Holmes.

8. **Parties In Interest.** This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

9. **Survival of Representations.** The representations of the City under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and regardless of delivery of and payment for the Bonds.

10. **Execution in Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11. **Effective.** This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

12. **No Prior Agreements.** This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the City.

13. **Governing Law.** This Purchase Agreement shall be governed by the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

14. **Effective Date.** This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER SANDLER & CO.

By: _____

Its: Authorized Officer

Time of Execution: _____

CITY OF AMERICAN CANYON

By: _____

City Manager

EXHIBIT A

\$ _____
CITY OF AMERICAN CANYON
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(GREEN ISLAND ROAD PROJECT)
SPECIAL TAX BONDS
SERIES 2024A (SENIOR)

**Schedule of Bond Maturities, Principal Amounts, Interest Rates, Yields
and Initial Offering Prices**

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold the Price Offering Rule Used</i>
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^C Priced to the optional redemption date of September 1, 20____ at ____%.

^T Term Bond.

Optional Redemption of 2024A Bonds. The 2024A Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, 20__ at the following respective redemption prices (expressed as percentages of the principal amount of the 2024A Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

Mandatory Redemption of 2024A Bonds From Prepayments. The 2024A Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2024A Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption of 2024A Bonds. The Term 2024A Bonds maturing September 1, 20__ and September 1, 20__ are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term 2024A Bonds Maturing September 1, 20__

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
---	-------------------------

(maturity)

Term 2024A Bonds Maturing September 1, 20__

Mandatory Redemption Date (<u>Sept. 1</u>)	Sinking Fund <u>Payment</u>
--	--------------------------------

(maturity)

The amounts in the foregoing tables will be reduced pro rata, as a result of any prior partial optional redemption or mandatory redemption of the 2024A Bonds.

\$ _____
**CITY OF AMERICAN CANYON
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(GREEN ISLAND ROAD PROJECT)
SPECIAL TAX BONDS
SERIES 2024B (SUBORDINATE)**

**Schedule of Bond Maturities, Principal Amounts, Interest Rates, Yields
and Initial Offering Prices**

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold the Price Offering Rule Used</i>
--	-----------------------------	--------------------------	--------------	---------------------------------------	--------------------------	--

^C Priced to the optional redemption date of September 1, 20____ at ____%.

^T Term Bond.

Optional Redemption of 2024B Bonds. The 2024B Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, 20__ at the following respective redemption prices (expressed as percentages of the principal amount of the 2024B Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

Mandatory Redemption of 2024B Bonds From Prepayments. The 2024B Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2024B Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption of 2024B Bonds. The Term 2024B Bonds maturing September 1, 20__ and September 1, 20__ are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term 2024B Bonds Maturing September 1, 20__

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
---	-------------------------

(maturity)

Term 2024B Bonds Maturing September 1, 20__

Mandatory Redemption Date (<u>Sept. 1</u>)	Sinking Fund <u>Payment</u>
--	--------------------------------

(maturity)

The amounts in the foregoing tables will be reduced pro rata, as a result of any prior partial optional redemption or mandatory redemption of the 2024B Bonds.

EXHIBIT B

<p>§ _____ CITY OF AMERICAN CANYON COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN ISLAND ROAD PROJECT) SPECIAL TAX BONDS SERIES 2024A (SENIOR)</p>	<p>§ _____ CITY OF AMERICAN CANYON COMMUNITY FACILITIES DISTRICT NO. 2018-1 (GREEN ISLAND ROAD PROJECT) SPECIAL TAX BONDS SERIES 2024B (SUBORDINATE)</p>
---	--

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (the “**Piper**”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “**Bonds**”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Piper offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “**Initial Offering Prices**”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2024, by and between Piper and the Issuer, Piper has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “**hold-the-offering-price rule**”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Reserve Fund.***

The deposits to the Senior Reserve Fund and the Subordinate Reserve Fund in the amount of the Reserve Requirement (as such terms are defined in the Fiscal Agent Agreement, dated as of February 1, 2020, as supplemented and amended by Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of August 1, 2024, each by and between the City and U.S. Bank Trust Company, National Association, as fiscal agent, pursuant to which the Bonds are being issued) for the 2024A Bonds and the 2024B Bonds, respectively, was vital to the marketing of the Bonds and reasonably required to assure payment of debt service on the Bonds.

4. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the _____, 2024 (the Sale Date), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of American Canyon.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

Underwriter means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, a Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By: _____
Name: _____

Dated: _____, 2024

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

NEW ISSUE-FULL BOOK ENTRY

NOT RATED

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2024 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2024 Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$4,795,000*
CITY OF AMERICAN CANYON
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(GREEN ISLAND ROAD PROJECT)
SPECIAL TAX BONDS
SERIES 2024

Dated: Date of Delivery

Due: September 1 or September 1, as shown below

The bonds captioned above (the "2024 Bonds"), are being issued by the City of American Canyon (the "City") by and through its Community Facilities District No. 2018-1 (Green Island Road Project) (the "District") to (i) construct and acquire certain public facilities authorized for the District, (ii) provide debt service reserve fund deposits, and (iii) pay costs of issuance. The 2024 Bonds are special limited obligations of the City, authorized pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being California Government Code Section 53311, et seq. (the "Act"). Interest on the 2024 Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025. The 2024 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. See "THE BONDS" and "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The 2024 Bonds are primarily secured by and payable, on a parity basis to bonds issued in 2020, from a pledge of certain special taxes revenues (as described herein) to be levied and collected on real property within the boundaries of the District under the Act, all as more fully described herein. Property in the District and subject to the Special Tax comprises approximately 80 parcels, covering approximately 928 taxable acres, which are primarily zoned industrial. The Special Tax is levied on taxable parcels at a rate per acre. See "THE DISTRICT" and "OWNERSHIP OF PROPERTY WITHIN THE DISTRICT." **Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the parcels within the District. In the event of delinquency, proceedings may be conducted only against the parcel of real property securing the delinquent Special Tax. There is no assurance the owners will be able to pay the Special Tax or that they will pay a Special Tax even though financially able to do so.** See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The 2024 Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE BONDS — Redemption of 2024 Bonds."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF NAPA, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS, EXCEPT TO THE LIMITED EXTENT OF THE SPECIAL TAXES. THE 2024 BONDS DO NOT CONSTITUTE A DEBT OF THE CITY WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION. THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING INFORMATION UNDER THE HEADING "SPECIAL RISK FACTORS," SHOULD BE READ IN ITS ENTIRETY.

This cover page contains certain information for general reference only. It is not a summary of all of the provisions of the 2024 Bonds. Prospective investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "SPECIAL RISK FACTORS" herein for a discussion of the special risk factors that should be considered, in addition to the other matters and risk factors set forth herein, in evaluating the investment quality of the 2024 Bonds.

The 2024 Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall, a Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed on by Jones Hall, as Disclosure Counsel and Stradling Yocca Carlson & Rauth LLP, as counsel to the Underwriter. Certain legal matters will be passed upon for the City by the City Attorney. It is anticipated that the 2024 Bonds will be available for delivery to DTC on or about _____, 2024.

[Piper Sandler logo]

The date of this Official Statement is _____, 2024.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**CITY OF AMERICAN CANYON
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(GREEN ISLAND ROAD PROJECT)
SPECIAL TAX BONDS
SERIES 2024**

MATURITY SCHEDULE

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† ()
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\$ _____ % Term Bond Due September 1, 20____; Yield ____%; Price: ____%
CUSIP†: _____

† Copyright 2024, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc., and are provided for convenience of reference only. Neither the City nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

CITY OF AMERICAN CANYON, CALIFORNIA

City Council

Leon Garcia, *Mayor*
David Oro, *Vice Mayor*
Mariam Aboudamous, *Councilmember*
Mark Joseph, *Councilmember*
Pierre Washington, *Councilmember*

City Staff

Jason Holley, *City Manager*
Maria Ojeda, *Assistant City Manager*
Juan Gomez, *Finance Director*
Erica Ahmann Smithies, P.E., *Public Works Director*
William D. Ross, *City Attorney*
Taresa Geilfuss, *City Clerk*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor
NHA Advisors, LLC
San Rafael, California

Special Tax Administrator
NBS Government Finance Group
San Francisco, California

Fiscal Agent
U.S. Bank Trust Company, National Association
San Francisco, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2024 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2024 Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases “will likely result,” “are expected to”, “will continue”, “is anticipated”, “estimate”, “project,” “forecast”, “expect”, “intend” and similar expressions identify “forward looking statements.” Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the 2024 Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2024 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Involvement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All summaries of the documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the 2024 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2024 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

Website. The City maintains an Internet website; however, the information on that website is not incorporated into this Official Statement.

THE 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2024 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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OFFICIAL STATEMENT

\$4,795,000*
CITY OF AMERICAN CANYON
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(GREEN ISLAND ROAD PROJECT)
SPECIAL TAX BONDS
SERIES 2024

This Official Statement, including the cover page and all Appendices hereto, is provided to furnish certain information in connection with the issuance by the City of American Canyon (the “**City**”) by and through its Community Facilities District No. 2018-1 (Green Island Road Project) (the “**District**”) of the bonds captioned above, consisting of the Series 2024 (the “**2024 Bonds**”).

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Definitions of certain terms used herein and not defined herein have the meaning set forth in the Fiscal Agent Agreement. See APPENDIX E.

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2024 Bonds to potential investors is made only by means of the entire Official Statement.

The City. The City is located in the County of Napa (the “**County**”), which is located in Northern California about 50 miles northeast of San Francisco. The County encompasses an area of approximately 794 square miles and includes five incorporated cities. The estimated population of the City as of January 1, 2023, was 21,338. For additional demographic and statistical information on the City and the County, see APPENDIX B.

The District. On October 26, 2018, the City Council of the City (the “**City Council**”), as legislative body of the District, adopted resolutions of intention to form the District under the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”), to levy a special tax and to incur bonded indebtedness for the purpose of financing certain public improvements. After conducting a noticed public hearing, on November 20, 2018, the City Council adopted a Resolution of Formation (the “**Resolution of Formation**”), which established the District, an initial appropriations limit, and the Rate and Method of Apportionment of Special Tax for the District (the “**Special Tax Formula**”), subject to voter approval. The City Council also adopted a resolution declaring the necessity to incur

* Preliminary; subject to change.

bonded indebtedness for the District in a total amount not to exceed \$14,000,000, and a resolution calling an election of the qualified landowner electors in the District. On February 19, 2019, an election of all the qualified landowner electors in the District was held, and the requisite 2/3 vote (being non-unanimous) was obtained with respect to the questions of levying the special tax, setting the appropriations limit, and incurring the bonded indebtedness. See “THE DISTRICT.”

A special tax applicable to each taxable parcel in the District will be levied and collected according to the tax liability determined by the City Council through the application of the Special Tax Formula, which is set forth in its entirety in APPENDIX A hereto. Pursuant to the Special Tax Formula, an “Annual Facilities Special Tax” will be levied and collected for the purpose of paying for the Improvements, including debt service on bonds issued for the Improvements, through Fiscal Year 2058-59. In addition, the Special Tax Formula provides for the levy of an “Annual Services Special Tax” to pay for authorized maintenance and service costs. *Only the “Annual Facilities Special Tax” is pledged to the payment of the special tax bonds, and the definition of “Special Taxes” used in this Official Statement refers only to the “Annual Facilities Special Tax” levied in accordance with the Special Tax Formula. See “SECURITY AND SOURCES OF PAYMENT OF THE BONDS – Special Tax Methodology.”*

Authority for Issuance of the 2024 Bonds. The 2024 Bonds are issued pursuant to the Act, a resolution adopted by the City Council on _____, 2024 (the “**Resolution of Issuance**”) and a Fiscal Agent Agreement, dated as of January 1, 2020, as supplemented and amended by Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of September 1, 2024 (together, the “**Fiscal Agent Agreement**”), between the City and U.S. Bank Trust Company, National Association, as fiscal agent (the “**Fiscal Agent**”).

Bond Terms. Each series of the 2024 Bonds will be dated as of and bear interest from the date of delivery thereof at the rate or rates set forth on the cover page of this Official Statement. Interest on the 2024 Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2025. The 2024 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Registration of Ownership of 2024 Bonds. The 2024 Bonds will be issued only as fully registered bonds in book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”). Ultimate purchasers of 2024 Bonds will not receive physical certificates representing their interest in the 2024 Bonds. So long as the 2024 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2024 Bonds. Payments of the principal, premium, if any, and interest on the 2024 Bonds will be made directly to DTC, or its nominee, Cede & Co. so long as DTC or Cede & Co. is the registered owner of the 2024 Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Use of Proceeds. Proceeds of the 2024 Bonds will primarily be used to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements authorized for the District (the “**Improvements**”). The Improvements consist generally of roadway improvements, railroad construction costs, utility undergrounding costs, and related expenses expected to be incurred by the City to construct improvements to Green Island Road, Jim Oswalt Way, Mezzetta Court, Commerce Boulevard and Hanna Drive. See “FINANCING PLAN” and “THE

IMPROVEMENTS.” Proceeds of the 2024 Bonds will also be used to make deposits to a debt service reserve account for each series of the 2024 Bonds, and to pay costs of issuance.

Security and Source of Payment of the 2024 Bonds. The 2024 Bonds are secured by, and payable from, the “**Special Tax Revenues**,” consisting of the proceeds of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (but excluding any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure), net of the administration charge of the County and the “**Administrative Expense Priority**,” which equals \$25,000 per Fiscal Year. The 2024 Bonds have a claim on the Special Tax Revenues on a parity basis with the 2020 Bonds and any Additional Bonds (defined below). The 2024 Bonds are also payable from amounts held in certain funds and accounts pursuant to the Fiscal Agent Agreement, including a parity reserve account securing all the Bonds, as more fully described herein.

The Special Taxes represent liens on the parcels of land subject to a Special Tax, and failure to pay the Special Taxes could result in proceedings to foreclose the delinquent property. The Special Taxes do not constitute the personal indebtedness of the owners of taxed parcels. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology” and “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

Additional Bonds. The maximum authorized indebtedness for the District is \$14,000,000 (the “**Authorization**”). The City previously issued, for and on behalf of the District, \$5,165,000 initial principal amount of City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2020 (the “**2020 Bonds**”) for the purpose of financing a portion of the Improvements. The 2024 Bonds represent the second series of special tax bonds issued pursuant to the Authorization.

The City may issue additional special tax bonds secured by the Special Tax Revenues on parity with the 2020 Bonds and the 2024 Bonds (“**Additional Bonds**” and, collectively with the 2020 Bonds and 2024 Bonds, the “**Bonds**”), subject to the conditions as set forth in the Fiscal Agent Agreement. No bonds having a lien senior to the lien of the Bonds are allowed. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Future Additional Bonds.”

As used herein, the term “**Bonds**” refers to all special tax bonds issued for the District, consisting (as of the date of issuance of the 2024 Bonds) of the 2020 Bonds and 2024 Bonds.

Value of Property. Property in the District is security for the Special Tax. For Fiscal Year 2023-24, the assessed value of all of the taxable property in the District is \$1,065,080,622, which taken together with the estimated value of the PG&E property in the District (not shown on the tax roll), provides an estimated value of taxable property in the District of \$1,092,580,622. The aggregate estimated value of property in the District is, therefore, approximately 113.57* times the \$9,620,000* aggregate principal amount of the Bonds (there is no overlapping land-secured debt in the District). This is an average, and individual parcels may vary widely from the average. In particular, two undeveloped properties in the District owned by the same ownership group, responsible for approximately 5.23% of the Special Tax levy for Fiscal Year 2024-25 on a combined basis, have value-to-lien ratios below 1:1. See “VALUE OF PROPERTY WITHIN THE DISTRICT – Value to Special Tax Burden Ratios.”

* Preliminary; subject to change.

Although all of the Taxable Property in the District is expected to be levied up to the Maximum Special Tax rate to pay debt service on the special tax bonds issued for the District and to pay directly for the cost of the Improvements, due to the uncertain development time horizon of certain of the Taxable Property within the District, the Bonds have been sized based solely on the levy of the Special Taxes on Developed Property. See “ESTIMATED DEBT SERVICE COVERAGE” herein.

Risks of Investment. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of special factors that should be considered, in addition to the other matters set forth herein, in considering the investment quality of the 2024 Bonds being offered hereby.

Limited Obligation of the City. The general fund of the City is not liable and the full faith and credit of the City is not pledged for the payment of the interest on, or principal of or redemption premiums, if any, on the 2024 Bonds. The 2024 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts, except the Special Taxes (described herein) and certain other amounts pledged therefor, and neither the payment of the interest on nor principal of or redemption premiums, if any, on the 2024 Bonds is a general debt, liability or obligation of the City. The 2024 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restrictions, and neither the City Council, the City nor any officer or employee thereof are liable for the payment of the interest on or principal of or redemption premiums, if any, on the 2024 Bonds other than as described herein.

Summary of Information. Brief descriptions of certain provisions of the 2024 Bonds, Fiscal Agent Agreement, and certain other documents are included herein. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions, copies of which are available for inspection at the office of the Finance Director of the City. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in the Fiscal Agent Agreement. The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement, any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

FINANCING PLAN

General

Proceeds of the 2024 Bonds will primarily be used to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements authorized for the District (previously defined as the “**Improvements**”). The Improvements consist generally of roadway improvements, railroad construction costs, utility undergrounding costs, and related expenses expected to be incurred by the City to construct improvements to Green Island Road, Jim Oswalt Way, Mezzetta Court, Commerce Boulevard and Hanna Drive, and is referred to herein as the Project. See “THE IMPROVMENTS.” Proceeds of the 2024 Bonds will also be deposited to a debt service reserve account established for each series of the 2024 Bonds, and to pay costs of issuance.

Sources and Uses of Funds

A summary of the estimated sources and uses of funds associated with the sale of the 2024 Bonds follows:

Estimated Sources of Funds:

Principal Amount of Bonds	\$
Plus/Less: [Net] Original Issue Premium/Discount	_____
Total	\$

Estimated Uses of Funds:

Improvement Fund	\$
2024 Reserve Account Deposit ⁽¹⁾	_____
Costs of Issuance ⁽²⁾	_____
Total	\$

(1) A parity debt service reserve fund is being established for the Bonds in the amount of the Reserve Requirement therefor. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

(2) Includes fees of bond and disclosure counsel, fees, expenses and charges of the fiscal agents, printing costs, fees of the special tax administrator, and municipal advisor, Underwriter’s discount, and other costs of issuance.

THE 2024 BONDS

Authority for Issuance

The 2024 Bonds are issued pursuant to the Act, the Resolution of Issuance and the Fiscal Agent Agreement.

On October 26, 2018, the City Council, as legislative body of the District, adopted resolutions of intention to form the District under the Act, to levy a special tax and to incur bonded indebtedness in the amount of the Authorization for the purpose of financing the Improvements. After conducting a noticed public hearing, on November 20, 2018, the City Council adopted a Resolution of Formation (the “**Resolution of Formation**”), which established the District, an initial appropriations limit, and the Special Tax Formula, subject to voter approval. The City Council also adopted a resolution declaring the necessity to incur bonded indebtedness for the District in a total amount not to exceed the Authorization, and a resolution calling an election of the qualified landowner electors in the District. On February 19, 2019, an election of all the qualified landowner electors in the District was held, and the requisite 2/3 vote (being non-unanimous) was obtained with respect to the questions of levying the special tax, setting the appropriations limit, and incurring bonded indebtedness in an amount not to exceed the Authorization.

Description of the 2024 Bonds

The 2024 Bonds will be dated as of and bear interest from the date of delivery thereof at the rates and mature in the amounts and years, as set forth on the inside cover page hereof. The 2024 Bonds are being issued in the denomination of \$5,000 or any integral multiple of \$5,000 in excess thereof. Interest on the 2024 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025.

The principal of the 2024 Bonds and premiums due upon the redemption thereof, if any, will be payable in lawful money of the United States of America at the principal corporate trust office of the Fiscal Agent in St. Paul, Minnesota, or such other place as designated by the Fiscal Agent, upon presentation and surrender of the applicable series of 2024 Bonds; provided that so long as any 2024 Bonds are in book-entry form, payments with respect to such 2024 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC.

Book-Entry Only System. The 2024 Bonds are being issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), and will be available to ultimate purchasers under the book-entry system maintained by DTC. Ultimate purchasers of 2024 Bonds will not receive physical certificates representing their interest in the 2024 Bonds. So long as the 2024 Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners will mean Cede & Co., and will not mean the ultimate purchasers of the 2024 Bonds. The Fiscal Agent will make payments of the principal, premium, if any, and interest on the 2024 Bonds directly to DTC, or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the 2024 Bonds. Disbursements of such payments to DTC’s Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM” below.

Calculation and Payment of Interest. Interest on the 2024 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the 2024 Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check of the Fiscal

Agent mailed on the Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the 15th day of the month preceding the month in which the Interest Payment Date occurs whether or not such day is a Business Day (each, a “Record Date”) preceding the Interest Payment Date, or by wire transfer made on the Interest Payment Date upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date, of any Owner of \$1,000,000 or more in aggregate principal amount of 2024 Bonds; provided that so long as any 2024 Bonds are in book-entry form, payments with respect to such 2024 Bonds will be made by wire transfer, or such other method acceptable to the Fiscal Agent, to DTC. See “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM” below.

Each 2024 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Dated Date; provided, however, that if at the time of authentication of a 2024 Bond, interest is in default thereon, such 2024 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. So long as the 2024 Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal, premium, if any, and interest on the 2024 Bonds will be made directly to DTC, or its nominee, Cede & Co. Disbursements of such payments to DTC’s Participants are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of DTC’s Participants and Indirect Participants, as more fully described herein. See “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM” below.

Redemption*

Optional Redemption of 2024 Bonds. The 2024 Bonds are subject to optional redemption from any source of available funds (other than Prepayments of the Special Tax by property owners), in whole or in part among maturities as specified by the City and by lot within a maturity, on any date on and after September 1, 20__ at the following respective redemption prices (expressed as percentages of the principal amount of the 2024 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

Mandatory Redemption From Prepayments of 2024 Bonds. The 2024 Bonds are subject to mandatory redemption from Prepayments of the Special Tax by property owners, pro-rata among the 2024 Bonds and any other series of Bonds, in whole or in part among maturities as specified by the City and by lot within a maturity, on any Interest Payment Date at the following respective redemption prices (expressed as percentages of the principal amount of the 2024 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

* Preliminary; subject to change.

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2025 through and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption of 2024 Bonds. The 2024 Bonds maturing September 1, 20__ and September 1, 20__ (the “**Term 2024 Bonds**”) are subject to mandatory sinking payment redemption in part on September 1, 20__ and September 1, 20__, respectively, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts as set forth in the following tables:

Term 2024 Bonds Maturing September 1, 20__

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
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Term 2024 Bonds Maturing September 1, 20__

Mandatory Redemption Date (Sept. 1)	Sinking Fund Payment
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The amounts in the foregoing tables will be reduced pro rata, as a result of any prior partial optional redemption or mandatory redemption of the Term 2024 Bonds.

Other Redemption Terms for 2024 Bonds

Purchase In Lieu of Redemption. In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2024 Bonds, upon the filing with the Fiscal Agent of an Officer’s Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer’s Certificate may provide, but in no event may 2024 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Redemption Procedures for 2024 Bonds. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories and to one or more Information Services, and to the respective registered Owners of any 2024 Bonds designated for

redemption, at their addresses appearing on the registration books in the Principal Office of the Fiscal Agent; but such mailing is not a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such 2024 Bonds.

Such notice will state the redemption date and the redemption price and, if less than all of the then Outstanding 2024 Bonds are to be called for redemption, will designate the CUSIP numbers and 2024 Bonds numbers of the 2024 Bonds to be redeemed by giving the individual CUSIP number and 2024 Bonds number of each 2024 Bonds to be redeemed or will state that all 2024 Bonds between two stated bond numbers, both inclusive, are to be redeemed or that all of the 2024 Bonds of one or more maturities have been called for redemption, will state as to any 2024 Bonds called in part the principal amount thereof to be redeemed, and will require that such 2024 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and will state that further interest on such 2024 Bonds will not accrue from and after the redemption date.

The City has the right to rescind any notice of the optional redemption of 2024 Bonds and such notice may be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2024 Bonds then called for redemption.

Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2024 Bonds of any maturity, the City will select the 2024 Bonds to be redeemed, from all 2024 Bonds or such given portion thereof of such maturity by lot in any manner which the City in its sole discretion deems appropriate. Upon surrender of 2024 Bonds redeemed in part only, the City will execute and the Fiscal Agent will authenticate and deliver to the registered Owner, at the expense of the City, a new 2024 Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2024 Bonds or Bonds.

Effect of Redemption for 2024 Bonds. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2024 Bonds so called for redemption are deposited in the Bond Fund under the Fiscal Agent, such 2024 Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Transfer or Exchange of 2024 Bonds

So long as the 2024 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2024 Bonds will be made in accordance with DTC procedures. See APPENDIX F. Any 2024 Bond may, in accordance with its terms, be transferred or exchanged by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2024 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any 2024 Bond or 2024 Bonds are surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new 2024 Bond or 2024 Bonds, for a like aggregate principal amount of 2024 Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the City. The Fiscal Agent will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfers or exchanges of 2024 Bonds will be required to be made (i) within 15 days prior to the date established

by the Fiscal Agent for selection of 2024 Bonds for redemption or (ii) with respect to a 2024 Bond after such 2024 Bond has been selected for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

As used herein, the term “Bonds” refers to all special tax bonds issued for the District, initially consisting of the 2020 Bonds and 2024 Bonds. Additional Bonds may be issued in the future, as described herein.

Pledge in Favor of Bonds

The Bonds (consisting of the 2024 Bonds, the 2020 Bonds and any Additional Bonds that may be issued in the future) are payable from and secured by the Special Tax Revenues, which consists of the Special Taxes received by the City, including all scheduled payments and delinquent payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (but excluding any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure), and net of an administration charge of the County and the Administrative Expense Priority (\$25,000 per Fiscal Year).

All of the Special Tax Revenues and all moneys deposited in the Bond Fund and, until disbursed as provided in the Fiscal Agent Agreement, in the Improvement Fund and the Special Tax Fund are pledged to secure the repayment of the Bonds. In addition, the Bonds are secured by amounts in the Reserve Fund established and held by the Fiscal Agent under the Fiscal Agent Agreement. The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to the payment of the principal of, including any mandatory sinking fund payments, and interest and any premium on, the Bonds as provided in the Fiscal Agent Agreement and in the Act until all of the Bonds have been paid and retired or defeased in accordance with the Fiscal Agent Agreement.

Special Taxes

A Special Tax applicable to each taxable parcel in the District will be levied and collected according to the tax amount determined by the City Council through the application of the Special Tax Formula administered by NBS Government Finance Group, San Francisco, California (the “**Special Tax Administrator**”) and set forth in APPENDIX A hereto for all taxable properties in the District. The Special Taxes are exempt from the property tax limitation of Article XIII A of the California Constitution, pursuant to Section 4 thereof as a “special tax” authorized by a two-thirds vote of the qualified electors. The levy of the Special Taxes was authorized by the City pursuant to the Act in an amount determined according to the Special Tax Formula approved by the City. See “Special Tax Methodology” below and “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The amount of Special Taxes that the District may levy in any year, and from which principal and interest on the Bonds is to be paid, is strictly limited by the maximum rates approved by the qualified electors within the District, which is set forth in the Special Tax Formula. Under the Special Tax Formula, Special Taxes for the purpose of making payments on the Bonds will be levied annually in an amount not in excess of the maximum approved amount. The Special Taxes and any interest earned on the Special Taxes constitute a trust fund for the principal of and interest on the Bonds pursuant to the Fiscal Agent Agreement and, so long as the principal of and interest on these obligations remains unpaid, the Special Taxes and investment earnings thereon will not be used for any other purpose, except as permitted by the Fiscal Agent Agreement, and will be held in trust for the benefit of the owners thereof and will be applied pursuant to the Fiscal Agent Agreement. The Special Tax Formula apportions the Annual Facilities Special Tax Requirement (as defined in the

Special Tax Formula and described below) among the Taxable Property within the District according to the rate and methodology set forth in the Special Tax Formula. See “– Special Tax Methodology” below. See also “APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The City may levy the Special Tax up to the amount of the Maximum Facilities Special Tax set forth in the Special Tax Formula, if conditions so require. The City has covenanted to annually levy the Special Taxes in an amount at least sufficient to pay the Annual Facilities Special Tax Requirement (as defined below). Because each Special Tax levy is limited to the Maximum Annual Facilities Special Tax rates authorized as set forth in the Special Tax Formula, no assurance can be given that, in the event of Special Tax delinquencies, the amount of the Annual Facilities Special Tax Requirement will in fact be collected in any given year. In addition, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. See “SPECIAL RISK FACTORS – Tax Delinquencies” herein. The Special Taxes are collected for the City by the County in the same manner and at the same time as *ad valorem* property taxes.

Special Tax Methodology

Pursuant to the Special Tax Formula, an “Annual Facilities Special Tax” will be levied and collected in the District for a period through Fiscal Year 2058-59. *Although an “Annual Services Special Tax” will also be levied in the District, only the “Annual Facilities Special Tax” is pledged to the payment of the Bonds, and the definition of “Special Taxes” used in this Official Statement refers only to the “Annual Facilities Special Tax” levied in accordance with the Special Tax Formula. Capitalized terms set forth in this section and not otherwise defined have the meanings set forth in the Special Tax Formula.*

Determination of Annual Facilities Special Tax Requirement. Each year, the City will determine the Annual Facilities Special Tax Requirement of the District for the upcoming Fiscal Year. The “**Annual Facilities Special Tax Requirement**” includes amounts needed for the following (less any available earnings on any reserve fund, special tax funds, available capitalized interest or any other available revenues determined in the City’s sole discretion):

- (1) to pay Debt Service;
- (2) to pay Administrative Expenses;
- (3) to establish or replenish bond reserve funds;
- (4) to establish or replenish any operating reserve held by the City for Administrative Expenses,
- (5) to compensate for historical delinquencies and reasonably anticipated delinquent Annual Facilities Special Tax based on the delinquency rate for Annual Facilities Special Tax levied in the previous Fiscal Year, and
- (6) to pay any amounts needed for Pay-As-You-Go Expenditures eligible to be funded by the District under the Act.

The Annual Facilities Special Tax Requirement is the basis for the amount of Special Tax to be levied within the District. In no event may the City levy a Special Tax in any year above the Maximum Annual Facilities Special Tax identified for each parcel in the Special Tax Formula. See APPENDIX A for additional details.

Assignment of Maximum Facilities Special Tax and Backup Facilities Special Tax. Each Fiscal Year, all Assessor's Parcels of Taxable Property within the District will be classified as Industrial Property, Public Property or Taxable Public Property and subject to Annual Special Taxes in accordance with the Special Tax Formula. The Maximum Facilities Special Tax for each Assessor's Parcel that may be levied in any Fiscal Year shall be the greater of (i) the amount derived by the application of the Assigned Facilities Special Tax or (ii) the amount derived by the application of the Backup Facilities Special Tax. The Assigned Facilities Special Tax for each Assessor's Parcel of Taxable Property that may be levied in any Fiscal Year is \$883.31 per Acre.

The Backup Facilities Special Tax for each Assessor's Parcel of Taxable Property shall be the rate per Acre that results in the same Annual Facilities Special Tax amount as calculated using the Assigned Facilities Special Tax. It is anticipated that the Backup Facilities Special Tax will be utilized only for property that loses Acreage as a result of development or other change. Alternatively, a partial prepayment may be made pursuant to the provisions of the Special Tax Formula in an amount that would satisfy the obligation related to the lost Acreage.

Notwithstanding the above, under no circumstances will the Annual Facilities Special Tax levied in any Fiscal Year against any Assessor's Parcel for which an occupancy permit for private residential use has been issued be increased by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default by the owner(s) of any other Assessor's Parcel within the District.

To date, there have been no delinquencies in the District.

Method of Apportionment of Annual Facilities Special Tax. Each Fiscal Year, the CFD Administrator shall determine the Annual Facilities Special Tax Requirement and shall levy the Annual Facilities Special Tax until the total Annual Facilities Special Tax levy equals the Annual Facilities Special Tax Requirement. The Annual Facilities Special Tax shall be levied each Fiscal Year as follows:

First: The Annual Facilities Special Tax shall be levied on each Assessor's Parcel of Developed Property Proportionately up to 100% of the applicable Maximum Facilities Special Tax to satisfy the Annual Facilities Special Tax Requirement;

Second: If additional monies are needed, the Annual Facilities Special Tax shall be levied on each Assessor's Parcel of Undeveloped Property Proportionately up to 100% of the applicable Maximum Facilities Special Tax to satisfy the Annual Facilities Special Tax Requirement; and

Third: If additional monies are needed, the Annual Facilities Special Tax shall be levied on each Assessor's Parcel of Taxable Public Property Proportionately up to 100% of the applicable Maximum Facilities Special Tax to satisfy the Annual Facilities Special Tax Requirement.

The City currently expects to levy the Maximum Facilities Special Tax on Developed Property and Undeveloped Property until such time as the Improvements are fully funded.

Exemptions for Public Property. No Annual Special Taxes shall be levied on up to 141 Acres of Public Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order according to the date of dedication to the public agency in which property becomes Public Property. However, should an Assessor's Parcel no longer be classified as Public Property its tax-exempt status will be revoked. Public Property that is not exempt from the Annual Special Taxes under the Special Tax Formula shall be subject to the levy of the Annual Special Taxes and shall be taxed Proportionately as part of the formula described above, at up to 100% of the applicable Maximum Facilities Special Tax.

Prepayment of the Facilities Special Tax. The Special Tax Formula provides that landowners may prepay some or all of the Annual Facilities Special Tax. The amount of the prepayment required is to be calculated according to a formula set forth in the Special Tax Formula, which is generally based on amount of Outstanding Bonds in the District to be redeemed and certain administrative costs, all as described in Section I of the Special Tax Formula. Prepayment is only allowed if the City determines that the prepayment does not jeopardize its ability to make timely payments of debt service on outstanding Bonds. See APPENDIX A.

Maximum Duration of the Facilities Special Tax. The Facilities Special Tax may be levied and collected (up to maximum allowable amount) for 39 years commencing with Fiscal Year 2019-20, meaning through Fiscal Year 2058-59.

Levy of Annual Special Tax; Maximum Special Tax

General. The annual Special Tax will be calculated by the City and levied to provide money for debt service on the Bonds, replenishment of any reserve funds, certain delinquencies, administration of the District, and for payment of pay-as-you-go expenditures (in the discretion of the City) of the authorized District-funded facilities not funded from Bond proceeds. In no event may the City levy a Special Tax in any year above the maximum identified for each parcel in the Special Tax Formula.

Annual Special Tax Levy. The Special Tax will be levied each year by calculating amount needed to be generated by all Taxable Property in the District; the Special Tax (up to the maximum allowable amount) will be levied against each Taxable Parcel in accordance with the method of apportionment set forth in the Special Tax Formula and described above until the Special Tax revenue equals such amount. See "–Special Tax Methodology," above.

The City has covenanted in the Fiscal Agent Agreement to fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of any reserve funds for the Bonds and an amount estimated to be sufficient to pay the Administrative Expenses during such year, all in accordance with the Special Tax Formula. The Special Tax is authorized to be levied in an amount not to exceed the Maximum Special Tax levy as described in the Special Tax Formula notwithstanding that a lower amount is sufficient to pay debt service on the Bonds. The City currently plans to levy the Maximum Facilities Special Tax on Developed Property and Undeveloped Property until such time as the Improvements are fully funded. The Special Tax Formula provides a mechanism whereby the City may utilize the pay-as-you-go component to pay for a portion of the cost of Improvements not funded by proceeds of the bonds issued for the District. See also "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology" above. See "APPENDIX A – RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" for a copy of the Special Tax Formula.

Special Tax Fund Held by City

When received, the Special Tax Revenues are required under the Fiscal Agent Agreement to be deposited into the Special Tax Fund, which is required to be held by the City in trust for the benefit of the City and the Owners of the Bonds. Within the Special Tax Fund, the City has established and will maintain the Surplus Account, to the credit of which the City will deposit any surplus Special Tax Revenues. Moneys in the Special Tax Fund will be disbursed as provided below and, pending any disbursement, will be subject to a lien in favor of the Owners of the Bonds.

Under the Fiscal Agent Agreement, all Special Tax Revenue will be deposited in the Special Tax Fund upon receipt. As soon as practicable after the receipt by the City of any Special Tax Revenues, other than as a result of Prepayments, or the transfer of amounts to the Special Tax Fund pursuant to the terms hereof, but no later than 10 Business Days after such receipt or transfer, the Finance Director shall withdraw from the Special Tax Fund and transfer to the Fiscal Agent for deposit the following amounts in the following order of priority:

- (i) in the Bond Fund, an amount, taking into account any amounts then on deposit in the Bond Fund, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds during the then-current Bond Year;
- (ii) in the Reserve Fund, an amount, taking into account amounts then on deposit in the Reserve Fund, so that the aggregate amount in the Reserve Fund equals the Reserve Requirement for the Bonds;

After the transfers under subsections (i) through (iv) have been made, the City shall transfer to the Surplus Account the amount remaining in the Special Tax Fund, whereupon such moneys transferred shall be free of the pledge for payment of the Bonds.

Bond Fund

Moneys in the Bond Fund shall be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds. Within the Bond Fund there is hereby established the Prepayment Account, which shall be used exclusively for the administration of any prepayments of Special Taxes to assure the timely redemption of Bonds. Monies in the Prepayment Account shall be used to redeem Bonds on the redemption date specified in the notice to the Fiscal Agent given pursuant to the Fiscal Agent Agreement. In the event all of the Special Taxes are prepaid in full, the Prepayment Account shall be closed.

On each Interest Payment Date, the Fiscal Agent shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments or any optional redemption of the Bonds.

In the event that amounts in the Bond Fund are insufficient to pay regularly scheduled payments of principal of and interest on any series of Bonds, the Fiscal Agent shall withdraw from the respective reserve account within the Reserve Fund, the amount of such insufficiency, and the Fiscal Agent shall provide written notice to the Finance Director of the amounts so withdrawn from

the Reserve Fund. Amounts so withdrawn from the Reserve Fund shall be deposited in the Bond Fund.

If, after the foregoing transfer, there are insufficient funds in the Bond Fund to make the payments provided for to pay regularly scheduled payments of principal of and interest on the Bonds, the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

Reserve Fund

In connection with the issuance of the 2020 Bonds, a debt service reserve fund (the “**Reserve Fund**”), and therein a reserve account (the “**2020 Reserve Account**”), was established by the Fiscal Agent under the Fiscal Agent Agreement. In connection with the issuance of the 2024 Bonds, a reserve account for the 2024 Bonds (the “**2024 Reserve Account**”) will be established within the Reserve Fund to be held by the Fiscal Agent for the benefit of the Bonds.

The 2020 Reserve Account and the 2024 Reserve Account shall be held by the Fiscal Agent within the Reserve Fund, which shall become a parity reserve fund securing equally and ratably all the Bonds, and shall be administered as set forth in the Fiscal Agent Agreement. For clarity, a parity reserve fund for the Bonds is being established, and amounts in the 2020 Reserve Account and in the 2024 Reserve Account shall be available, and are pledged, to the holders of the Bonds on a parity basis.

Upon delivery of the 2024 Bonds, the Fiscal Agent will deposit an amount of the proceeds into the 2024 Reserve Account of the Reserve Fund so that the amount on deposit in the Reserve Fund equals the “**Reserve Requirement**,” which means the least of (i) 125% of the average Annual Debt Service with respect to the Bonds; (ii) Maximum Annual Debt Service with respect to the Bonds; and (iii) 10% of the original principal amount of the Bonds (or, if the Bonds have more than a de minimis amount of original issue discount or premium, 10% of the issue price of such Bonds); provided, that—

(a) in no event shall the City be obligated to deposit an amount in the Reserve Fund in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, if the amount of any such deposit is so limited, the Reserve Requirement shall be only the amount of such deposit as permitted by the Code;

(b) the City may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Fund Credit Instrument; and

(c) upon the issuance of Additional Bonds, the City may elect that the Reserve Fund be a parity reserve and the Reserve Requirement may thereafter be calculated based upon all Bonds and Additional Bonds, which is being done by the City; and

(d) the Reserve Requirement established in connection with the issuance of any series of Bonds shall not increase after the date of issuance of such Bonds.

The City has the right to either meet the Reserve Requirement at the time of issuance of a series of Bonds or at any time thereafter to cause the Fiscal Agent to release cash from the Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (1) a Qualified Reserve Fund Credit Instrument, and (2) in the case of a release, an opinion of Bond Counsel stating that such release will not, of itself, cause the portion of the interest on the Bonds secured thereby to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent in connection with a release of cash, the Fiscal Agent will transfer such funds to the City. Prior to the expiration of any Qualified Reserve Fund Credit Instrument, if applicable, the City is obligated either to replace such Qualified Reserve Fund Credit Instrument with a new Qualified Reserve Fund Credit Instrument, or to deposit or cause to be deposited with the Fiscal Agent an amount of funds such that the funds on deposit in the Reserve Fund together with all Qualified Reserve Fund Credit Instruments held by the Fiscal Agent is at least equal to the Reserve Requirement (which funds may come from a draw by the Fiscal Agent on the Qualified Reserve Fund Credit Instrument prior to its expiration).

“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent, provided that all of the following requirements are met: (a) the long-term credit rating of such bank or insurance company is rated in the top two categories (without regard to modifier) by S&P or Moody’s at the time of issuance; (b) such letter of credit or surety bond has a term of at least 12 months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement being met by such instrument or with respect to which funds are proposed to be released pursuant to the Fiscal Agent Agreement; and (d) the Fiscal Agent is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments required pursuant to the Fiscal Agent Agreement.

Whenever, on the Business Day prior to any Interest Payment Date, the amount in any reserve account within the Reserve Fund exceeds the Reserve Requirement for the applicable series of Bonds covered by such reserve account, the Fiscal Agent shall provide written notice to the Finance Director of the amount of the excess. The Finance Director shall advise the Fiscal Agent in writing of the amount, if any, of any transfer required pursuant to the Fiscal Agent Agreement, and otherwise direct the Fiscal Agent to transfer an amount equal to the excess to the Improvement Fund, if the Project has not been completed as of the date of such transfer, or if the Project has been completed, to the Bond Fund to be used for the payment of the principal of and interest on the Outstanding Bonds covered by the applicable reserve account in accordance with the Fiscal Agent Agreement; provided, that to the extent that such excess results from the prepayment of Special Taxes and redemption of Bonds, such amount shall be transferred to the Prepayment Account and applied to the corresponding redemption of Bonds.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, and make any other transfer required under the Fiscal Agent Agreement, the Fiscal Agent will transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption of all of the Outstanding Bonds. If the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund will be transferred to the City, after payment of any amounts due the Fiscal Agent, to be used for any lawful purpose of the City.

Delinquent Payments of Special Tax; Foreclosure Covenant

The Special Tax will be collected in the same manner and the same time as *ad valorem* property taxes, except at the City’s option, the Special Taxes may be billed directly to property owners or collected at a different time to meet the City’s financial obligations. In the event of a delinquency in the payment of any installment of Special Taxes, the City is authorized by the Act to order institution of an action in superior court to foreclose the lien therefor.

Pursuant to the Fiscal Agent Agreement, not later than August 1 of each year, the City will compare the amount of Special Taxes levied in the prior Fiscal Year to the amount of Special Taxes reported by the County as paid and received for such Fiscal Year, and:

Individual Delinquencies. If the City determines that any single parcel is delinquent in the payment of all or a portion of three semi-annual installments of Special Taxes, then the City shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 30 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the City as to each parcel that received the delinquency notification promptly following such determination, to the extent permissible under applicable law and shall thereafter diligently proceed with such foreclosure proceedings to the extent permitted by law, and as recommended by legal counsel to the City.

Aggregate Delinquencies. If the City determines that (i) the total amount of delinquent Special Taxes for the prior Fiscal Year (including the total of delinquencies under the paragraph above) exceeds 5% of the total Special Taxes due and payable for the prior Fiscal Year, and (ii) the amount in the Reserve Fund is less than the Reserve Requirement for all the applicable series of Bonds secured thereby, then the City shall notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 30 days of such determination, and (if the delinquency remains uncured) shall commence foreclosure proceedings promptly following such determination, to the extent permissible under applicable law and shall thereafter diligently proceed with such foreclosure proceedings to the extent permitted by law, and as recommended by legal counsel to the City.

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

The owners of the Bonds benefit from the amounts within the Reserve Fund established pursuant to the Fiscal Agent Agreement; however, if delinquencies in the payment of the Special Taxes with respect to the Bonds are significant enough to completely deplete one or both of said funds, there could be a default or a delay in payments of principal and interest to the owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the City of the proceeds of foreclosure sales. Provided that it is not levying the Special Tax at the Maximum Facilities Special Tax rates set forth in the Special Tax Formula, the City may adjust the Special Taxes levied on all property within the District subject to the Special Tax to provide an amount required to pay debt service on the Bonds and to replenish the amounts in the accounts within the Reserve Fund. However, such adjustment is subject to the Maximum Facilities Special Tax and to the limitation described under the caption “– Special Tax Methodology” above.

Under current law, a judgment debtor (property owner) has at least 120 days from the date of service of the notice of levy to redeem the property to be sold. If a judgment debtor fails to redeem

and the property is sold, his or her only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (California Code of Civil Procedure Section 701.680).

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent upon the nature of the defense, if any, put forth by the debtor and the condition of the calendar of the superior court of the county. Such foreclosure actions can be stayed by the superior court on generally accepted equitable grounds or as the result of the debtor's filing for relief under the Federal bankruptcy laws. The Act provides that, upon foreclosure, the Special Tax lien will have the same lien priority as is provided for *ad valorem* taxes and special assessments. See "VALUE OF PROPERTY WITHIN THE DISTRICT – Overlapping Liens and Priority of Lien."

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the District becomes the purchaser under a credit bid, the District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Improvement Fund

Under the Fiscal Agent Agreement, there is established an Improvement Fund, which is to be held in trust by the Fiscal Agent and will be disbursed as provided in the Fiscal Agent Agreement for the payment or reimbursement of the costs of the construction and acquisition of the Improvements (as described herein). See "THE IMPROVEMENTS." Interest earnings from the investment of amounts in the Improvement Fund will be retained in the Improvement Fund to be used for the purposes of the Improvement Fund. Upon completion of the Improvements, the Fiscal Agent will transfer the amount, if any, remaining in the Improvement Fund to the Bond Fund for application to the payment of principal of and interest on the Bonds in accordance with the Fiscal Agent Agreement, and the Improvement Fund will be closed.

Future Additional Bonds

In addition to the 2020 Bonds and the 2024 Bonds, the City may issue one or more additional series of Bonds (previously defined as the "**Additional Bonds**") payable from Special Taxes and secured by the Special Tax Revenues on a parity with the 2020 Bonds and 2024 Bonds, upon compliance by the City with the conditions set forth in the Fiscal Agent Agreement, which include the following:

- (i) There shall be deposited into the Reserve Fund, an amount sufficient so that the total amounts therein equal the Reserve Requirement with respect to the Bonds then Outstanding.

(ii) For each Bond Year the Additional Bonds are Outstanding, (1) projected maximum Special Taxes Revenues in each Fiscal Year are at least equal to 110% of Debt Service due in the Bond Year that begins in the corresponding Fiscal Year (taking into account the administration charge of the County and the Administrative Expense Priority), as calculated by the special tax consultant to the City, and (2) projected maximum Special Taxes Revenues in each Fiscal Year received from Developed Property (as defined in the Rate and Method) and Taxable Property (as defined in the Rate and Method) that will be categorized as Developed Property as of the next June 1 based on building permits issued as of the date of issuance of such Additional Bonds (taking into account the administration charge of the County and the Administrative Expense Priority) are at least equal to 100% of the Debt Service due in the Bond Year that begins in the corresponding Fiscal Year, as calculated by the special tax consultant to the City.

(iii) The aggregate value of all Developed Property (as defined in the Special Tax Formula) and Taxable Property (as defined in the Special Tax Formula) that will be categorized as Developed Property as of the next June 1 based on building permits issued as of the date of issuance of such Additional Bonds in the District subject to the Special Tax, including then existing improvements and any facilities to be constructed or acquired with the proceeds of the Additional Bonds, as determined by an MAI appraisal, assessed valuations shown on the then current County tax roll, or by a combination of both methods, is at least 5.00 times the sum of (1) the aggregate principal amount of all Bonds then Outstanding, plus (2) the aggregate principal amount of the Additional Bonds proposed to be issued, plus (3) the aggregate principal amount of any bonds then outstanding and payable from assessments which are a lien against property in the District, plus (4) a portion of the aggregate principal amount of all bonds issued under the Act, other than Bonds then Outstanding, payable at least partially from special taxes to be levied on parcels of land subject to the Special Tax within the District (the "**Other Mello-Roos Bonds**") equal to the aggregate principal amount of the Other Mello-Roos Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other Mello-Roos Bonds on parcels of land within the District subject to the Special Tax, and the denominator of which is the total amount of special taxes levied for the Other Mello-Roos Bonds on all parcels of land subject to the Special Tax against which the special taxes are levied to pay the Other Mello-Roos Bonds (such fraction to be determined based upon the special taxes which could be levied the year in which maximum annual debt service on the Other Mello-Roos Bonds occurs), based upon information from the most recent available Fiscal Year.

DEBT SERVICE SCHEDULE

The annual debt service on the Bonds, based on the interest rates and maturity schedule for the 2024 Bonds set forth on the cover of this Official Statement and the outstanding 2020 Bonds, and assuming no early redemptions, is set forth below.

**City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Bonds Debt Service
(2024 Bonds and 2020 Bonds)**

Year Ending <u>(Sept. 1)</u>	2024 Bonds <u>Principal</u>	2024 Bonds <u>Interest</u>	2024 Bonds <u>Total</u>	2020 Bonds <u>Total</u>	Total Bonds <u>Debt Service</u>
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Total

Source: Underwriter for 2024 Bonds; Fiscal Agent for 2020 Bonds.

ESTIMATED DEBT SERVICE COVERAGE

The estimated debt service coverage on the Bonds is set forth below.

City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Estimated Debt Service Coverage⁽¹⁾

Period Ending (Sept 1)	Developed Property Special Tax Revenue ⁽¹⁾	Undeveloped Property Special Tax Revenue	Priority Admin.	Total Net Special Tax Revenue	Bonds Total Debt Service*	Total Debt Service Coverage on Net Revenues*	Total Debt Service Coverage on Net Developed Revenues*
2024	\$586,318.86	\$278,623.68	(\$25,000.00)	\$839,942.54	\$270,531.26	3.10	2.07
2025	586,318.86	278,623.68	(25,000.00)	839,942.54	557,125.84	1.51	1.01
2026	586,318.86	278,623.68	(25,000.00)	839,942.54	557,831.26	1.51	1.01
2027	586,318.86	278,623.68	(25,000.00)	839,942.54	556,831.26	1.51	1.01
2028	586,318.86	278,623.68	(25,000.00)	839,942.54	560,631.26	1.50	1.00
2029	586,318.86	278,623.68	(25,000.00)	839,942.54	559,031.26	1.50	1.00
2030	586,318.86	278,623.68	(25,000.00)	839,942.54	557,231.26	1.51	1.01
2031	586,318.86	278,623.68	(25,000.00)	839,942.54	559,631.26	1.50	1.00
2032	586,318.86	278,623.68	(25,000.00)	839,942.54	556,581.26	1.51	1.01
2033	586,318.86	278,623.68	(25,000.00)	839,942.54	558,331.26	1.50	1.01
2034	586,318.86	278,623.68	(25,000.00)	839,942.54	556,743.76	1.51	1.01
2035	586,318.86	278,623.68	(25,000.00)	839,942.54	559,906.26	1.50	1.00
2036	586,318.86	278,623.68	(25,000.00)	839,942.54	557,531.26	1.51	1.01
2037	586,318.86	278,623.68	(25,000.00)	839,942.54	559,906.26	1.50	1.00
2038	586,318.86	278,623.68	(25,000.00)	839,942.54	556,731.26	1.51	1.01
2039	586,318.86	278,623.68	(25,000.00)	839,942.54	558,425.00	1.50	1.01
2040	586,318.86	278,623.68	(25,000.00)	839,942.54	559,737.50	1.50	1.00
2041	586,318.86	278,623.68	(25,000.00)	839,942.54	560,250.00	1.50	1.00
2042	586,318.86	278,623.68	(25,000.00)	839,942.54	558,550.00	1.50	1.00
2043	586,318.86	278,623.68	(25,000.00)	839,942.54	556,400.00	1.51	1.01
2044	586,318.86	278,623.68	(25,000.00)	839,942.54	558,850.00	1.50	1.00
2045	586,318.86	278,623.68	(25,000.00)	839,942.54	560,600.00	1.50	1.00
2046	586,318.86	278,623.68	(25,000.00)	839,942.54	556,700.00	1.51	1.01
2047	586,318.86	278,623.68	(25,000.00)	839,942.54	557,350.00	1.51	1.01
2048	586,318.86	278,623.68	(25,000.00)	839,942.54	557,300.00	1.51	1.01
2049	586,318.86	278,623.68	(25,000.00)	839,942.54	556,600.00	1.51	1.01
2050	586,318.86	278,623.68	(25,000.00)	839,942.54	560,250.00	1.50	1.00
2051	586,318.86	278,623.68	(25,000.00)	839,942.54	557,950.00	1.51	1.01
2052	586,318.86	278,623.68	(25,000.00)	839,942.54	560,000.00	1.50	1.00
2053	586,318.86	278,623.68	(25,000.00)	839,942.54	561,150.00	1.50	1.00
2054	586,318.86	278,623.68	(25,000.00)	839,942.54	556,400.00	1.51	1.01
2055	586,318.86	278,623.68	(25,000.00)	839,942.54	561,000.00	1.50	1.00
2056	586,318.86	278,623.68	(25,000.00)	839,942.54	556,750.00	1.51	1.01
2057	586,318.86	278,623.68	(25,000.00)	839,942.54	556,500.00	1.51	1.01

* Preliminary, subject to change

(1) In addition to the Maximum Annual Facilities Special Tax rate limitation in the Special Tax Formula, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

Sources: NBS as to revenues, Underwriter as to debt service coverage and coverage calculation.

THE DISTRICT

Location and Description of the District and the Immediate Area

Land in the District consists of approximately 928 taxable acres located in the northwest corner of the City, zoned primarily industrial. It is roughly bounded by Airport Road to the North, Route 29 to the East, Eucalyptus Drive to the South and the Napa River to the West. Green Island Road bisects the District. A map showing the boundary of the District is shown on the following page.

Existing Uses of Land in the District and Future Anticipated Development

Certain of the following information with respect to entitlements and anticipated development of land in the District has been provided by the owners of undeveloped property in the District. No assurance can be given that all information is complete. No assurance can be given that development of the property will be completed, or that it will be completed in a timely manner. Since the ownership of the parcels is subject to change, the development plans outlined below may not be continued by the subsequent owner if the parcels are sold, although development by any subsequent owner will be subject to any zoning and other requirements in place with respect to such parcels, and the policies and requirements of the City. No assurance can be given that the plans or projections detailed below will actually occur.

As noted above, the District consists of approximately 980 taxable acres in the northwest corner of the City. Existing uses consist primarily of industrial uses. For additional details on the development of certain properties owned by the estimated top ten taxpayers in the District for Fiscal Year 2024-25, see “OWNERSHIP OF PROPERTY WITHIN THE DISTRICT – Proposed Development of Certain Undeveloped Properties.”

Environmental Matters

Flood Hazard Map Information. According to the Federal Emergency Management Agency’s flood insurance rate maps (Flood Area Panel Number 06055C0609F, with an effective date of 08/03/2016), the developable portions of the property in the District are located within Flood Zone X, described as areas of minimal flooding, outside of the 100 and 500-year floodplains.

Wetland Conditions. In connection with the Green Island Road improvement project the City submitted reports in December 2019 to both the United States Army Corps of Engineers and San Francisco Bay Regional Water Quality Control Board evaluating wetland impacts totaling 0.178-acres in size. Based on input from both agencies, City has installed the expected mitigation measures and currently has pending a request pursuant to Section 404 of the Federal Clean Water Act, and a request for Section 401 certification, for final approval of the mitigation. The City expects either no further measures will need to be taken, or that further requirements, if any, will be minor and expects that wetland areas will have no impact on further development.

Seismic Conditions. The property expected to be developed as part of the project (including land in the District) is not located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.

[Reserved for boundary map]

THE IMPROVEMENTS

Eligible Facilities

The 2024 Bonds will provide a funding source (supplemental to the 2020 Bonds and other sources available to the City) for the cost of the Improvements. The Improvements consist generally of roadway improvements, railroad construction costs, utility undergrounding costs, and related expenses expected to be incurred by the City to construct improvements to Green Island Road, Jim Oswalt Way, Mezzetta Court, Commerce Boulevard and Hanna Drive. The Improvements also include drainage system, sanitary sewer system, and flood control system improvements, landscape corridor and paseo improvements, development impact fees paid and not otherwise reimbursed, and related costs, all as set forth in the Resolution of Formation. Completion of the Improvements is not required for the remaining undeveloped property in the District to develop.

Description and Status of the Project

The Green Island Road Reconstruction & Widening Project (TR16-0700) (the “**Project**”) will bring much-needed infrastructure improvements to the Green Island Industrial District. The improvements will significantly benefit the businesses located within the district, which are a vital component of the City’s economy. The Project improvements are noted in the following and are listed in the anticipated sequence of construction:

- **Railroad crossing reconstruction:** In order to construct the overall project, specialized work was necessary at the two existing railroad crossings that traverse Green Island Road.
 - *Surface panel reconstruction – completed in 2020:* The work fully replaced the railroad crossing features, including rails, ties, and surface panels that were old, aged, and failing due to the significant vehicle traffic in and out of the district.
 - *Signal crossing upgrades – completed in 2020:* The work upgraded the existing signal system and will serve the widened roadway and the Class I multi-use trail.
 - *Underground utility bores - completed in 2021:* The existing overhead utilities along Green Island Road that will be undergrounded also traverse the two existing railroad crossings on Green Island Road. In order to complete the undergrounding work, specialized underground bores need to be completed across the two railroad crossings. The City has obtained all the necessary permits from the railroad company, and a construction contract is in place to do the work. The City is anticipating a schedule from the railroad contractor to begin the work.
- **Undergrounding project for existing overhead utilities:** In order to construct a portion of the improvements to Green Island Road, including its widening and a new Class I multi-use trail, approximately 4,500 feet of overhead utility lines and poles need to be relocated to a new underground system known as a “joint trench.” On November 15, 2022, City Council awarded a construction contract to St. Francis Electric for this work.
- **Road reconstruction:** Approximately 11,900 feet of existing roadways in the Green Island Industrial District will be reconstructed. The roads include Green Island Road (Paoli Loop to Mezzetta Court), Commerce Boulevard (Green Island Road to North Slough), Hanna Drive, Mezzetta Court, and Jim Oswalt Way. The method of reconstruction is through a process known as Full Depth Reclamation via Cement-treated Base (FDR-C). This process is suitable

for the improvements needed and provides the added benefit of efficiency in cost, material, and minimizing construction impacts on traffic.

- The City submitted for, and has been awarded a \$5.5 million construction grant from the U.S. Department of Commerce's Economic Development Administration.
- Construction plans and specifications are essentially complete and are pending final review and potentially comments from Caltrans due to a portion of the work falling within State right-of-way.
- The City's anticipates advertising for the project, and awarding the bid, in Fall 2024, with construction activities starting by the end of 2024 (provided that the utility undergrounding project is completed), and completion anticipated for Fall 2025.
- **Class I Multi-use trail construction:** Approximately 4,200 feet of a new multi-use trail will be constructed along the north side of Green Island Road (Paoli Loop to Commerce Boulevard) for bicycle and pedestrian use. A portion of the trail is part of the Napa Valley Vine Trail. Bid advertisement is planned to coincide with the road reconstruction project's advertisement. Construction of the trail may be undertaken in conjunction with the road project. If not, it would be undertaken after the road project, sometime in 2025.

The following table shows an estimated sources and uses for the Project.

**Table 1
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Estimated Sources and Uses of Funds of the Project
As of July 1, 2024**

Sources of Funds	Estimated Amount
EDA Grant	\$5,500,000
OBAG2 Grant	1,000,000
Local Traffic Impact Fee	1,380,048
Local Water Ops	550,000
CFD 2018-1 Bonds (2024)	4,200,000
CFD 2018-1 Pay-Go (On Hand)	3,200,000
Total Sources	\$15,830,048
Uses of Funds	
Road Construction Project (inc. Hanna water main)	\$11,200,200
Construction Services	750,000
Contingency (20%)	2,390,000
Total	14,340,000
Commerce Sidewalk (optional)	90,000
Hanna Sidewalk (optional)	165,000
Contingency (20%)	51,000
Subtotal	360,000
Total Total Inc. Optional	\$14,646,000
Remainder/Excess Funds	\$1,184,048

Source: City of American Canyon.

OWNERSHIP OF PROPERTY WITHIN THE DISTRICT

Unpaid Special Taxes do not constitute a personal indebtedness of the owners of the property within the District. There is no assurance that the present property owners or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the City nor any Bond Owner will have the ability at any time to seek payment directly from the owners of property within the District of the Special Tax or the principal or interest on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

The Special Taxes are not personal obligations of any current or subsequent owners of land in the District; the Bonds are secured only by the Special Taxes and moneys available under the Fiscal Agent Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "SPECIAL RISK FACTORS" herein.

Top Ten Taxpayers

The following table sets forth the projected top ten taxpayers in the District for Fiscal Year 2024-25.

Table 2
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Projected Top Ten Taxpayers for Fiscal Year 2024-25

No	Owner Name ⁽¹⁾	No of Parcels	Acres ⁽¹⁾	Development Status	Land Value ⁽²⁾	Improvement Value ⁽²⁾	Total Estimated Value ⁽²⁾	Est. 2024-25 Levy Amount ⁽³⁾	% of Est. 2024-25 Levy	Total Bond Share ^{(4)(5)*}	Value to Lien*
1	RIGHT FROM THE START	3	202.93	Undeveloped	\$11,007,053	\$0	\$11,007,053	\$183,551.80	21.22%	\$2,041,486	5.39:1
2	NAPA LOGISTICS ⁽⁶⁾	3	137.02	Developed	198,924,041	222,898,219	421,822,260	151,566.38	17.52%	1,685,740	250.23:1
3	SDG ⁽⁷⁾	8	105.84	96 Acres Developed; 10 Acres Undeveloped	32,583,223	111,440,755	144,023,978	93,533.62	10.81%	1,040,293	138.45:1
4	COUCH DAVID K ETAL ⁽⁸⁾	2	51.23	40 Acres Developed; 11 Acres Undeveloped	145,017	37,187	182,204	45,251.94	5.23%	503,298	0.36:1
5	BIAGI & ASSOCIATES LLC	1	36.52	Developed	9,409,706	49,659,586	59,069,292	32,258.48	3.73%	358,783	164.64:1
6	PACIFIC GAS & ELECTRIC COMPANY ⁽⁹⁾	1	24.51	Developed	27,500,000	--	27,500,000	29,508.16	3.41%	328,193	83.79:1
7	G3 KELLY DEVLIN LLC	1	30.12	Undeveloped	1,834,596	--	1,834,596	26,605.28	3.08%	295,907	6.20:1
8	SUTTER HOME WINERY INC	2	27.47	Developed	5,545,594	23,772,809	29,318,403	24,264.50	2.81%	269,873	108.64:1
9	BROADSTONE HC CALIFORNIA LLC	2	22.90	Developed	6,157,135	27,405,326	33,562,461	20,227.78	2.34%	224,976	149.18:1
10	COPART INC	2	20.47	Developed	4,590,379	1,098,464	5,688,843	18,081.34	2.09%	201,103	28.29:1
	Subtotal	25	659.01		\$297,696,744	\$436,312,346	\$734,009,090	\$624,849.28	72.24%	\$6,949,652	105.62:1
	ALL OTHERS	55	268.88		\$89,409,084	\$269,162,448	\$358,571,532	\$240,093.26	27.76%	\$2,670,348	134.28:1
	Totals	80	927.89		\$387,105,828	\$705,474,794	\$1,092,580,622	\$864,942.54	100.00%	\$9,620,000	113.57:1

* Preliminary; subject to change.

(1) Per Napa County Assessor's data as of July 2023.

(2) Per Napa County Assessor's roll data for fiscal year 2023/24, with a January 1, 2023 valuation date. Assessed value does not reflect any changes made to valuation after July 2023 as a result of assessment appeal, correction or any other changes. Includes the sales price (instead of assessed valuation) of the Pacific Gas and Electric Company property.

(3) As calculated by NBS applying the Rate and Method of Apportionment of Special Tax for the CFD.

(4) Allocated based on share of 2023/24 levy.

(5) For 2020 Bonds, based on amount outstanding as of September 1, 2024.

(6) Includes parcels owned by DWF IV NLP II and RAR2 - NAPA LOGISTICS PARK LLC.

(7) Includes parcels owned by SHAWN HACKER W, SDG COMMERCE 330 LLC, SDG GREEN ISLAND 258 LLC, SDG HANNA COURT 411 LLC, and SDG MEZZETTA 40 LLC.

(8) The 40 Acre developed property has a structure value that appears to be related to a historic building on the property.

(9) Total Value shown represents the sales price of the property on December 21, 2020.

Source: NBS

Certain Development Information Regarding Top Ten Taxpayers

A summary of the ongoing, and in certain cases, anticipated development plans for parcels owned by the top ten taxpayers follows.

Right from the Start Foundation (3 Undeveloped Parcels). Right from the Start Foundation owns 3 undeveloped parcels in the District comprising approximately 202.93 acres. All necessary plant and biological studies are completed; earthquake faults have also been studied and mapped. A certified jurisdictional map from the Army Corp of Engineer’s for wetlands is in place.

The installation of public infrastructure to support development of these lots, including Devlin Road, domestic water mains, sanitary sewer mains, and recycled water mains, were negotiated with and completed by the City via CIP Project in 2021. In combination with the Green Island Road improvement project contemplated to be undertaken by the City within the District, the property will have all needed access and utilities for development.

The two contiguous parcels east of Devlin Road with a combined area of 94 acres (APNs 057-090-034 and 057-090-036) have been issued a use permit to develop two warehouse buildings of 628,000 square feet, and 470,000 square feet. The developer has submitted for a grading permit to perform mass grading and installation of storm drain infrastructure, which the City is currently processing through plan review and expects to issue this Fall. In support of this, the developer has also secured its Army Corp 404 and State Water Board 401 permits. The developer has also begun its design and development of site improvement plans.

Right from the Start Foundation is a 501(c)(3) non-profit corporation founded by Albert Giovannoni for the main purpose of funding K-12 catholic education in the Santa Rosa diocese. Before Mr. Giovannoni’s death, he donated a substantial amount of cash to the Foundation to ensure the Foundation could operate until a revenue stream was generated.

In a letter to the City dated August 27, 2020, Right from the Start Foundation authorized Buzz Oates LLC (including its affiliates, “Buzz Oates”) to act on its behalf with respect to applications for, processing, and securing land use entitlements and approvals to Right from the Start Foundation’s property in the District. The City understands that Right from the Start Foundation and Buzz Oates have entered into a 100-year ground lease of the parcels, but the City has not received a copy of any such lease. Buzz Oates has proposed a development project to create the Giovannoni Logistics Center, an approximately 161-acre industrial park and distribution hub consisting of approximately 2.4 million square feet of warehouse space with truck bays and railroad access. **There is ongoing litigation concerning certain of the Right from the Start Foundation parcels, and no assurance can be given that any such development will proceed. See “LITIGATION” herein.**

Buzz Oates is one of the largest privately held commercial real estate investment management companies in the United States, geographically concentrated in California’s Central Valley and expanding into the Mountain West. The firm was founded by Marvin “Buzz” Oates in the 1960s and has developed more than 1,000 commercial real estate projects to date. Currently, Phil Oates serves as Chairman, and Larry Allbaugh serves as Chief Executive Officer.

Napa Logistics (3 Developed Parcels). The three parcels owned by Napa Logistics constitute a portion of an approximately 218-acre master planned business park known as the “Napa Logistics Park.” The owner constructed the site in two phases, with the first completed building serving as “phase 1” of the project and the subsequent three buildings serving as “phase 2.” Phase 1 of the project, consisting of a single building known as “Building 1” and located at 1 Middleton Way

was developed into an IKEA customer distribution center with approximately 646,000 square feet on an approximately 42-acre parcel, however in March of 2024 IKEA Distribution Services Inc. announced that it will be closing the facility with all employees dismissed by March 1, 2025. Phase 2 of the project covers the remaining 172 acres of the property. Since 2020, the original 172-acre undeveloped large lot parcel was subdivided into three developable parcels as described below.

Additional details regarding the four buildings built for the Napa Logistics Park are as follows:

- Building 1 (1 Middletown Way; 42-acre parcel; approximately 646,000 sq. ft. building; 4.27% of the 2024-25 Special Tax levy) – Ikea customer distribution center (currently expected to be vacated by March 1, 2025);
- Building 3 (300 Boone Drive; 58.0-acre parcel; approximately 202,000 sq. ft. building; 8.08% of the 2024-25 Special Tax levy) – leased to Amazon;
- Building 4 (400 Boone Drive; 37.2 acres; approximately 702,000 sq. ft. building; 5.18% of the 2024-25 Special Tax levy) – partially leased to Biagi & Associates (as described below) and partially vacant;
- Building 5 (500 Boone Drive; 24.5-acre parcel; approximately 362,880 sq. ft. building) – Pacific Gas & Electric Regional Center (owned by PG&E and described below).

Napa Logistics also owns a remainder parcel, which was developed into a wetland preserve totaling approximately 37 acres surrounding Building 5. According to Napa County Tax Records, the wetlands preserve is owned by the Napa Logistics Park Association (APN 057-360-001-000).

Napa Logistics Park was developed by Orchard Partners. Orchard Partners is a real estate investment and development firm headquartered in the San Francisco Bay Area. The company focuses on core and value-add investment opportunities, and specializes in office and industrial properties throughout the United States. Orchard Partners was founded in 2007 by Tyler W. Higgins and Michael J. Biggar. Since its inception, Orchard Partners has sponsored over \$2 billion worth of transactions.

Tyler Higgins is the co-founder and managing partner of Orchard Partners. Mr. Higgins has been involved with commercial real estate since 1986. Prior to co-founding Orchard Partners in 2007, he was Managing Director of AMB Property Corporation (after merger in 2011, now Prologis NYSE: PLD), where he was employed for 16 years and participated actively in its initial public offering in 1997. While at AMB, he served in a variety of capacities, most recently as Managing Director of its West-Central region and as a member of its Investment Committee. Prior to this position, Mr. Higgins directed the firm's acquisitions program and investment strategy for North America. Mr. Higgins graduated with a BA in Economics from the University of California at Berkeley. He is a Governor/Builder of the Urban Land Institute (ULI) and serves IOPC RED as its Chair and ULI Foundation Ambassador, and an active member of the National Association of Industrial and Office Properties (NAIOP), the Policy Advisory Board of UC Berkeley's Fisher Center of Real Estate and Lambda Alpha (Golden Gate Chapter). He is a past director of NAIOP's San Francisco chapter and president of the Belden Club of San Francisco.

Mike Biggar is the co-founder and managing partner of Orchard Partners. Mr. Biggar began his career in Bay Area commercial real estate in 1981. Prior to co-founding Orchard Partners in 2007, he co-founded Orchard Investors, LLC with David J. Brown in 1994 to continue the investment and development activities of its predecessor company, Orchard Properties. With Orchard Partners

and Orchard Investors, he has been responsible for acquisition, development, financing, and operation of over 2 million square feet of R&D/office product and over 360 acres of land, all in Silicon Valley. Previously, Mr. Biggar ran the Silicon Valley office of a major regional commercial real estate brokerage firm. He also served as an Industrial Broker and Industrial Group Head over the course of his nine years with the firm. Earlier, Biggar was Development Manager at Holvick deRegt Koering, supervising the development of the HdK's Silicon Valley R&D/Industrial projects. Mr. Biggar received his bachelor's degree from Stanford University and his MBA from the Stanford University Graduate School of Business. Biggar was the 1997 President of NAIOP-Silicon Valley Chapter and currently serves on its board of directors. He is an active member of the Stanford Real Estate Council and the Policy Advisory Board of the UC Berkeley Fisher Center for Real Estate and Urban Economics. Early in his career he was a two-time recipient of the annual Association of Silicon Valley Brokers award as Outstanding Industrial/R&D Real Estate Broker.

For additional information on the Napa Logistics Park and Orchard Partners, see <http://www.napalogisticspark.com> and <http://www.orchardpartners.com>, respectively. Napa Logistics Park is under the management of Lydia Nemecheck, Commercial Association Manager with Kocal Properties, Inc., telephone: (916) 693-6611. For more information, see <https://www.kocalproperties.com>. Information on these Internet websites is provided for general reference only and is not incorporated by reference into this Official Statement.

Stravinski Development Group (“SDG”) (7 Developed Parcels; 1 Undeveloped Parcel).

The eight parcels shown as owned by SDG in the District are warehouse/industrial properties leased (or to be leased) to tenants. Of the total approximately 106 acres under this affiliated ownership, 96 acres are classified as developed. Since the Fiscal Year 2019-20 property tax roll, SDG's sole 35 acre then-undeveloped parcel has been subdivided into three parcels. The southern-most parcel of 14 acres was constructed with a 330,000 square foot winery distribution warehouse and the northern-most 11-acre parcel is currently classified as undeveloped but construction is underway of a 217,000 square foot wine storage warehouse, which is nearly complete. The City has an application for the remaining parcel to be developed with a 220,000 square foot wine storage warehouse. The road and underground improvements for all parcels were installed concurrently with the first parcel's development.

More generally, within the American Canyon Fire Protection District boundary (which is larger than the City's boundary), SDG has built 14 buildings totaling 2,924,000 square feet (of which 9 buildings totaling 2,125,000 square feet are within the District). The first project in the District boundaries was the Mezzetta Foods plant which was constructed in 1997, with the other 8 projects following at approximately 2-year intervals. Of the 14 buildings built within the American Canyon Fire Protection District, SDG currently retains full ownership in 8 buildings totaling approximately 1.9 million square feet. Within the buildings still owned by SDG, SDG manages three operating companies (tenants) that currently lease more than 1.6 million square feet.

Actual ownership of the parcels, in each case, is with a single-purpose limited liability company affiliated with SDG. Peter T. Stravinski owns 100% of the managing member of each ownership entity, and is the president of the managing member in each of the projects.

SDG is a diversified real estate company, owned by Peter T. and Kimberly D. Stravinski, and headquartered in Madera, California. SDG is an affiliate of Industrial & Commercial Contractors (“ICC”), which was founded as a general contractor company in 1986. Since that time ICC has constructed manufacturing plants, warehouses and distribution facilities, industrial facilities, shopping centers, medical complexes, office complexes, schools, and heavy concrete foundations. During the past three decades, ICC has evolved from general contracting through design-build

construction to its present status as a national developer. SDG, the development division of the company, and ICC, the construction division of the company, today work hand in hand in designing, constructing and delivering investment grade buildings for their owners, whether that be SDG or others.

SDG is a privately held company, owned by Peter T. Stravinski and Kimberly D. Stravinski. The President and CEO of SDG is Peter T. Stravinski. SDG and ICC maintain an Internet website at <http://www.icc-stravinski.com/development>. Information on this Internet website is provided for general reference only and is not incorporated by reference into this Official Statement.

David K Couch (1 Developed Parcel; 1 Undeveloped Parcel). The parcels listed in the name of David K Couch are owned by four brothers. Of these two parcels in the District, one is classified as developed and the other of which is classified as undeveloped. The developed parcel, consisting of 40 acres, has an ongoing Paintball business on the premises which attracts patrons from around the Bay Area. The other parcel, consisting of 11 acres, is undeveloped. The road being constructed by SDG (see above) provides access to the two parcels owned by the Couch family.

Biagi & Associates LLC Parcel (1 Developed Parcel). Biagi & Associates has a long-term lease in Building 4 (400 Boone), which is part of the Napa Logistics Center (see discussion above). As a full-service logistics company, Biagi Bros provides businesses and organizations with 3PL & supply chain solutions. It is a privately held company, with a corporate headquarters in Napa, California and distribution centers, warehouses and truck terminals located throughout the U.S.

Pacific Gas & Electric Company (1 Developed Parcel). In December 2020, Pacific Gas & Electric Company purchased Building 5 (500 Boone), which is part of the Napa Logistics Center (see discussion above). Pacific Gas and Electric Company, incorporated in California in 1905, is one of the largest utility companies in the United States. Based in Oakland, the company is part of PG&E Corporation. There are approximately 23,000 employees who carry out Pacific Gas and Electric Company's primary business—the transmission and delivery of energy. The company provides natural gas and electric service to approximately 16 million people throughout a 70,000-square-mile service area in northern and central California.

G3 Kelly Devlin LLC (1 Undeveloped Parcel). On June 12, 2023, G3 Kelly Devlin LLC ("G3") acquired the property commonly referred to as the Napa Airport Corporate Center from Napa Airport Corporate Center I, LLC, which property is planned to develop into 5 buildings on 5 separate parcels. The property and project are subject to a Development Agreement with the City. Most recently, in April 2024, G3 requested a minor modification to change the footprint of 2 of the 5 buildings to be constructed on the property and a 10-year extension of the term of the Development Agreement to reflect current market conditions.

On July 31, 2018, the prior owner obtained approval from the City for: (1) a Tentative Subdivision Map for subdivision of the property into five lots, including public road rights-of-way; (2) Conditional Use Permits approving a Conditional Use Permit for Buildings A and B on Lots 1 and 2; (3) Conditional Use Permit and Design Permit for Building E on Lot 4; (4) Conditional Use Permit and Design Permit for Building G on Lot 5. These approvals allowed development of the property with up to 261,541 square feet of industrial uses (warehouse, distribution, and/or e-commerce with accessory retail/office uses), and allowed the relaxation of certain lot size, front yard setbacks, and side yard landscaping requirements. The City conditioned the approval of the project on the provision of public infrastructure and other benefits to the City.

On July 10, 2020, the prior owner obtained approvals from the City for modifications of the Conditional Use Permit/Design Permit for Building E on Lot 4 and Building G on Lot 5, which increased the area of preserved wetlands on Lot 4 and Lot 5, reduced the square footage and building site coverage of Building E and Building G, adjusted parking and loading consistent with the revised buildings and reduced overall development on the property from approximately 261,541 square feet to approximately 193,741 square feet. In addition to the vested rights described in the Development Agreement, the prior owner obtained one Subsequent Approval from the City: A grading permit to allow for the export of stockpiled soil at the site (permit #DV21-0006, dated 7/13/21). This grading is not in preparation for the development of the project.

The prior owner obtained all requisite approvals and permits related to the on-site wetlands, from the United States Army Corps of Engineers (“USACE”) and the San Francisco Bay Regional Water Quality Control Board (“SFBRWQB”). The SFBRWQB issued its Clean Water Act section 401 Water Quality Certification and Order on February 14, 2022. USACE issued its permit pursuant to section 404 of the Clean Water Act on May 27, 2022. As a condition of the approvals for the on-site wetlands, G3 will construct wetlands mitigation at the neighboring Napa Logistics Wetland Preserve. In preparation for that construction, there is an Endowment Funding Agreement with DWF IV NLP II, LLC (Napa Logistics) and Golden State Land Conservancy, and 100% of its required funding for that endowment, totaling \$200,890.06, was provided in June of 2021. G3 is working with its wetlands consultant and design team to complete the construction documents for the wetlands mitigation.

The Use Permits for Lots 1, 2, 4, and 5 require that G3 reimburse Napa Logistics Phase 2 and/or the City for its fair-share of the costs of two offsite projects: (1) sewer and pump station improvements, which are currently nearing completion; and (2) various road improvements at S. Kelly Road, including its intersections with SR-29 and Devlin Road, the design for which has not yet been completed. G3 believes that the City is in the process of confirming G3’s fair-share percentage of these costs.

G3 has been working on a minor modification to increase the square footage of Buildings E and G by 3-5% and to modify the circulation near those two buildings, and plans to submit the application for the minor modification during May 2024.

As noted above, G3 intends to develop the project in phases at a rate driven by market demand for the buildings to be developed. As recognized by the Development Agreement, market conditions and demand, interest rates, and competition, among other factors, will impact the timing and completion of construction. According to G3, market conditions have significantly changed since the City and the prior owner entered into the Development Agreement, with much higher interest rates and a softening wine market and demand for industrial space. Accordingly, G3’s plan is to develop the buildings over time as new users are identified, currently forecasted for a building every 18-36 months. Therefore, G3 has requested a ten-year extension to the Development Agreement.

Sutter Home Winery Inc. (1 Developed Parcel; 1 Undeveloped Parcel). Sutter Home Winery Inc. owns two adjacent parcels in the District (APNs 057-160-031 and 057-160-030). These properties encompass land and improvements that conduct winery, processing and distribution operations. While the assessor’s valuation for one of the two parcels shows zero assessed value for improvements, based on assessor’s maps, the improvements straddle both parcels, in addition to vehicular parking on both parcels.

Broadstone HC California LLC (1 Developed Parcel; 1 Undeveloped Parcel). Broadstone HC California LLC owns two adjacent parcels in the District (APNs 058-030-062 and 058-420-049). These properties encompass land and improvements that conduct winery,

processing and distribution operations. While the assessor's valuation for one of the two parcels shows zero assessed value for improvements, based on assessor's maps, the improvements straddle both parcels, in addition to vehicular parking on both parcels.

Copart Inc. (2 Developed Parcels). Copart Inc. has developed 2 parcels within the District into auto storage uses. The project is nearly complete and consists of auto storage on two parcels totaling 20.47 acres on the north side of Green Island Road, at the west end of city limits. Copart sells undamaged and damaged vehicles to dealers, dismantlers, rebuilders, exporters and in some instances to the general public through an online vehicle auction that is global. For its most recent fiscal year, it had approximately 12,000 employees and its stock is traded on the NASDAQ. It also owns facilities in Vallejo, Sacramento, and Martinez.

VALUE OF PROPERTY WITHIN THE DISTRICT

Assessed Values

In connection with valuing property in the District, the City has obtained the 2023-24 County assessed valuation (the “**Assessed Valuation**”) of the taxable property in the District.

The “full cash” assessed values of all of the taxable parcels in the District has been established by the County Assessor for Fiscal Year 2023-24 in the amount of \$1,065,080,622. The following table summarizes the historical assessed valuation of property in the District since Fiscal Year 2015-16.

Table 3
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Historical Assessed Value of Taxable Property in the District

Fiscal Year	Land Value ⁽¹⁾	Structure Value ⁽¹⁾	Total Assessed Value	% Change
2015-16	\$111,169,484	\$307,513,894	\$418,683,378	--
2016-17	119,684,336	347,180,768	466,865,104	11.5%
2017-18	140,975,875	363,339,519	504,315,394	8.0
2018-19	142,796,783	388,938,761	531,735,544	5.4
2019-20	162,342,144	453,565,003	615,907,147	15.8
2020-21	177,346,721	471,974,054	649,320,775	5.4
2021-22	184,915,596	532,394,317	717,309,913	10.5
2022-23	191,709,163	627,260,714	818,969,877	14.2
2023-24	359,605,828	705,474,794	1,065,080,622	30.1

(1) Per Napa County Assessor’s roll data for each fiscal year shown, with a January 1 valuation date. Assessed value does not reflect any changes made to valuation after July of each Fiscal Year as a result of assessment appeal, correction or any other changes. The Pacific Gas & Electric Company has no assessed value. Accordingly, this table does not include the sales price of this property, which is shown in other tables in this Official Statement.

Source: NBS.

Due to the recent and ongoing nature of development of property in the District, the County assessed valuations are not in all cases reflective of most current development status, as is the case with certain properties in the District. As provided by Article XIII A of the California Constitution, county assessors’ assessed values are to reflect market value as of the date the property was last assessed (or 1975, whichever is more recent), increased by a maximum of 2% per year. Properties may be reassessed by the County only upon a change of at least 51% ownership of existing property or upon new construction. The assessed values of parcels in the District thus reflect, for undeveloped parcels, the estimate of the County Assessor (the “**Assessor**”) of market value when acquired (or 1975, whichever is later), possibly increased by 2% per year, and for parcels on which construction has occurred since their date of acquisition, the Assessor’s estimate of market value as of the time of construction, possibly increased by 2% per year. The actual market value of parcels in the District, if sold at foreclosure, may be higher or lower than the Assessor’s assessed values, depending upon the date of the Assessor’s most recent assessment. The actual fair market value of any parcel can often be more accurately established through an arms-length sale or an appraisal by an independent appraiser.

Because of the general limitation to 2% per year in increases in full cash value of properties that remain in the same ownership, the County tax roll does not reflect values uniformly proportional

to actual market values. No assurance can be given that, should a parcel with delinquent Special Taxes be foreclosed and sold for the amount of the delinquency, any bid will be received for such property, or if a bid is received that such bid will be sufficient to pay such delinquent installments.

Value to Special Tax Burden Ratios

In comparing the value of the real property within the District and the principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Special Tax can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Special Taxes of the owners of such parcels within the District unless all of the property is subject to a delinquent Special Tax. In any event, individual parcels may be foreclosed upon separately to pay delinquent Special Taxes levied against such parcels.

Other public agencies whose boundaries overlap those of the District could, without the consent of the City and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the land within the District. Property owners can also voluntarily add Property Assessed Clean Energy (PACE) assessment liens on their property to finance energy efficiency improvements. The lien created on the land within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Tax. In addition, construction loans or home loans may be obtained by owners of land in the District. The deeds of trust securing such debt on property within the District, however, would be subordinate to the lien of the Special Tax.

Value to Lien Ratios by Development Status. The following table sets forth the estimated value, estimated special tax levy amount for Fiscal Year 2024-25, allocable District debt, and value to lien ratios by development status.

**Table 4
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Value to Lien Ratios by Development Status – Fiscal Year 2024-25**

Property	No. of Parcels	Total Estimated Value ⁽³⁾	Est. 2024-25 Levy Amount ⁽⁴⁾	Total Bond Share* ^{(5) (6)}	% of Bond Share	Value to CFD Bond Debt*
Developed ⁽¹⁾	67	\$1,074,079,939	\$586,318.86	\$6,521,112	67.79%	164.71:1
Undeveloped ⁽²⁾	13	18,500,683	278,623.68	3,098,888	32.21%	5.97:1
Totals	80	\$1,092,580,622	\$864,942.54	\$9,620,000	100.00%	113.57:1

* Preliminary, subject to change.

- (1) Includes parcels with a structure value, except APN 058-030-066 which has historic structure value, per Napa County Assessor's roll data for fiscal year 2023/24, with a January 1 valuation date. Also includes two parcels that have significant development approvals: a) APN 057-360-002 owned by Pacific Gas and Electric Company; and b) APN 058-030-068 owned by SDG Commerce 330 LLC. Assessed value does not reflect any changes made to valuation after July 2023 as a result of assessment appeal, correction or any other changes.
- (2) Includes parcels with no structure value per Napa County Assessor's roll data for fiscal year 2023/24, with a January 1 valuation date. Also includes APN 058-030-066 which has a historic building structure value. Assessed value does not reflect any changes made to valuation after July 2023 as a result of assessment appeal, correction or any other changes.
- (3) Per Napa County Assessor's roll data for fiscal year 2023/24, with a January 1 valuation date. Assessed value does not reflect any changes made to valuation after July 2023 as a result of assessment appeal, correction or any other changes. Includes sale price (not assessed value) of Pacific Gas & Electric Company parcel,
- (4) As calculated by NBS applying the Rate and Method of Apportionment of Special Tax for each CFD.
- (5) Allocated based on share of estimated 2024/25 levy.
- (6) For 2020 Bonds, based on amount outstanding as of September 1, 2024.

Source: NBS.

Value to Lien Ratio Categories. The following table sets forth the estimated value, special tax levy amount for Fiscal Year 2024-25, and allocable District debt by value to lien ratio range categories.

**Table 5
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Value to Lien Ratio Categories**

Value-to-Lien Category	Parcels	Total Estimated Value⁽¹⁾	Est. 2024-25 Levy Amount⁽²⁾	% of 2024-25 Levy Amount	Total Bond Share⁽³⁾
Greater than or equal to 50:1	51	\$1,045,287,317	\$496,541.64	57.41%	\$5,522,599
Greater than or equal to 25:1 - less than 50:1	12	22,711,712	53,346.94	6.17%	593,331
Greater than or equal to 10:1 - less than 25:1	9	11,214,062	42,504.78	4.91%	472,744
Greater than or equal to 5:1 - less than 10:1	3	10,550,393	110,316.56	12.75%	1,226,955
Greater than or equal to 3:1 - less than 5:1	1	337,558	8,833.10	1.02%	98,243
Less than 3:1	4	2,479,580	153,399.52	17.74%	1,706,129
Total	80	\$1,092,580,622	\$864,942.54	100.00%	\$9,620,000

* Preliminary; subject to change.

(1) Per Napa County Assessor's roll data for fiscal year 2023/24, with a January 1 valuation date. Assessed value does not reflect any changes made to valuation after July 2023 as a result of assessment appeal, correction or any other changes. Includes sales price for Pacific Gas & Electric Company parcel.

(2) As calculated by NBS applying the Rate and Method of Apportionment of Special Tax for each CFD.

(3) Allocated based on share of the estimated 2024/25 Special Tax levy. For fiscal year 2024/25 and the foreseeable future the City expects to levy at the maximum rate on Developed Property and Undeveloped Property to pay debt service on the Bonds and to pay directly for the cost of the Improvements. The Bonds have been sized to be supported solely from Special Taxes on Developed Property. See "ESTIMATED DEBT SERVICE COVERAGE."

Source: NBS.

Overlapping Liens and Priority of Lien

The principal of and interest on the Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Set forth below is an overlapping debt table showing the existing direct and overlapping bonded debt payable with respect to property within the District. This table has been prepared by California Municipal Statistics Inc. as of the date indicated, and is included for general information purposes only. The City has not reviewed the data for completeness or accuracy and makes no representations in connection therewith.

Based on a review undertaken by the Special Tax Consultant, none of the parcels in the District are subject to a Property Assessed Clean Energy (PACE) lien. However, PACE liens could be added by property owners in the future, and such liens would be independent and co-equal to the lien securing payment of the Special Taxes.

**Table 6
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Summary of Overlapping Debt
As of June 1, 2024**

2023-24 Assessed Valuation: \$1,065,080,622 (Land and Improvements)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/24</u>	
Napa Joint Community College District General Obligation Bonds	2.012%	\$ 1,400,550	
Napa Valley Unified School District General Obligation Bonds	2.993	13,287,360	
Napa Valley Unified School District SFID No. 2 General Obligation Bonds	25.137	3,142,082	
City of American Canyon Green Island Road CFD No. 2018-1	100.000	<u>4,915,000</u>	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$22,744,992</u>	
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Napa County Board of Education Certificates of Participation	2.029%	\$ 226,026	
Napa Valley Unified School District General Fund Obligations	2.993	51,036	
City of American Canyon General Fund Obligations	25.137	2,160,863	
American Canyon Fire Protection General Fund Obligations	24.188	<u>363,305</u>	
TOTAL OVERLAPPING GENERAL FUND DEBT		\$2,801,230	
COMBINED TOTAL DEBT		\$25,546,222	(2)

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$4,915,000)	0.46%
Total Direct and Overlapping Tax and Assessment Debt.....	2.14%
Combined Total Debt.....	2.40%

(1) Excludes the 2024 Bonds to be sold.
 (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

There can be no assurance that current or future owners of land in the District will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities; however, no other special districts are currently contemplated by the City.

Private liens, such as deeds of trust securing construction or home loans, may be placed upon property in the District at any time. Under California law, the Special Taxes have priority over all existing and future private liens imposed on property subject to the lien of the Special Taxes.

No Teeter Plan

Although the Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code for the County-wide 1% property tax levy, the Special Taxes levied in the District are not included in the Teeter Plan. Accordingly, the City will receive only the actual amounts of the Special Tax collected by the County.

Special Tax Collections/Delinquencies

The first levy of the Special Taxes was for fiscal year 2019-20. The following table shows a summary of Special Tax collections and delinquencies in the District since the initial levy, as of the date indicated.

Table 7
City of American Canyon
Community Facilities District No. 2018-1 (Green Island Road Project)
Special Tax Collections and Delinquencies
Fiscal Years 2019-20 through 2023-24
As of June 11, 2024

Due Date	Billed Amount	Paid Amount	Delinquent Amount	Delinquent Amount %
2019/20	\$864,937.58	\$864,937.58	\$0.00	0.00%
2020/21	864,942.92	864,942.92	0.00	0.00%
2021/22	864,942.94	864,942.94	0.00	0.00%
2022/23	864,942.56	864,942.56	0.00	0.00%
2023/24	864,942.54	864,942.54	0.00	0.00%
Totals	\$4,324,708.54	\$4,324,708.54	0.00	0.00%

Source: Napa County Property Tax Collector, as compiled by NBS.

SPECIAL RISK FACTORS

The purchase of the 2024 Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks that should be considered before making an investment decision.

Limited Obligation

The 2024 Bonds are not general obligations of the City but are special, limited obligations of the City payable solely from the proceeds of the Special Taxes and certain other funds held under the Fiscal Agent Agreement as described herein, and the proceeds, if any, from the sale of property in the event of a delinquency and foreclosure. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” Any tax for the payment of the 2024 Bonds will be limited to the Special Tax to be levied and collected on taxable property within the District.

Concentration of Ownership; Ongoing Litigation

Based on the estimated Fiscal Year 2024-25 Special Tax levy, the top taxpayer in the District (Right From the Start) is responsible for approximately 21.22% of the levy, and the number two taxpayer (Napa Logistics) is responsible for 17.52% of the levy. Right from the Start owns undeveloped property that is subject to ongoing litigation. See “LITIGATION.” The undeveloped nature of the property and the ongoing litigation may make the entity responsible for the Special Taxes on such properties less willing to pay the Special Taxes in the future.

An owner of property in the District is not personally obligated to pay the Special Tax attributable to the owner’s property. Rather, the Special Tax is an obligation only against the parcel of property, secured by the amount which could be realized in a foreclosure proceeding against the property, and not by any promise of the owner to pay. If the value of the property is not sufficient, taking into account other obligations also constituting a lien against the property, the City, Fiscal Agent and owners of the Bonds have no recourse against the owner, such as filing a lawsuit to collect money.

Failure of a current or future top taxpayer in the District to pay installments of Special Taxes when due could cause the depletion of the Reserve Fund prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax and, consequently, result in the delinquency rate reaching a level that would cause an insufficiency in collection of the Special Tax to meet the District’s obligations on the Bonds. In that event, there could be a delay or failure in payments on the Bonds. See “SPECIAL RISK FACTORS – Bankruptcy and Foreclosure Delays” below and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments; Foreclosure Covenant.”

Development of undeveloped property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of landowners to pay the Special Taxes when due. No assurance can be given that the remaining proposed residential development will be partially or fully completed, and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and only partially improved.

Property Values and Development

The value of taxable property within the District is a critical factor in determining the investment quality of the 2024 Bonds. If a property owner defaults in the payment of the Special Tax, the District’s only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land development and land values could be adversely affected by economic and other factors beyond the City’s control, such as: a general economic downturn; adverse judgments in future litigation that could affect the scope, timing or viability of development; relocation of employers out of the area; stricter land use regulations; shortages of water, electricity, natural gas or other utilities; destruction of property caused by earthquake, flood or other natural disasters; environmental pollution or contamination.

Neither the Underwriter nor the City has evaluated development risks. Since these are largely business risks of the type that property owners customarily evaluate individually, and inasmuch as changes in land ownership may well mean changes in the evaluation with respect to any particular parcel, the District is issuing the 2024 Bonds without regard to any such evaluation. Thus, the creation of the District and the issuance of the 2024 Bonds in no way implies that the Underwriter or the City has evaluated these risks or the reasonableness of these risks.

The following is a discussion of specific risk factors that could affect the timing or scope of property development in the District or the value of property in the District.

Risks of Real Estate Investment Generally. Continuing development of land within the District may be adversely affected by changes in general or local economic conditions, fluctuations in the real estate market, increased construction costs, development, financing and marketing capabilities of individual property owners, water or electricity shortages, and other similar factors. Development in the District may also be affected by development in surrounding areas, which may compete with the District. In addition, land development operations are subject to comprehensive federal, state and local regulations, including environmental, land use, zoning and building requirements. There can be no assurance that proposed land development operations within the District will not be adversely affected by future government policies, including, but not limited to, governmental policies to restrict or control development, or future growth control initiatives. There can be no assurance that land development operations within the District will not be adversely affected by these risks.

Natural Disasters. The value of the parcels in the District in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in the District and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding the District, like those in much of California, may be subject to earthquakes or other unpredictable seismic activity, however, the District is not located in a seismic special studies zone or within an area designated as Non-Very High Fire Hazard (per 2014 Napa County Wildland Fire Background Report).

Other natural disasters could include, without limitation, landslides, floods, droughts, wildfires or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. Although the District is not in a high-risk area for landslides, floods, wildfires or tornadoes, natural disasters such as these are unpredictable and may occur anywhere throughout the State, with devastating consequences. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other

considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the parcels may well depreciate.

Drought. California has been subject to droughts from time-to-time in the past. Although the City does not believe any future drought would impact the value of property in the District, no assurances can be given in this regard.

Legal Requirements. Other events that may affect the value of a parcel include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures. Development in the District may also be adversely affected by the application of laws protecting endangered or threatened species. See "LITIGATION" herein for additional details regarding ongoing litigation affecting certain parcels in the District.

Hazardous Substances. Any discovery of a hazardous substance detected on property within the District would affect the marketability and the value of some or all of the property in the District. In that event, the owners and operators of a parcel within the District may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws. California laws with regard to hazardous substances are also applicable to property within the District and are as stringent as the federal laws. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels be contaminated by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Although the City is not aware that the owner (or operator) of any of the property within the District has a current liability for a hazardous substance with respect to any of the parcels, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within the District resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel within the District that is realizable upon a foreclosure sale.

Endangered and Threatened Species. It is illegal to harm or disturb any plants or animals in their habitat that have been listed as endangered species by the United States Fish & Wildlife Service under the Federal Endangered Species Act or by the California Fish & Game Commission under the California Endangered Species Act without a permit. Although the City believes that no federally listed endangered or threatened species would be affected any future development within the District, other than any that are permitted by the entitlements already received, the discovery of an endangered plant or animal could delay development of vacant property in the District or reduce the value of undeveloped property.

Additional considerations Related to Undeveloped Land. Land values are influenced by the level of development in the area in many respects.

First, undeveloped or partially developed land is generally less valuable than developed land and provides less security to the owners of the 2024 Bonds should it be necessary for the District to foreclose on undeveloped or partially developed property due to the nonpayment of Special Taxes.

Second, failure to complete development on a timely basis could adversely affect the land values of those parcels that have been completed. Lower land values would result in less security for the payment of principal of and interest on the 2024 Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of the Special Tax. See “VALUE OF PROPERTY WITHIN THE DISTRICT – Value to Special Tax Burden Ratios.” No assurance can be given that the proposed development within the District will be completed, and in assessing the investment quality of the 2024 Bonds, prospective purchasers should evaluate the risks of noncompletion.

Levy and Collection of Special Taxes

General. The principal source of payment of principal of and interest on the 2024 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the District.

Limitation on Maximum Special Tax Rate. The annual levy of the Special Tax is subject to the Maximum Annual Facilities Special Tax rate authorized in the Special Tax Formula. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2024 Bonds.

In addition to the Maximum Annual Facilities Special Tax rate limitation in the Special Tax Formula, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2024 Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax Formula is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the 2024 Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal

government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See “– Tax Delinquencies” below. There is currently no history of tax levies in the District.

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Foreclosure Covenant” and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2024 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the Reserve Fund is depleted. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Foreclosure Covenant.”

The ability of the City to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”) has or obtains an interest. The FDIC would obtain such an interest by taking over a financial institution that has made a loan that is secured by property within the District. See “– FDIC/Federal Government Interests in Properties” below.

Other laws generally affecting creditors’ rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

FDIC/Federal Government Interests in Properties

General. The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on parity with the Special Taxes and preserve the federal government’s mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association (“**FNMA**”) is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

Bankruptcy and Foreclosure Delays

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Foreclosure Covenant,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2024 Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings and could result in the possibility of delinquent Special Tax installments not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2024 Bonds. To the extent that property in the District continues to be owned by a limited number of property owners, the chances are increased that the Reserve Fund established for the 2024 Bonds could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Reserve Fund for transfer to the Bond Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2024 Bonds on a timely basis.

To the extent that bankruptcy or similar proceedings were to involve a large property owner, the chances would increase the likelihood that the Reserve Fund could be fully depleted during any resulting delay in receiving payment of delinquent Special Taxes. As a result, sufficient monies would not be available in the Reserve Fund for transfer to the Bond Fund to make up any shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2024 Bonds on a timely basis.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on that property. The court upheld the priority of unpaid *ad valorem* taxes imposed before the bankruptcy petition (the “pre-petition taxes”), but unpaid taxes imposed after the filing of the bankruptcy petition (“post-petition taxes”) were declared to be unsecured “administrative expenses” of the bankruptcy estate, and were therefore held to be payable from the bankruptcy estate only after payment of all secured creditors. As a result, the secured creditor of the property was able to foreclose on the property and retain all of the proceeds of the sale except for the amount of the pre-petition taxes.

According to the court’s ruling, as administrative expenses, post-petition taxes would have to be paid, but only if the debtor had sufficient assets not subject to other perfected security interests to do so. In certain circumstances, payment of such administrative expenses may also be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would at that time again become subject to and would secure liens for then current and future *ad valorem* taxes.

Glasply was controlling precedent on bankruptcy courts in the State of California for several years subsequent to the date of the Ninth Circuit’s holding. Pursuant to state law, the lien date for general *ad valorem* property taxes levied in the State of California is the January 1 preceding the fiscal year for which the taxes are levied. Under the *Glasply* holding, a bankruptcy petition filing would have prevented the lien for general *ad valorem* property taxes levied in fiscal years subsequent to the filing of a bankruptcy petition from attaching and becoming a lien so long as the property was a part of the estate in bankruptcy. However, the *Glasply* holding was for the most part subsequently rendered inoperative with respect to the imposition of a lien for and the collection of *ad valorem* taxes by amendments to the federal Bankruptcy Code (Title 11 U.S.C.) which were part of the Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) passed by Congress during the later part of 1994. The Bankruptcy Reform Act added a provision to the automatic stay section of the Bankruptcy Code which, pursuant to Section 362(b)(18) thereof, excepts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state, if such tax comes due after the filing of the petition” by a debtor in bankruptcy court. The effect of this provision is to continue the secured interest of *ad valorem* taxes on real property (i.e., post-petition taxes) in effect during the period following the filing of a bankruptcy petition, including during the period bankruptcy proceedings are pending.

Without further clarification by the courts or Congress, the original rationale of the *Glasply* holding could, however, still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings. This treatment might result from the fact that, although the lien of special taxes is of record from the date of the filing of a Notice of Special Tax Lien, the actual special tax is levied annually. As noted above, special taxes have a different lien date than the lien date for general *ad valorem* taxes in the State of California noted above. The lien of a Mello-Roos special tax attaches upon recordation of the notice of the special tax lien, as provided for in Section 53328.3 of the Act, as opposed to the annual January 1 lien date for general *ad valorem* taxes. Thus, in deciding whether the original *Glasply* ruling is applicable to a bankruptcy proceeding involving special taxes rather than general *ad valorem* property taxes, a court might consider the differences in the statutory provisions for creation of the applicable tax lien (general *ad valorem* or special tax) in determining whether there is a basis for post petition special taxes to be entitled to a lien on the property during pending bankruptcy proceedings. If a court were to apply *Glasply* to eliminate the priority of the

special tax lien as a secured claim against property with respect to post-petition levies of the Special Taxes made against property owners within the District who file for bankruptcy, collections of the Special Taxes from such property owners could be reduced as the result of being treated as “administrative expenses” of the bankruptcy estate. Also, and most importantly, is the fact that the original holding in *Glasply* and the mitigation of that holding by the Bankruptcy Reform Act of 1994 both appear to be applicable only to general *ad valorem* taxes, and, therefore, the exemption from the automatic stay in Section 362(b)(18) discussed above may not be applicable to special taxes since they were not expressly mentioned or provided for in this section, nor defined to be included within the term “*ad valorem* taxes.”

Parity Taxes and Special Assessments; Private Debt

The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District.

Property in the District is currently subject to certain overlapping tax and assessment liens, as shown in the overlapping debt statement. See “VALUE OF PROPERTY WITHIN THE DISTRICT.” In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of taxable property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2024 Bonds. The principal of and interest on the 2024 Bonds are payable from the Special Tax authorized to be collected within the District, and payment of the Special Tax is secured by a lien on certain real property within the District. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in the District. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure if unpaid. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within the District. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of taxable property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See “– Bankruptcy and Foreclosure Delays” above.

There can be no assurance that property owners within the District will not petition for the formation of other community facilities districts and improvement areas or for a special assessment district or districts and that parity special taxes or special assessments will not be levied by the County or some other public agency to finance additional public facilities. In addition to liens for special taxes or assessments to finance public improvements of benefit to land within the District, owners of property may obtain loans from banks or other private sources which loans may be secured by a lien on the parcels in the District. Such loans would increase amounts owed by the owner of such parcel with respect to development of its property in the District. However, the lien of such loans would be subordinate to the lien of the Special Taxes.

Tax Delinquencies

Under provisions of the Act, the Special Taxes will be billed to the properties within the District on the regular property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for nonpayment, as do regular property tax installments. Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax payments in the future.

The annual Special Tax will be billed and collected in two installments payable without penalty by December 10 and April 10. In the event such Special Taxes are not timely paid, moneys available to pay debt service on the 2024 Bonds becoming due on the subsequent respective March 1 and September 1 may be insufficient, except to the extent moneys are available in the Reserve Fund.

In the event of non-payment of Special Taxes, funds in the 2024 Reserve Account of the Reserve Fund, if available, may be used to pay principal of and interest on the 2024 Bonds. If funds in the 2024 Reserve Account of the Reserve Fund for the 2024 Bonds are depleted, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the 2024 Bond holders pursuant to the Fiscal Agent Agreement. However, no replenishment from the proceeds of a Special Tax levy can occur as long as the proceeds that are collected from the levy of the Special Tax against property within the District at the maximum Special Tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that the 2024 Reserve Account of the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Delinquent Payments of Special Tax; Foreclosure Covenant” for a discussion of the provisions which apply, and procedures which the City is obligated to follow, in the event of delinquency in the payment of Special Taxes. See also “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Methodology” for a discussion of a limitation imposed by the Act applicable to Special Tax increases on residential property.

No Acceleration Provisions

The 2024 Bonds do not contain a provision allowing for the acceleration of the 2024 Bonds in the event of a payment default or other default under the terms of the 2024 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a 2024 Bond holder is given the right for the equal benefit and protection of all 2024 Bond holders similarly situated to pursue certain remedies. So long as the 2024 Bonds are in book-entry form, DTC will be the sole 2024 Bond holder and will be entitled to exercise all rights and remedies of 2024 Bond holders.

Ballot Initiatives

From time to time, initiative measures qualify for the State ballot pursuant to the State’s constitutional initiative process, and those measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the City, the County or other local districts to increase revenues or to increase appropriations or on the ability of the landowners to complete the development of the District. See “–Property Values and Property Development – Land Development” above. See also “–Voter Initiatives” below.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2024 Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIC and XIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act”. Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIIA and XIIC of the State Constitution. The amendments to Article XIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote.

The Special Taxes and the issuance of special tax bonds of the District were each authorized by not less than a two-thirds vote of the landowners within the District who constituted the qualified electors at the time of such voted authorization. The District believes, therefore, that issuance of the 2024 Bonds does not require the conduct of further proceedings under the Mello-Roos Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the District can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

Case Law Related to Mello-Roos Act

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego. The CCFD is a financing district established under the City’s charter (the “Charter”) and was intended to function much like a community facilities district established under the Mello-Roos Act. The CCFD was comprised of all of the real property in the entire City. However, the CCFD special tax was to be levied only on properties in the CCFD that were improved with a hotel.

At the election to authorize the CCFD special tax, the CCFD proceedings limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel was located. Registered voters in the City of San Diego were not permitted to vote. This definition of the qualified electors of the CCFD was based on Section 53326(c) of the Mello-Roos Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed community facilities district whose property would be subject to the special tax.

The *San Diego* Court held that the CCFD special tax election did not comply with the City’s Charter and with applicable provisions of the California Constitution -- specifically Article XIII A, section 4 (“Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district....”) and Article XIII C, section 2(d) (“No local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote.”) -- because the electors in the CCFD election should have been the registered voters residing within the CCFD (the boundaries of which were coterminous with the boundaries of the City of San Diego).

As to the District, there were no registered voters within the District at the time of the election to authorize the Special Taxes. Significantly, the *San Diego* Court expressly stated that it was not addressing the validity of a landowner election to impose special taxes on residential property pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters. Therefore, by its terms, the *San Diego* Court’s holding does not apply to the special tax election in the District.

Moreover, Sections 53341 and 53359 of the Act establish a limited period of time in which special taxes levied under the Mello-Roos Act may be challenged by a third party:

53341. Any action or proceeding to attack, review, set aside, void, or annul the levy of a special tax or an increase in a special tax pursuant to [the Mello-Roos Act] shall be commenced within 30 days after the special tax is approved by the voters....

53359. An action to determine the validity of bonds issued pursuant to [the Mello-Roos Act] or the validity of any special taxes levied pursuant to [the Mello-Roos Act] ... shall ... be commenced within 30 days after the voters approve the issuance of the bonds or the special tax ...

Section 53326(b) of the Mello-Roos Act defines the authorized voters for an election in which the special taxes will be levied on residential property: “Except as otherwise provided in subdivision (c), if at least 12 persons, who need not necessarily be the same 12 persons, have been registered to vote within the territory of the proposed community facilities district for each of the 90 days preceding the close of the protest hearing, the vote shall be by the registered voters of the proposed

district, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each person who is the owner of land at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed community facilities district not exempt from the special tax....”

Landowner voters approved the Special Taxes and the issuance of bonds for the District in compliance with all applicable requirements of the Mello-Roos Act in 2018. Therefore, pursuant to Sections 53341 and 53359 of the Mello-Roos Act, the statute of limitations period to challenge the validity of the special tax has expired. Because the *San Diego* Court expressly stated that it did not consider the facts presented by the District and because the period for challenging the Special Taxes has passed, the City believes the Special Taxes are valid and cannot be challenged.

Loss of Tax Exemption

As discussed under the caption “TAX MATTERS,” interest on the 2024 Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the 2024 Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the 2024 Bonds were to become includable in gross income for purposes of federal income taxation, the 2024 Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional redemption, mandatory sinking fund redemption or special mandatory redemption upon prepayment of the Special Taxes.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the “**IRS**”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2024 Bonds will be selected for audit by the IRS. It is also possible that the market value of such 2024 Bonds might be affected as a result of such an audit of such 2024 Bonds (or by an audit of similar bonds or securities).

Pandemic Diseases

The spread of pandemic diseases (such as COVID-19), and responses intended to slow their spread, may result in negative impacts to the homebuilding operations and sales of homes within the District in the future. There can be no assurances that the spread of pandemic diseases and related shelter in place order and/or social distancing requirements imposed by governmental authorities in response will not materially adversely impact the pace of sales of lots or homes or the willingness of owners of land in the District to pay the Special Taxes securing the Bonds. In addition, no assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Special Tax Revenues by the City for the payment of the Bonds. Finally, stock and municipal bond markets in the U.S. and globally could see significant volatility attributed to pandemic disease concerns; there can be no assurances that these or other concerns that emerge later will not materially adversely impact the secondary market for the Bonds.

Cybersecurity

The City, like most other public and private entities, relies on computer and other digital technology and systems to conduct its operations, including with respect to the District and the

Bonds. As a recipient and provider of personal, private or other sensitive electronic information, the City is subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the efforts of the City to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes and the Fiscal Agent for the administration of the Bonds. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may material adversely affect the Bond owners.

Potential Early Redemption of Bonds from Prepayments

Property owners within the District are permitted to prepay their Special Tax obligation at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such prepayments will result in a redemption of the 2024 Bonds on the interest payment date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of the prepayment. The resulting redemption of 2024 Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such 2024 Bonds.

CONSTITUTIONAL LIMITATIONS ON TAXATION AND APPROPRIATIONS

Article XIII A of the California Constitution, commonly known as “**Proposition 13**,” provides that each county will levy the maximum *ad valorem* property tax permitted by Proposition 13 and will distribute the proceeds to local agencies in accordance with an allocation formula based in part on pre-Proposition 13 *ad valorem* property tax rates levied by local agencies.

Article XIII A limits the maximum *ad valorem* tax on real property to 1% of “full cash value,” which is defined as the County Assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect increases of no more than 2% per year or decreases in the consumer price index or comparable local data, or declining property value caused by damage, destruction or other factors.

Article XIII A exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and requires a vote of two-thirds of the qualified electorate to impose Special Taxes or any additional *ad valorem*, sales, or transaction taxes on real property. In addition, Article XIII A requires the approval of two-thirds of all members of the State Legislature to change any State laws resulting in increased tax revenues. On June 3, 1986, California voters approved an amendment to Article XIII A of the California Constitution to allow local governments and school districts to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. If any such voter-approved debt is issued, it may be on a parity with the lien of the Special Tax on the parcels within the District.

State and local government agencies in the State, and the State itself are subject to annual appropriation limits, imposed by Article XIII B of the State Constitution. Article XIII B prohibits

government agencies and the State from spending “appropriations subject to limitation” in excess of the appropriations limits imposed. “Appropriations subject to limitation” are authorizations to spend “proceeds of taxes,” which consist of tax revenues, certain state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed the cost reasonably borne by such entity in providing the regulation, product or service. No limit is imposed on appropriations of funds which are not “proceeds of taxes” such as debt service on indebtedness existing or authorized before January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, reasonable user charges or fees and certain other non-tax funds.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the 2024 Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the City’s fiscal year (presently June 30) in each year (the “**Annual Report**”) commencing with its report for the 2023-24 fiscal year (due April 1, 2025) and to provide notices of the occurrence of certain enumerated events.

The Annual Report and notices of listed events will be filed with the Municipal Securities Rulemaking Board. The covenants of the City have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the City is summarized in “APPENDIX D – FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

DAC Bond reports that the City currently is in material compliance with all of its continuing disclosure undertakings for the last five years.

UNDERWRITING

The 2024 Bonds were purchased through negotiation by Piper Sandler & Co., as underwriter (the “**Underwriter**”). The Underwriter agreed to purchase the 2024 Bonds at a price of \$ _____ (which is equal to the par amount of the 2024 Bonds, plus/less an original issue premium/discount of \$ _____ and less the Underwriter’s discount of \$ _____). The initial public offering prices set forth on the cover page hereof may be changed by the Underwriter. The Underwriter may offer and sell the 2024 Bonds to certain dealers and others at a price lower than the public offering prices set forth on the cover page hereof.

MUNICIPAL ADVISOR

The City has retained NHA Advisors, LLC, San Rafael, California, as registered municipal advisor (the “**Municipal Advisor**”) in connection with the issuance of the 2024 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fees of the Municipal Advisor are contingent upon the sale and delivery of the 2024 Bonds.

LEGAL OPINION

The validity of the 2024 Bonds and certain other legal matters are subject to the approving opinion of Jones Hall, a Professional Law Corporation, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX C to this Official Statement, and the final opinion will be made available to registered owners of the 2024 Bonds at the time of delivery. The fees of Bond Counsel are contingent upon the sale and delivery of the 2024 Bonds.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2024 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2024 Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2024 Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2024 Bonds.

Tax Treatment of Original Issue Discount and Premium. The issue price for original issue discount (as further discussed below) and market discount purposes (the “*OID Issue Price*”) for each maturity of the 2024 Bonds is the price at which a substantial amount of such maturity of the 2024 Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The *OID Issue Price* of a maturity of the 2024 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the *OID Issue Price* of a maturity of the 2024 Bonds is less than the principal amount payable at maturity, the difference between the *OID Issue Price* of each such maturity, if any, of the 2024 Bonds (the “*OID 2024 Bonds*”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an *OID 2024 Bond* in the initial public offering at the *OID Issue Price* for such maturity and who holds such *OID 2024 Bond* to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such *OID 2024 Bond* constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such *OID 2024 Bond* at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. An *OID 2024 Bond* would be treated in a similar manner for purposes of California personal income taxes.

Owners of 2024 Bonds who dispose of 2024 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2024 Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase 2024 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2024 Bond is purchased at any time for a price that is less than the 2024 Bond's stated redemption price at maturity or, in the case of an OID 2024 Bond, its OID Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a 2024 Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2024 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID 2024 Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2024 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2024 Bonds.

An investor may purchase a 2024 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the 2024 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the bond. Investors who purchase a 2024 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2024 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2024 Bond.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2024 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2024 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2024 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2024 Bonds, or as to the consequences of owning or receiving interest on the 2024 Bonds, as of any future date. Prospective purchasers of the 2024 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2024 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2024 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no

opinion regarding other federal or state tax consequences arising with respect to the 2024 Bonds, the ownership, sale or disposition of the 2024 Bonds, or the amount, accrual or receipt of interest on the 2024 Bonds.

NO RATINGS

The City has not applied to a rating agency for the assignment of a rating to the 2024 Bonds and does not contemplate applying for a rating.

LITIGATION

No Litigation Concerning 2024 Bonds. At the time of delivery of and payment for the 2024 Bonds, the City Attorney will deliver his opinion that to the best of its knowledge there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency pending against the City affecting its existence or the titles of its officers to office or seeking to restrain or to enjoin the issuance, sale or delivery of the 2024 Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax to pay the principal of and interest on the 2024 Bonds, or in any way contesting or affecting the validity or enforceability of the 2024 Bonds, the Fiscal Agent Agreement or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the 2024 Bonds or any action of the City contemplated by any of said documents.

Litigation Concerning Right From the Start Parcels. In April 2023, the City of Vallejo (“Vallejo”) and two environmental organizations separately sued the City of American Canyon (“City”) over project approvals granted by the City in March 2023 for the development of the 3 parcels owned by Right from the Start Foundation in the CFD. As noted above, Right from the Start Foundation has delegated responsible for project approvals to Buzz Oates, which the City understands has a 100-year lease of the properties. The project would create the Giovannoni Logistics Center, an approximately 161-acre industrial park and distribution hub consisting of approximately 2.4 million square feet of warehouse space with truck bays and railroad access.

The April 2023 lawsuits claimed that the City and the project developer did not adequately address environmental impacts raised during the project’s public review process pursuant to the California Environmental Quality Act (“CEQA”). On July 12, 2024, the Trial Court denied the relief requested by Vallejo in its 2023 lawsuit. Once judgement is entered, Vallejo could appeal the matter. The two environmental organizations that had separately sued the City in 2023 had previously dismissed their respective lawsuits prior to the July 2024 ruling. One of which, due to settlement, is barred from re-filing litigation regarding the matter.

Independently, an American Canyon resident started a petition for a voter initiative (“Measure K”) that would create a separate municipal process tailored to establish a ministerial permitting process for development of certain warehouse facilities. The proponents of Measure K successfully collected more than the 1,323 signatures needed to submit Measure K to the voters. Under California elections law, when a city initiative qualifies for the ballot through the petition process, the city council may adopt the proposed measure, without alteration, or bring the measure to the electorate for a vote. The City Council of the City adopted the measure, consistent with its statutory authority, under California Elections Code Section 9215 on March 5, 2024. The Giovannoni Logistics

Center may qualify under Measure K, if the project developer applies for a permit consistent with the process outlined in Measure K; however, that determination will be made only if the project developer applies for the ministerial permit.

Following the Council’s March 5, 2024 action, in April 2024, Vallejo filed an additional lawsuit against the City (“Measure K litigation”). The Measure K litigation claims that City officials collaborated with the resident to draft the voter initiative and, accordingly, the project must still undergo environmental review. However, a series of California court rulings held that voter initiatives are not required to undergo environmental review under CEQA. Based on those holdings, the City has notified Vallejo that the City intends to file motions for dismissal. The Measure K litigation is pending transfer to another trial court, and upon transfer, the motions will be filed. The basis for the City’s dismissal motion is the California Supreme Court’s decision that the only way to challenge the approval of a voter initiative measure is by a voter initiated and approved referendum, not litigation.

If Vallejo is successful in one or both of its lawsuits against the City, the City could be ordered to perform additional environmental review before granting a permit for the Giovanni Logistics Center. To date, Vallejo has not sought any preliminary injunctive relief, other than that requested in the complaint, against the approval in either lawsuit.

EXECUTION

The execution and delivery of this Official Statement by the City has been duly authorized by the City Council on behalf of the District.

CITY OF AMERICAN CANYON

By: _____
City Manager

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B

THE CITY OF AMERICAN CANYON AND NAPA COUNTY

The following information concerning City of American Canyon (the “City”), Napa County (the “County”) is included only for the purpose of supplying general information regarding the area of the District. The 2024 Bonds are not a debt of the County, the State of California (the “State”) or any of its political subdivisions other than the City to the limited extent set forth in this Official Statement, and neither the County, the State nor any of its political subdivisions (other than the City to the limited extent set forth in this Official Statement) is liable therefor.

General and Location

The City. The City was incorporated in 1992 and is located about 35 miles northeast of San Francisco at the southern end of Napa County. The Napa River to the west, the eastern foothills of the Sulphur Springs Mountain Range to the east, the City of Vallejo to the south and the Napa Airport to the north bound the City geographically. Major highways include Highway 29, the world famous route through the Napa Valley Wine Country and Highway 12 that connects to 1-80 about three miles east.

It is the goal of the City, pursuant to the General Plan, to internally accommodate a sufficient range of uses to support the needs of a growing residential population. This entails the Green Island Industrial Park area, the proximity of the City to the Napa County Airport and California Northern Railroad, and the relationship of the City to the agricultural and vineyard industries of Napa County. The City is actively pursuing the type of commercial activity that residents of American Canyon currently have to travel to the cities of Vallejo or Napa to patronize.

The County. The County is located in Northern California about fifty miles northeast of San Francisco, was incorporated in 1850 as one of the original 27 California counties. The County encompasses an area of approximately 794 square miles and includes five incorporated cities. The County is bordered on the west by Sonoma County, on the northeast by Yolo County, on the north by Lake County, and on the southeast by Solano County. The County is characterized by northwest to southeast mountain ranges and valleys, the major valley being that of the Napa River. The topography is also marked by Lake Berryessa, an approximately 25 mile long, man-made lake in the northeastern part of the County, and Mt. Saint Helena, approximately 4,444 feet high, to the northwest. The County is governed by a five-member Board of Supervisors.

Population

As of January 1, 2024 the County's population was approximately 135,029. The historic population estimates for the City and County as of January 1 of the years 2020 through 2024 are listed below.

**CITY OF AMERICAN CANYON, NAPA COUNTY
AND THE STATE OF CALIFORNIA
Population Estimates
As of January 1**

<u>Year</u>	<u>City of American Canyon</u>	<u>Napa County</u>	<u>State of California</u>
2020	20,901	138,000	39,648,938
2021	21,523	137,128	39,327,868
2022	21,641	135,564	39,114,785
2023	21,379	134,508	39,061,058
2024	21,758	135,029	39,128,162

Source: California Department of Finance, Demographic Research Unit.

Employment and Industry

The unemployment rate in the Napa County was 3.8 percent in April 2024, down from a revised 4.2 percent in March 2024, and above the year-ago estimate of 3.1 percent. This compares with an unadjusted unemployment rate of 4.8 percent for California and 3.5 percent for the nation during the same period.

The table below list employment by industry group for the years 2019 through 2023.

NAPA COUNTY Annual Average Civilian Labor Force, Employment and Unemployment, Employment by Industry Calendar Years 2019 through 2023 (March 2023 Benchmark)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Civilian Labor Force ⁽¹⁾	73,200	68,900	68,400	70,500	72,000
Employment	71,100	62,700	64,300	68,100	69,400
Unemployment	2,100	6,200	4,200	2,300	2,500
Unemployment Rate	2.9%	8.9%	6.1%	3.3%	3.5%
<u>Wage and Salary Employment⁽²⁾</u>					
Agriculture	5,200	5,000	5,300	5,600	6,000
Mining, Logging and Construction	4,700	4,100	4,500	4,400	4,400
Manufacturing	13,700	12,800	13,300	14,500	15,100
Wholesale Trade	1,800	1,600	1,500	1,500	1,500
Retail Trade	6,400	6,200	6,200	6,200	6,200
Transportation, Warehousing, Utilities	2,100	1,800	2,100	2,400	2,400
Information	300	200	300	300	300
Financial Activities	2,300	2,100	2,100	2,100	2,100
Professional and Business Services	7,200	6,700	6,500	6,700	6,800
Educational and Health Services	10,300	9,900	9,900	10,100	10,600
Leisure and Hospitality	13,700	9,100	10,200	12,700	13,300
Other Services	2,100	1,700	1,800	2,100	2,200
Federal Government	200	200	200	200	200
State Government	3,600	3,600	3,600	3,400	3,300
Local Government	6,400	5,900	5,700	5,800	5,900
Total, All Industries ⁽³⁾	79,900	70,800	73,000	78,100	80,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Columns may not sum to totals due to rounding.

Source: State of California Employment Development Department.

Major Employers

The following chart presents the major employers in the City as of June 30, 2023, listed alphabetically.

CITY OF AMERICAN CANYON Major Employers June 30, 2023

Rank	Employer Name	Number of Employees
1	Amazon	481
2	Napa Valley Unified School District	358
3	GL Mezzetta	350
4	Walmart Supercenter	320
5	A Bright Future	170
6	Ikea Distribution Services, Inc. *	162
7	Barry Callebaut	146
8	Safeway	141
9	Napa Valley Casino	104
10	Western Wine Services	103

* In March 2024 IKEA Distribution Services Inc. announced that it will be closing its facility with all employees dismissed by March 1, 2025.

Source: City of American Canyon and American Canyon Fire Protection District Comprehensive Annual Financial Annual Report for the fiscal year ended June 30, 2023.

The major employers in the County as of June 2024 are shown below, in alphabetical order.

NAPA COUNTY Major Employers As of June 2024

Employer Name	Location	Industry
Adventist Health St Helena	St Helena	Hospitals
Allied Universal	Napa	Security Guard & Patrol Service
Auberge Du Soleil	Rutherford	Hotels & Motels
California Odd Fellows	Napa	Retirement Communities & Homes
City of Napa	Napa	Legal Services
Culinary Institute-Amer	St Helena	Schools-Cooking
Domaine Chandon	Yountville	Wineries (mfrs)
Duckhorn Portfolio Inc	St Helena	Wineries (mfrs)
Four Seasons Resrt-Residences	Calistoga	Hotels & Motels
Health & Human Svc	Napa	Health & Welfare Agencies
Meadows of Napa Valley Retire	Napa	Non-Profit Organizations
Meritage Resort & Spa	Napa	Resorts
Napa County & Community School	Napa	Schools
Napa County Public Works	Napa	Government Offices-County
Napa State Hospital	Napa	Hospitals
Napa Valley College	Napa	Junior-Community College-Tech Institutes
Pavilion-Vintage Estate	Yountville	Wedding Chapels
Providence Queen-The Vly Med	Napa	Hospitals
Silverado Resort-Spa A Dolce	Napa	Hotels & Motels
Sutter Home Winery	St Helena	Wineries (mfrs)
Trincher Family Estates	St Helena	Wineries (mfrs)
Veteran's Home of California	Yountville	Government-Specialty Hosp Ex Psychiatric
Veterans Home	Yountville	Veterans' & Military Organizations
Walmart Supercenter	Napa	Department Stores
Yolano Engineers Inc	Napa	Surveyors-Land

Source: California Employment Development Department, extracted from The America's Labor Market Information System

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2020 through 2024.

CITY OF AMERICAN CANYON AND NAPA COUNTY Effective Buying Income Calendar Years 2020 Through 2024

	<u>Year and Area</u>	<u>Total Effective Buying Income (000s omitted)</u>	<u>Median Household Effective Buying Income</u>
2020	City of American Canyon	\$651,589	\$83,704
	Napa County	2,701,513	73,719
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of American Canyon	\$639,666	\$81,886
	Napa County	4,934,709	75,241
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of American Canyon	\$762,991	\$96,084
	Napa County	5,853,719	87,550
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of American Canyon	\$805,811	\$101,363
	Napa County	6,068,197	88,670
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of American Canyon	\$848,692	\$106,378
	Napa County	5,945,614	91,019
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876

Source: Claritas, LLC.

Commercial Activity

Total taxable sales during the first quarter of calendar year 2024 in the City were reported to be \$85,733,237, a 4.26% increase in the total taxable sales of \$82,230,589 reported during the comparable quarter in calendar year 2023.

**CITY OF AMERICAN CANYON
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2019 through 2023 (Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2019	251	\$186,675	521	\$240,458
2020	260	165,047	553	204,681
2021	255	192,185	541	243,110
2022	266	249,882	576	317,631
2023	253	271,417	549	366,005

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first quarter of calendar year 2024 in the County were reported to be \$1,012,515,638, a 1.69% decrease in the total taxable sales of \$1,029,945,053 reported during the comparable quarter in calendar year 2022.

**COUNTY OF NAPA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2019 through 2023 (Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2019	3,099	\$2,235,101	7,290	\$3,774,339
2020	3,203	1,967,686	7,740	3,275,193
2021	2,948	2,463,898	7,412	4,155,804
2022	2,930	2,741,183	7,635	4,656,020
2023	2,837	2,721,714	7,577	4,590,541

Source: State Department of Tax and Fee Administration.

Construction Activity

Construction activity in the City and the County for the past five years for which data is available are shown in the following tables.

CITY OF AMERICAN CANYON Building Permit Valuation (Valuation in Thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Permit Valuation</u>					
New Single-family	\$65.0	\$40.0	\$195.0	\$21,073.4	\$19,136.3
New Multi-family	0.0	0.0	0.0	0.0	0.0
Res. Alterations/Additions	<u>1,051.1</u>	<u>883.3</u>	<u>1,013.6</u>	<u>977.6</u>	<u>740.2</u>
Total Residential	1,116.1	923.3	1,208.6	22,051.0	\$19,876.5
New Commercial	30,708.0	0.0	2,408.5	39.0	0.0
New Industrial	12,300.0	39,949.7	0.0	10,000.0	0.0
New Other	3,112.7	5,377.8	112.2	10,755.4	643.1
Com. Alterations/Additions	<u>4,575.5</u>	<u>7,500.6</u>	<u>1,265.2</u>	<u>105.0</u>	<u>3,379.5</u>
Total Nonresidential	50,696.2	52,828.1	3,785.9	20,899.4	4,022.6
<u>New Dwelling Units</u>					
Single Family	2	1	2	93	79
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	2	1	2	93	79

Source: Construction Industry Research Board, Building Permit Summary.

NAPA COUNTY Total Building Permit Valuations (Valuations In Thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Permit Valuation</u>					
New Single-family	\$128,284.0	\$90,632.6	\$128,200.7	\$151,884.1	\$247,610.8
New Multi-family	3,773.5	0.0	24,376.3	56,848.6	11,000.0
Res. Alterations/Additions	<u>55,059.9</u>	<u>70,236.5</u>	<u>80,298.5</u>	<u>113,783.1</u>	<u>76,676.6</u>
Total Residential	187,117.4	160,869.1	232,875.5	322,515.8	\$335,287.4
New Commercial	116,909.6	71,686.1	52,403.0	82,058.8	38,110.6
New Industrial	24,645.8	39,950.0	0.0	14,864.6	0.0
New Other	21,119.3	17,109.4	21,624.4	40,494.1	21,554.4
Com Alterations/Additions	<u>29,822.9</u>	<u>40,025.1</u>	<u>40,340.8</u>	<u>60,368.4</u>	<u>81,645.5</u>
Total Nonresidential	192,497.6	168,770.6	114,368.2	197,785.9	141,310.5
<u>New Dwelling Units</u>					
Single Family	232	228	322	389	400
Multiple Family	<u>17</u>	<u>0</u>	<u>86</u>	<u>399</u>	<u>50</u>
TOTAL	249	228	408	788	450

Source: Construction Industry Research Board, Building Permit Summary

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council
City of American Canyon
311 Vernon Street
American Canyon, California 95678

OPINION: \$_____ City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2024; and

Members of the City Council:

We have acted as bond counsel to the City of American Canyon (the "City") in connection with the issuance by the City of the above-captioned bonds (together, the "Bonds"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, et seq. of the California Government Code (the "Act") and a Fiscal Agent Agreement dated as of January 1, 2020, as supplemented and amended by Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of September 1, 2024 (together, the "Fiscal Agent Agreement"), by and between the City, on behalf of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project), and U.S. Bank Trust Company, National Association, as fiscal agent. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Fiscal Agent Agreement, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a public body, corporate and politic, with the power to adopt the resolution authorizing the issuance of the Bonds, enter into the Fiscal Agent Agreement and perform the agreements on its part contained therein, and to issue the Bonds.
2. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City, payable solely from the sources provided therefor in the Fiscal Agent Agreement.
3. The Fiscal Agent Agreement has been duly entered into by the City and constitutes a valid and binding obligation of the City enforceable upon the City.

4. Pursuant to the Act, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Interest on the Bonds may be subject to the corporate alternative minimum tax. We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) dated as of August ____, 2024, is executed and delivered by the CITY OF AMERICAN CANYON (the “City”) in connection with the execution and delivery of its City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds Series 2024 (together, the “Bonds”). The Bonds are being executed and delivered pursuant to a Fiscal Agent Agreement dated as of January 1, 2020, as supplemented and amended by Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of September 1, 2024 (together, the “Fiscal Agent Agreement”), by and between the City, for and on behalf of the City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project), and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”).

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined herein).

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Annual Report Date” means the date that is nine months after the end of the City’s fiscal year (currently April 1 based on the City’s fiscal year end of June 30).

“Dissemination Agent” means NBS, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

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

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the final official statement executed by the City in connection with the issuance of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2025, with the report for the 2023-24 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form required by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine prior to each Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) Principal amount of all outstanding special tax bonds of the District (including the Bonds and any Additional Bonds).

(ii) Balance in each reserve account of the Reserve Fund, and statement of the Reserve Requirement for the Bonds. Statement of projected draws on the 2024 Reserve Account of the Reserve Fund, if any.

(iii) Balance in other funds and accounts held by the City or Fiscal Agent under the Fiscal Agent Agreement.

(iv) Special Tax levy, delinquency rate, total amount of delinquencies, number of parcels delinquent in payment of the Special Tax for the five most recent fiscal years.

(v) Notwithstanding the June 30th reporting date for the Annual Report, the following information shall be reported as of the last day of the month immediately preceding the date of the Annual Report rather than as of June 30th. Identity of each delinquent taxpayer responsible for 5% or more of total Special Tax levied, and the following information: assessor parcel number, assessed value of applicable properties, amount of Special Tax levied, amount delinquent by parcel number and status of foreclosure proceedings. If any foreclosure has been completed, summary of results of foreclosure sales or transfers.

(vi) Most recently available total assessed value of all taxable property in the District.

(vii) List of landowners and assessor's parcel number of parcels responsible for 20% or more of the Special Tax levy including the following information: development status to the extent shown in City records, land use classification, assessed value (land and improvements), if any.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.

- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional fiscal agent or the change of name of the fiscal agent, if material.
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for the definition of "financial obligation," see clause (e)).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for the definition of "financial obligation," see clause (e)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above. The Dissemination Agent shall not be responsible for determining whether an event is material.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from

a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

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

CITY OF AMERICAN CANYON, for and on behalf of City of American Canyon Community Facilities District No. 2018-1 (Green Island Road Project)

By: _____
Name:
Title:

NBS, as Dissemination Agent

By: _____
Name:
Title:

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF FISCAL AGENT AGREEMENT

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the 2024 Bonds, payment of principal, interest and other payments on the 2024 Bonds (herein, the “Securities”) to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the “Issuer”) nor the fiscal agent appointed with respect to the Securities (the “Agent”) takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”) will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.



TITLE

Voting Delegate and Alternate(s) for the League of California Cities 2024 Annual Business Meeting

RECOMMENDATION

Approve a Minute Order designating a Voting Delegate and Alternate(s) for the League of California Cities 2024 Annual Business Meeting.

CONTACT

Taresa Geilfuss, CMC, City Clerk

BACKGROUND & ANALYSIS

The League of California Cities 2024 Annual Conference and Expo will be held on October 16-18, 2024. The General Assembly (Annual Business Meeting) is scheduled for Friday, October 18, 2024. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the General Assembly, the City Council must designate a Voting Delegate and up to two (2) alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity. To be eligible to vote, the delegate must be registered to attend the conference.

The League has requested that voting delegate information be transmitted to the League as soon as possible and no later than September 25, 2024.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Organizational Effectiveness: "Deliver exemplary government services."

FISCAL IMPACT

There is no fiscal impact to designating a voting delegate.

ENVIRONMENTAL REVIEW

Not Applicable.

ATTACHMENTS:

1. [2024 Cal Cities Voting Delegate Information Packet](#)



Council Action Advised by September 25, 2024

DATE: Wednesday, July 10, 2024

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

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference and Expo, Oct. 16-18, 2024
Long Beach Convention Center**

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

Taking place on Oct. 18, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

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

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

Following council action, please submit your city's delegates through [the online submission portal](#) by Wed., Sept. 25. When completing the Voting Delegate submission form, you will be asked to attest that council action was taken. You will need to be signed in to your My Cal Cities account when submitting the form.

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

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



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

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

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

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

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

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

Once again, thank you for submitting your voting delegate and alternates by Wednesday, Sept. 25. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:

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

General Assembly Voting Guidelines

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

How it works: Cal Cities Resolutions and the General Assembly

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

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

Prior to the Annual Conference and Expo

General Resolutions



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

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



Policy Committees



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

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



During the Annual Conference and Expo

Petitioned Resolutions



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

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



Resolutions Committee



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

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



General Assembly



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

Who's who

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

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

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

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

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

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

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

Future Agenda Items

August 22, 2024, Planning Commission Meeting 6:30 p.m.

Oat Hill Multi-Family Residential Major Modification
21 Capri Variance (PL24-00019)

September 3, 2024, Regular City Council Meeting . 6:30p Open Session.

National Hispanic Heritage Month
Water Treatment Plant Membrane Purchase
Oat Hill Multi-Family Project Major Modification
City Council Code of Conduct and Governance Protocols
National Community Survey Report

September 4, 2024, Open Space, Active Transportation and Sustainability Commission, 6:30 p.m.

GIR Class I Bikeway
Wetlands Edge Outdoor Education Project
Newell Open Space Trail Head Project

September 12, 2024, Parks and Community Services Commission

Facility Naming Submissions
Utilization of City Parks and Facilities for Community Groups and Events
Parks and Community Services Master Plan

September 17 2024, Regular City Council Meeting. 6:30p Open Session

Proclamation - National Recovery Month.
Proclamation – Suicide Prevention Month
SDG 217 Waste Water Capacity Fee Deferral Agreement
Green Island Road Project (TR16-0700) Phase 2 Contract Award

September 26, 2024, Planning Commission Meeting 6:30 p.m.

SDG 220 Warehouse EIR and CUP
Crawford Way Apartment Townhome Design Permit

Future Agenda Items

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SDG 220 Warehouse EIR and CUP
Crawford Way Apartment Townhome Design Permit