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PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2021

NEW ISSUE – BOOK ENTRY ONLY

NO RATING

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject however, to certain qualifications described in this Official Statement, under existing law, interest on the 2021 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the 2021 Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS."



\$24,585,000* **CITY OF ALAMEDA** **COMMUNITY FACILITIES DISTRICT NO. 13-1** **(ALAMEDA LANDING PUBLIC IMPROVEMENTS)** **2021 SPECIAL TAX SUBORDINATE BONDS**

Dated: date of issuance

Due: September 1, as shown on inside cover

The City of Alameda, California (the "City"), for and on behalf of the City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) (the "District"), is issuing the above-captioned bonds (the "2021 Bonds") to (i) finance public improvements authorized to be funded by the District, (ii) fund a reserve fund for the 2021 Bonds, (iii) fund a cash flow account for the 2021 Bonds, and (iv) pay costs of issuing the 2021 Bonds. See "PLAN OF FINANCING." The 2021 Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of October 1, 2021, by and between the City, for and on behalf of the District, and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent").

The 2021 Bonds are payable from the proceeds of annual Special Taxes (as defined in the Fiscal Agent Agreement) being levied on property located within the District (see "THE DISTRICT"), and from certain funds pledged under the Fiscal Agent Agreement. The Special Taxes are being levied according to a rate and method of apportionment of Special Taxes approved in 2014 by the then-qualified electors of the District. See "SECURITY FOR THE 2021 BONDS—Special Taxes" and Appendix B – "Rate and Method."

Interest on the 2021 Bonds is payable on March 1 and September 1 of each year, commencing on March 1, 2022. The 2021 Bonds will be issued in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2021 Bonds. Individual purchases of the 2021 Bonds will be made in book-entry form only. Purchasers of the 2021 Bonds will not receive physical certificates representing their ownership interests in the 2021 Bonds purchased. Principal of and interest on the 2021 Bonds are payable directly to DTC by the Fiscal Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the 2021 Bonds. See "THE 2021 BONDS" and Appendix F – "DTC and the Book-Entry Only System."

The 2021 Bonds are subject to optional and mandatory redemption prior to maturity. See "THE 2021 BONDS—Redemption."

In 2016, the City issued special tax bonds (the "Senior Bonds") secured by and payable from the Special Tax Revenues on a basis senior to the 2021 Bonds, and, under the circumstances described herein, the City may issue additional Senior Bonds so secured and payable but only for refunding purposes, as described herein. See "INTRODUCTION—The 2021 Bonds – Senior Bonds" and "SECURITY FOR THE 2021 BONDS—Issuance of Additional Bonds – Senior Bonds." The City may issue additional bonded indebtedness that will be secured by a lien on the Special Tax Revenues (as defined in the Fiscal Agent Agreement) and by funds pledged under the Fiscal Agent Agreement for the payment of the 2021 Bonds, on a parity with the 2021 Bonds, but only for refunding purposes. See "SECURITY FOR THE 2021 BONDS—Issuance of Additional Bonds."

NONE OF THE FAITH AND CREDIT OF THE DISTRICT, THE CITY OR THE STATE OF CALIFORNIA OR OF ANY OF THEIR RESPECTIVE POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE 2021 BONDS. EXCEPT FOR THE SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE 2021 BONDS. THE 2021 BONDS ARE NEITHER GENERAL NOR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE CITY FOR THE DISTRICT, PAYABLE SOLELY FROM CERTAIN AMOUNTS PLEDGED THEREFOR UNDER THE FISCAL AGENT AGREEMENT, AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

This cover page contains certain information for quick reference only. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the 2021 Bonds. The purchase of the 2021 Bonds involves significant risks, and the 2021 Bonds are not appropriate investments for all types of investors. See "SPECIAL RISK FACTORS" in this Official Statement for a discussion of certain risk factors that should be considered, in addition to the other matters set forth in this Official Statement, in evaluating the investment quality of the 2021 Bonds.

The 2021 Bonds are offered when, as and if issued, subject to approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Bond Counsel, and certain other conditions. Certain legal matters with respect to the 2021 Bonds will be passed upon for the City by the City Attorney, and by Quint & Thimmig LLP, in its capacity as Disclosure Counsel to the City for the 2021 Bonds. Certain legal matters related to the 2021 Bonds will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, acting as Underwriter's Counsel. It is anticipated that the 2021 Bonds in definitive form will be available for delivery to DTC on or about October __, 2021.

STIFEL

The date of this Official Statement is September __, 2021.

* Preliminary, subject to change.

\$24,585,000*
CITY OF ALAMEDA
COMMUNITY FACILITIES DISTRICT NO. 13-1
(ALAMEDA LANDING PUBLIC IMPROVEMENTS)
2021 SPECIAL TAX SUBORDINATE BONDS

Maturity Schedule

\$_____ Serial Bonds, CUSIP Prefix 010780**

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Suffix**
--------------------------------	---------------------	------------------	-------	-------	-------------------

\$ _____ % Term Bonds due September 1, _____ Yield _____ % Price _____ CUSIP Number 010780 _____ **
 \$ _____ % Term Bonds due September 1, _____ Yield _____ % Price _____ CUSIP Number 010780 _____ **

* Preliminary, subject to change.

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

The information contained in this Official Statement has been obtained from sources that are believed to be reliable. No representation, warranty or guarantee, however, is made by the Underwriter as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the Appendices, and nothing contained in this Official Statement should be relied upon as a promise or representation by the Underwriter.

Neither the City nor the Underwriter has authorized any dealer, broker, salesperson or other person to give any information or make any representations with respect to the offer or sale of 2021 Bonds other than as contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the City or the Underwriter. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2021 Bonds shall under any circumstances create any implication that there has been no change in the affairs of any party described in this Official Statement, or in the status of any property described in this Official Statement, subsequent to the date as of which such information is presented.

This Official Statement and the information contained in this Official Statement are subject to amendment without notice. The 2021 Bonds may not be sold, and no offer to buy the 2021 Bonds may be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the 2021 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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 or any other entity described or referenced in this Official Statement, 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" within the meaning of the Private Securities Litigation Reform Act of 1995. 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.

All summaries of the documents referred to in this Official Statement are qualified by the provisions of the respective documents summarized and do not purport to be complete statements of any or all of such provisions.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its 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 the completeness of such information.

In connection with the offering of the 2021 Bonds, the Underwriter may overallocate or effect transactions that stabilize or maintain the market prices of the 2021 Bonds at levels 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 2021 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

The 2021 Bonds have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption from the registration requirements contained in the Securities Act. The 2021 Bonds have not been registered or qualified under the securities laws of any state.

The City maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

CITY OF ALAMEDA

City Council

Marilyn Ezzy Ashcraft, *Mayor*
Malia Vella, *Vice Mayor*
Tony Daysog, *Councilmember*
Trish Herrera Spencer, *Councilmember*
John Knox White, *Councilmember*

City Officials

Eric Levitt, *City Manager*
Annie To, *Finance Director*
Lisa Maxwell, *Community Development Director*
Erin Smith, *Public Works Director*
Yibin Shen, Esq., *City Attorney*
Lara Weisiger, *City Clerk*

PROFESSIONAL SERVICES

Fiscal Agent

U.S. Bank National Association
San Francisco, California

Special Tax Consultant and Dissemination Agent

NBS
Temecula, California

Appraiser

Integra Realty Resources
San Francisco, California

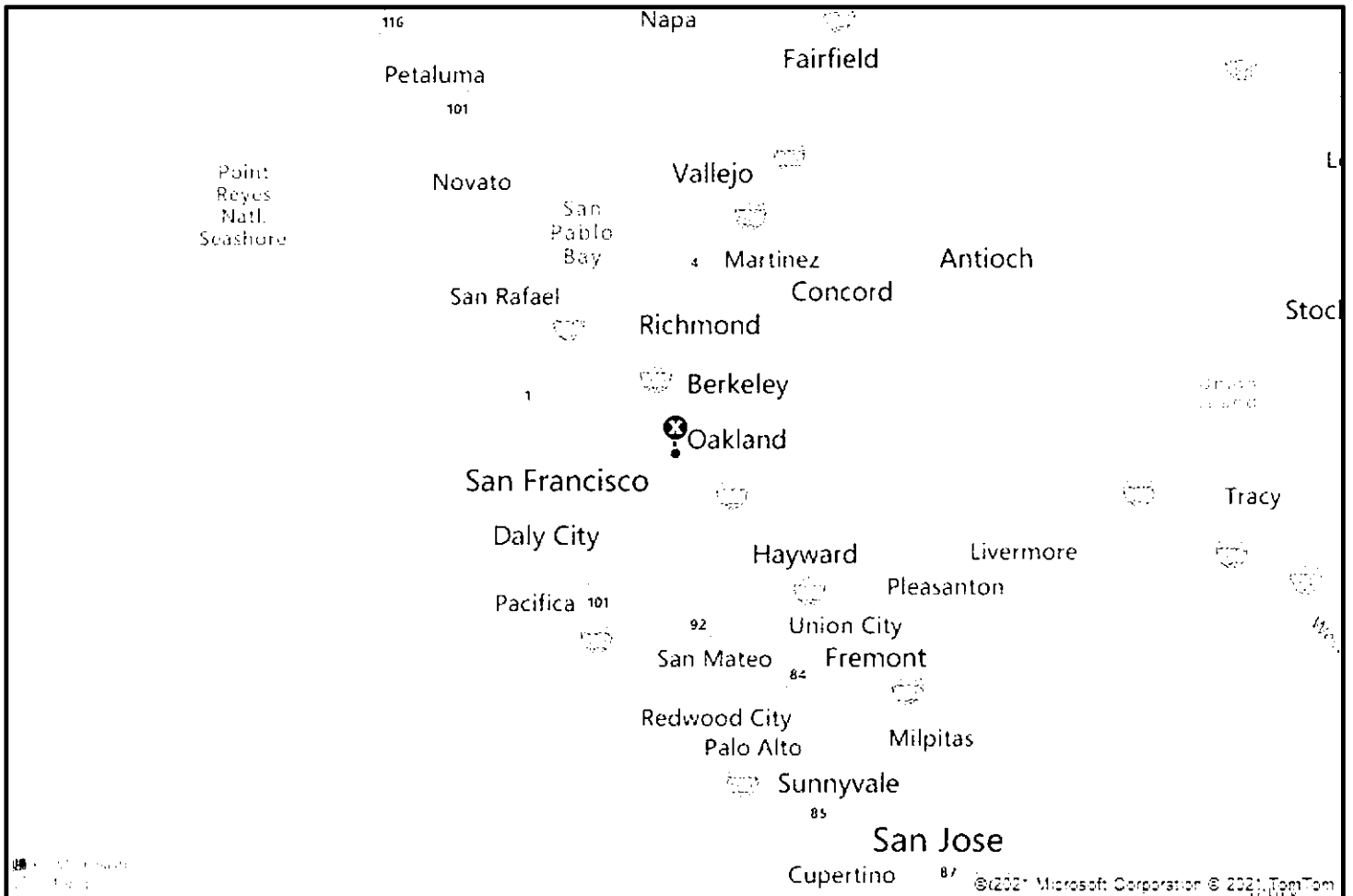
Bond Counsel and Disclosure Counsel

Quint & Thimmig LLP
Larkspur, California

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CITY OF ALAMEDA LOCATION MAP



OFFICIAL STATEMENT

\$24,585,000*
CITY OF ALAMEDA
COMMUNITY FACILITIES DISTRICT NO. 13-1
(ALAMEDA LANDING PUBLIC IMPROVEMENTS)
2021 SPECIAL TAX SUBORDINATE BONDS

INTRODUCTION

This introduction is not a summary of this Official Statement and is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in this entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of this entire Official Statement by those interested in purchasing the 2021 Bonds. The sale and delivery of 2021 Bonds to potential investors is made only by means of this entire Official Statement. Certain capitalized terms used in this Official Statement and not defined herein have the meaning set forth in Appendix C—"Summary of the Fiscal Agent Agreement—Definitions" and in Appendix B—"Rate and Method."

General

The purpose of this Official Statement, which includes the cover page, the inside cover page, the table of contents and the attached appendices (the "**Official Statement**"), is to provide certain information concerning the issuance by the City of Alameda, California (the "**City**"), for and on behalf of the City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) (the "**District**"), of the City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) 2021 Special Tax Subordinate Bonds (the "**2021 Bonds**"). The 2021 Bonds are being issued to (i) finance public improvements authorized to be funded by the District (the "**Improvements**"), (ii) fund a reserve fund for the 2021 Bonds, (iii) fund a cash flow account for the 2021 Bonds, and (iv) pay costs of issuing the 2021 Bonds. See "PLAN OF FINANCING—Estimated Sources and Uses of Funds."

Authority for Issuance

General. The District was formed in January of 2014 under the authority of the City of Alameda Special Tax Financing Improvement Code, constituting Section 3-70.1 of the Alameda Municipal Code (the "**Law**"). The Law was enacted by Ordinance No. 2498 adopted by the City Council of the City (the "**City Council**") on September 18, 1990, and has provisions similar to those of the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.). The Law authorizes the City Council to establish community facilities districts with defined boundaries and, subject to approval by at least a two-thirds vote of the votes cast by the qualified electors within a district and compliance with the provisions of the Law, the City Council may issue bonds for the community facilities district established by it and may levy and collect a special tax within the community facilities district to repay the bonds.

Bond Authority. The 2021 Bonds are authorized to be issued pursuant to the Law, Resolution No. ____ adopted on September 7, 2021 by the City Council, acting as the legislative body of the District, and the Fiscal Agent Agreement dated as of October 1, 2021 (the "**Fiscal Agent Agreement**"), between the City, for and on behalf of the District, and U.S. Bank National

* Preliminary, subject to change.

Association, as fiscal agent (the “**Fiscal Agent**”). For more detailed information about the formation of the District and the authority for issuance of the 2021 Bonds, see “THE 2021 BONDS—Authority for Issuance” and “THE DISTRICT—History of the District.” When used in this Official Statement the term “**Bonds**” means the 2021 Bonds and any **Parity Bonds** that may be issued in the future under the Fiscal Agent Agreement. See “SECURITY FOR THE 2021 BONDS—Issuance of Additional Bonds.”

The 2021 Bonds

General. The 2021 Bonds will be issued only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, and will bear interest at the rates per annum and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. The 2021 Bonds will be dated the date of their issuance and interest on the 2021 Bonds will be payable on March 1 and September 1 of each year (individually an “**Interest Payment Date**”), commencing March 1, 2022. See “THE 2021 BONDS.” The 2021 Bonds will be issued in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“**DTC**”), which will act as securities depository for the 2021 Bonds. See “THE 2021 BONDS—General Provisions.”

Senior Bonds. The City has heretofore issued its Community Facilities District No. 13-1 (Alameda Landing Public Improvements) 2016 Special Tax Bonds, of which \$15,295,000 principal amount is outstanding (the “**Outstanding Senior Bonds**”). The Outstanding Senior Bonds were issued pursuant to a Fiscal Agent Agreement, dated as of March 1, 2016 (as amended, the “**Senior Fiscal Agent Agreement**”), between the City, for and on behalf of the District, and U.S. Bank National Association, as successor fiscal agent (the “**Senior Fiscal Agent**”), to finance public improvements authorized to be funded by the District. See “THE DISTRICT—History of the District.” The Senior Fiscal Agent Agreement allows for the issuance of additional bonds secured under the Senior Fiscal Agent Agreement on a parity with the Outstanding Senior Bonds (any such parity bonds, together with the Outstanding Senior Bonds, are referred to herein as the “**Senior Bonds**”). The Fiscal Agent Agreement provides that, unless otherwise consented to by the owners of the Bonds, any such parity Senior Bonds may only be Refunding Bonds as defined in the Senior Fiscal Agent Agreement, which are bonds issued by the City for the District the net proceeds of which are used to refund all or a portion of the then outstanding Senior Bonds; provided that the debt service on the Refunding Bonds in any Bond Year is not in excess of the debt service on the Senior Bonds being refunded and the final maturity of the Refunding Bonds is not later than the final maturity of the Senior Bonds being refunded.

So long as any Senior Bonds are outstanding, the Special Taxes levied on property in the District and collected each fiscal year will be used to satisfy the City’s obligations under the Senior Fiscal Agent Agreement, including payment of the scheduled debt service on the Senior Bonds and certain expenses of administering the District and the Senior Bonds, before any such Special Taxes are available for payment of the debt service on the 2021 Bonds and any Parity Bonds that may be issued under the Fiscal Agent Agreement (the 2021 Bonds and any such Parity Bonds are collectively referred to herein as the “**Bonds**”).

Redemption Prior to Maturity. The 2021 Bonds are subject to optional and mandatory redemption prior to maturity. See “THE 2021 BONDS—Redemption.”

Security for the 2021 Bonds

Pledge Under the Fiscal Agent Agreement. Pursuant to the Fiscal Agent Agreement, the 2021 Bonds are secured by a first pledge of all of the Special Tax Revenues (other than, when the

Senior Fiscal Agent Agreement is no longer in effect, the first Special Tax Revenues in the amount of the Minimum Administrative Expense Requirement received by the City in each Fiscal Year, which are to be used to pay Administrative Expenses) and all moneys deposited in the Bond Fund, the Reserve Fund and, until disbursed in accordance with the Fiscal Agent Agreement, in the Special Tax Fund, all of which funds are held by the Fiscal Agent under the Fiscal Agent Agreement. **“Special Tax Revenues,”** as defined in the Fiscal Agent Agreement, means (i) so long as any Senior Bonds are outstanding under the Senior Fiscal Agent Agreement, amounts remitted by the Senior Fiscal Agent thereunder to the Fiscal Agent each fiscal year pursuant to the Senior Fiscal Agent Agreement after satisfaction of the requirements of the Senior Fiscal Agent Agreement for such fiscal year; and (ii) once all of the Senior Bonds have been repaid or legally defeased, the proceeds of the Special Taxes levied on the property in the District and received by the City, including any scheduled payments and any prepayments 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 to the amount of said lien, but does not include interest and penalties, if any, collected with the Special Taxes that are in excess of the rate of interest payable on the Bonds. **“Minimum Administrative Expense Requirement”** means (a) for Fiscal Year 2021-22, \$27,602; and (b) for each Fiscal Year after Fiscal Year 2021-22, an amount equal to 102% of the Minimum Administrative Expense Requirement in effect for the immediately preceding Fiscal Year.

The requirements of the Senior Fiscal Agent Agreement to be satisfied each Fiscal Year prior to the release of funds thereunder to the Fiscal Agent for deposit in the Special Tax Fund under the Fiscal Agent Agreement include the payment, or set aside for payment, of the amount needed to pay the debt service due on the Senior Bonds in the Bond Year that commences in the respective fiscal year, and the provision for administrative expenses of the City related to the District and the Senior Bonds in an amount up to the Minimum Administrative Expense Requirement, which is defined in the Senior Fiscal Agent Agreement as, for Fiscal Year 2021-22, \$27,602, and for each Fiscal Year thereafter an amount equal to 102% of the Minimum Administration Expense Requirement in effect for the prior Fiscal Year.

See “SECURITY FOR THE 2021 BONDS—Subordination of Special Taxes to Senior Bonds” for additional provisions of the Fiscal Agent Agreement related to the use of Special Taxes in the event of delinquencies in payment of Special Taxes by property owners.

The Special Tax Revenues (other than, when the Senior Fiscal Agent Agreement is no longer in effect, the first Special Tax Revenues in the amount of the applicable Minimum Administrative Expense Requirement received by the City in each Fiscal Year, which are to be used to pay Administrative Expenses), and all moneys on deposit in the Bond Fund, the Reserve Fund and the Special Tax Fund are dedicated to the payment of the principal of, and interest and any premium on, the 2021 Bonds in accordance with the Fiscal Agent Agreement until all of the 2021 Bonds have been paid or defeased. See “SECURITY FOR THE 2021 BONDS—Special Taxes.”

Special Taxes; Rate and Method. The Special Taxes to be used to pay debt service on the 2021 Bonds will be levied in accordance with the Rate and Method of Apportionment of Special Taxes (the **“Rate and Method”**) for the District, which is described under the heading “SECURITY FOR THE 2021 BONDS—Summary of Rate and Method,” and is set forth in its entirety in Appendix B—“Rate and Method.” **“Special Taxes”** as defined in the Fiscal Agent Agreement, means the special tax levied on the Taxable Property within the District pursuant to the Law, Ordinance No. 3125 adopted by the City Council on May 5, 2015 (the **“Ordinance Levying Special Taxes”**), which provides for the levy of the Special Taxes in accordance with the Rate and Method, and the Fiscal Agent Agreement. **“Taxable Property”** is defined in the Rate and Method as any County of Alameda Assessor’s Parcel within the District which is not

exempt from the Special Tax by applicable law or the Rate and Method (which exempts certain Public Property and property classified by the Rate and Method as Affordable Housing Units). See "SECURITY FOR THE 2021 BONDS—Special Taxes" and "—Summary of Rate and Method."

Limitations. So long as the Senior Fiscal Agent Agreement is in effect, Special Taxes collected each Fiscal Year will first be used to satisfy the requirements for the Senior Fiscal Agent Agreement before they will be available for purposes of the Fiscal Agent Agreement (see the fourth preceding paragraph). When the Senior Fiscal Agent Agreement is no longer in effect, the first Special Tax Revenues in the amount of the applicable Minimum Administrative Expense Requirement received by the City in each Fiscal Year, as well as amounts in the Administrative Expense Fund, the Improvement Fund and the Costs of Issuance Fund, each of which is established under the Fiscal Agent Agreement, are not pledged to the repayment of the 2021 Bonds. The Improvements financed by the District are not pledged to pay the debt service on the 2021 Bonds. The proceeds of any sale, condemnation or destruction of any of the Improvements are not pledged to pay the debt service on the 2021 Bonds.

In the event that the Special Taxes are not paid when due, the only sources of funds available to repay the 2021 Bonds are amounts held by the Fiscal Agent in the Bond Fund, the Special Tax Fund and the Reserve Fund established under the Fiscal Agent Agreement, and the proceeds, if any, from foreclosure sales of Taxable Property within the District in respect of delinquent Special Taxes on a basis subordinate to the use of any such foreclosure proceeds to pay the Senior Bonds. See "SECURITY FOR THE 2021 BONDS—Subordination of Special Taxes to Senior Bonds."

Reserve Fund

The Fiscal Agent Agreement establishes a Reserve Fund as a reserve for the payment of principal of and interest on the Bonds (which includes the 2021 Bonds and any Parity Bonds). The Reserve Fund is required to be funded in an amount equal to the least of (i) the then Maximum Annual Debt Service, (ii) one hundred twenty-five percent (125%) of the then average Annual Debt Service, or (iii) ten percent (10%) of the initial principal amount of the Bonds (the "**Reserve Requirement**"). The Reserve Fund will be available to pay the debt service on the 2021 Bonds and any Parity Bonds in the event of a shortfall in the amount in the Bond Fund for such purpose. The Reserve Requirement as of the date of issuance of the 2021 Bonds will be \$_____. See "SECURITY FOR THE 2021 BONDS—Reserve Fund."

Alameda Landing

The District is located in an area of the City known as Alameda Landing, which is a portion of the former Navy Fleet Industrial Supply Center. The City, the Successor Agency to the Community Improvement Commission of the City of Alameda (the "**Successor Agency**"), as successor to the former Community Improvement Commission of the City of Alameda (the "**Former Agency**"), and Catellus Alameda Development, LLC ("**Catellus LLC**"), as successor in interest to Palmtree Acquisition Corporation, are parties to a Disposition and Development Agreement (along with certain other parties pursuant to partial assignments thereof), dated as of December 5, 2006 (the "**DDA**"), which provided entitlements for the development of an approximately 64-acre mixed use development, including 400,000 square feet of office space, 300,000 square feet of retail commercial space, 300 residential housing units, a 20,000 square foot health club and an 8-acre waterfront park.

In the summer of 2012, Catellus LLC commenced construction of various infrastructure improvements required for the development of the first phase of Alameda Landing, including

the demolition of then existing Navy warehouses and the completion of certain roadway improvements. The construction of the retail component of the project, which is not located in the District, was completed in January 2015, and includes a Target store, a Safeway grocery store, a Michaels craft store, and other retail stores. During the period from December 2013 to December 2015, TRI Pointe Homes, Inc., a Delaware corporation ("TRI Pointe") purchased the right to have conveyed by the Successor Agency approximately 24 acres of land in the District (referred to in this Official Statement as the "Original Area") from Catellus LLC, and began the construction of model homes in that area in May 2014. TRI Pointe completed the construction of 253 homes in the Original Area in August 2019, including 164 attached dwelling units and 91 detached dwelling units, all of which are currently owned by individual homeowners and are subject to the levy of Special Taxes.

In April 2015, the City Council conducted proceedings to annex approximately 44 acres of land (referred to in this Official Statement as the "Annexation Area") to the District. The property in the Annexation Area was then owned by the Successor Agency. In September 2017, the City Council approved a Master Plan Amendment revising the entitlements for the development of the property in the District, plus a 4.6 acre waterfront park, to be as shown in a table under the heading "THE DISTRICT – Location and Description of the District."

On February 22, 2019, Pulte Home Company, LLC (referred to in this Official Statement as the "Homebuilder") entered into a contract with the Successor Agency and Catellus LLC to acquire an approximately 17.22 acres of property in the Annexation Area in three separate conveyances. The first conveyance of 7.47 acres occurred on August 17, 2020 (referred to in this Official Statement as "Phase 1 of the Annexation Area"), the second conveyance of 6.01 acres occurred on June 14, 2021 (referred to in this Official Statement as "Phase 2 of the Annexation Area"), and the third conveyance of 3.74 acres is expected to occur on or about April 1, 2022 (referred to in this Official Statement as "Phase 3 of the Annexation Area"). No assurance can be given that the conveyance of Phase 3 of the Annexation will occur as expected.

The Original Area of the District also includes 22.12 acres of land owned by Bay Ship & Yacht Company and 1.13 acres of land on which the Housing Authority of the City of Alameda (the "Housing Authority") has constructed 26 low-income residential dwelling units.

Catellus LLC has advised that the waterfront park is expected to be completed in June 2022, and site development work for the property in Phase 1 of the Annexation Area and in Phase 2 of the Annexation Area was completed in June 2021. As of August 31, 2021, Catellus LLC had completed approximately 65% of the site development work for the property in Phase 3 of the Annexation Area. The Homebuilder is responsible for the construction of in-tract improvements for the property it acquires in the Annexation Area. The in-tract improvements for the property in Phase 1 of the Annexation Area were substantially completed, with walkways and landscaping remaining to be installed, and the construction of homes in that area began in October of 2020. Construction of the in-tract improvements for the property in Phase 2 of the Annexation Area commenced in June 2021 and are expected to be substantially completed in December 2021.

The District

The District was formed by the City Council pursuant to proceedings conducted under the Law on January 7, 2014. At the time it was formed, the District included approximately 24 gross acres of land (the "**Original Area**") subject to the DDA, which land was conveyed to TRI Pointe as described under "INTRODUCTION—Alameda Landing" above. In April 2015, the City Council conducted proceedings to annex an additional approximately 41 gross acres of land subject to the DDA and then owned by the Successor Agency to the District (the

“Annexation Area”), and to alter the original rate and method of apportionment of special taxes for the District (as so altered, referred to herein as the **“Rate and Method”**), as well as to include additional improvements to the Improvements authorized to be funded by the District, and to increase the bonded indebtedness limit of the District to \$40,000,000. See **“THE DISTRICT—History of the District.”**

TRI Pointe completed the construction of 253 homes in the Original Area in August 2019, all of which have been sold to individual homeowners, and all of which are subject to the levy of Special Taxes. The Original Area also includes 1.13 acres of land on which the Housing Authority has constructed 26 low-income residential dwelling units. The land owned by the Housing Authority is not subject to the levy of Special Taxes, and the land owned by Bay Ship & Yacht Company (referred to in the Rate and Method as Conveyance Parcel 7) will only become subject to the levy of Special Taxes when New Construction, as defined in the Rate and Method, occurs on the property.

As described under this subheading **“Alameda Landing”** above, the Homebuilder has entered into a contract with the Successor Agency and Catellus LLC to acquire approximately 17.22 acres of land in the Annexation Area in three phases. The conveyance of the land in the first two of those phases (Phase 1 of the Annexation Area and Phase 2 of the Annexation Area), consisting of 7.47 acres and 6.01 acres, respectively, was completed on August 17, 2020 and June 14, 2021, and that property is now subject to the levy of Special Taxes. The third conveyance (Phase 3 of the Annexation Area) is expected to occur on April 14, 2022, but no assurance can be given that such conveyance will occur as expected. Property in Phase 3 of the Annexation Area owned by the Successor Agency, until it is conveyed to the Homebuilder, is not subject to the levy of the Special Taxes.

The construction and sales of homes on the property in Phase 1 of the Annexation Area is ongoing, and is expected to include a total of 156 single family residences and a 0.16 acre site for commercial use that is currently being used by the Homebuilder for a sales office. The property in Phase 2 of the Annexation Area has been site graded and is expected to include 95 attached and detached homes, with in-tract improvements and homes to be constructed by the Homebuilder. The property in Phase 3 of the Annexation Area, when and if conveyed to the Homebuilder, is it expected to be improved with 106 single family homes. See **“THE DISTRICT—Location and Description of the District”** and **“—The Homebuilder.”**

Land Valuation

The firm of Integra Realty Resources (the **“Appraiser”**) has prepared an Appraisal of Real Property dated June 18, 2021 (the **“Appraisal Report”**) with a valuation date of June 15, 2021, estimating the market value of the parcels within the Annexation Area that has been and is expected to be conveyed to the Homebuilder.

The Appraiser concluded in the Appraisal Report that the market value of the property in Phase 1 of the Annexation Area is \$55,380,000, the market value of the property in Phase 2 of the Annexation Area is \$26,980,000, and the market value of the property in Phase 3 of the Annexation Area is \$27,120,000, in each case subject to certain assumptions and limiting conditions set forth in the Appraisal Report, including an extraordinary assumption to the effect that there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit the development of the property in the Annexation Area. The Appraiser has also noted in the Appraisal that the current Alameda County Assessor’s value of the 253 homes constructed in the Original Area and two non-residential parcels in the Original Area is \$262,697,583, which appraised value was updated in July 2021 by the Alameda County Assessor to \$267,339,781. The total of the appraised value of the land in Phase 1 of the Annexation Area

and in Phase 2 of the Annexation Area (the property in Phase 3 of the Annexation Area is not yet subject to the levy of Special Taxes, see the fourth preceding paragraph), as reflected in the Appraisal Report, together with the assessed value of the homes and two non-residential parcels in the Original Area, for a total of \$349,699,781, is approximately 8.76* times the \$39,880,000* aggregate amount of the \$24,585,000* initial principal amount of the 2021 Bonds and the \$15,295,000 principal amount of the Outstanding Senior Bonds. On August __, 2021, the Appraiser provided a letter to the City (the "Update Letter") to the effect that the estimated value for the property in the Annexation Area set forth in the Appraisal has not decreased since June 15, 2021. The Appraisal Report and the Update Letter, which are included in Appendix H, should be read in their entirety by prospective purchasers of the 2021 Bonds. See "THE DISTRICT—Property Values," "SPECIAL RISK FACTORS – Property Value" and "SPECIAL RISK FACTORS—Hazardous Substances."

The value of individual parcels in the District will vary significantly, and no assurance can be given that should Special Taxes levied on one or more of the parcels become delinquent, and should the delinquent parcels be offered for sale at a judicial foreclosure sale, that any bid would be received for the property or, if a bid is received, that such bid would be sufficient to pay such parcel's delinquent Special Taxes. See "SPECIAL RISK FACTORS – Property Value" and "SPECIAL RISK FACTORS – Insufficiency of Special Taxes."

Limited Obligation

Although the unpaid Special Taxes constitute liens on parcels within the District on which they are levied, they do not constitute a personal indebtedness of the property owners. There is no assurance that the Homebuilder, any owner or purchaser of a home in the Original Area, or any future owners of property in the Annexation Area will be financially able to pay the Special Taxes levied on their property in the District, or that they will pay the Special Taxes even though financially able to do so.

NONE OF THE FAITH AND CREDIT OF THE DISTRICT, THE CITY OR THE STATE OF CALIFORNIA OR OF ANY OF THEIR RESPECTIVE POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE 2021 BONDS. EXCEPT FOR THE SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE 2021 BONDS. THE 2021 BONDS ARE NEITHER GENERAL NOR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE CITY FOR THE DISTRICT PAYABLE SOLELY FROM CERTAIN AMOUNTS PLEDGED THEREFOR UNDER THE FISCAL AGENT AGREEMENT, AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

Issuance of Additional Bonds

The City may in the future issue additional bonded indebtedness that is secured by a lien on the Special Tax Revenues and on the funds pledged under the Fiscal Agent Agreement for the payment of the 2021 Bonds on a parity with the 2021 Bonds ("**Parity Bonds**"), subject to the provisions of the Fiscal Agent Agreement with respect to Parity Bonds. The Fiscal Agent Agreement allows for the issuance of Parity Bonds in a principal amount equal to the difference, if any, between the \$40,000,000 bonded indebtedness limit of the District, and the initial principal amount of the 2016 Bonds (\$15,415,000) and of the 2021 Bonds (\$_____), and otherwise that are Refunding Bonds. The Fiscal Agent Agreement contains a covenant that prohibits the issuance of additional Senior Bonds, unless consented to by the owners of the 2016 Bonds, or if the additional Senior Bonds are considered to be Refunding Bonds under the

* Preliminary, subject to change.

provisions of the Senior Fiscal Agent Agreement. See “SECURITY FOR THE 2021 BONDS—Issuance of Additional Bonds.”

Bondowners’ Risks

Certain events could affect the ability of the City to pay the principal of and interest on the 2021 Bonds when due. Except for the Special Taxes, no other taxes are pledged to the payment of the 2021 Bonds. See “SPECIAL RISK FACTORS” for a discussion of certain factors that should be considered in evaluating an investment in the 2021 Bonds. The purchase of the 2021 Bonds involves significant risks, and the 2021 Bonds are not appropriate investments for all types of investors.

Continuing Disclosure

For purposes of complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the “**Rule**”), the City has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board (the “**MSRB**”) certain annual financial information and operating data and notice of certain significant events. These covenants have been made in order to assist the Underwriter in complying with the Rule. See “CONTINUING DISCLOSURE” and Appendix E for a description of the specific nature of the annual reports and notices of significant events, as well as the terms of the Continuing Disclosure Agreement to which the City will be a party and pursuant to which such reports and notices are to be made. Also see “CONTINUING DISCLOSURE” for a description of certain failures by the City and related entities to fully comply with certain prior obligations under the Rule.

The Homebuilder has agreed to enter into a separate Continuing Disclosure Agreement—Homebuilder pursuant to which it will provide certain information on an annual and a semi annual basis and notice of certain events relative to its ownership of property in the District. The obligation of the Homebuilder to provide such information will terminate at such time as it owns Taxable Property responsible for less than twenty percent (20%) of the annual levy of Special Taxes in the District. See Appendix F—“Form of Continuing Disclosure Agreement—Homebuilder” for the complete text of the Continuing Disclosure Agreement—Homebuilder.

Other Information

This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change without notice. Except where otherwise indicated, all information contained in this Official Statement has been provided by the City on behalf of the District.

Copies of the Fiscal Agent Agreement and certain other documents referenced in this Official Statement are available for inspection at the office of, and (upon written request and payment to the City of a charge for copying, mailing and handling) are available for delivery from, the City’s Finance Director, c/o City of Alameda, 2263 Santa Clara Avenue, Alameda, California 94501.

PLAN OF FINANCING

Overview

The City, for and on behalf of the District, has entered into an Acquisition Agreement with Catellus Alameda Development, LLC (“**Catellus LLC**”), dated as of November 1, 2013,

(the “**Original Acquisition Agreement**”), pursuant to which the City has agreed to use proceeds of Bonds issued for the District and Special Taxes levied on property in the District to pay the costs of specified public infrastructure improvements (referred to in this Official Statement as the “**Improvements**”) the construction of which was necessitated by development occurring in the Original Area. The Original Acquisition Agreement was supplemented at the time the Annexation Area was annexed to the District by means of a Supplement No. 1 to Acquisition Agreement, dated as of April 21, 2015 (“**Supplement No. 1**”) which added additional public infrastructure needed for development of the Annexation Area to the Improvements authorized to be funded by the District. On July 22, 2019, the City and Catellus LLC entered into a Supplement No. 2 to Acquisition Agreement (the “**Second Supplement**”) that replaced the schedule of Improvements that was added to the Original Acquisition Agreement by the First Amendment with a revised schedule. The original Acquisition Agreement, as amended by Supplement No. 1 and by Supplement No. 2 is referred to in this Official Statement as the “**Acquisition Agreement**.” See “**THE DISTRICT – The Improvements**.”

All of the Improvements constituting public infrastructure needed for the development of the Original Area have been completed as well as substantially all of the public infrastructure needed for the development of Phase 1 of the Annexation Area. To date, the City has reimbursed Catellus LLC a total of \$16,865,879.19 for Improvements from the proceeds of the 2016 Bonds and from Special Taxes levied on property in the Original Area not needed to pay administrative cost of the District and debt service on the 2016 Bonds. See “**THE DISTRICT – The Improvements**.” While Catellus LLC is responsible for the construction of the Improvements and grading of the property in the Annexation Area, the Homebuilder is responsible for the construction of in-tract improvements, which have been completed by the Homebuilder for Phase 1 of the Annexation Area. The City and the District have no obligation under the Acquisition Agreement or otherwise to reimburse the Homebuilder for the costs of in-tract improvements.

In accordance with the Acquisition Agreement, proceeds of the 2021 Bonds deposited to the Improvement Fund will be used to make payments to Catellus LLC for costs of those Improvements which have been fully completed and not yet reimbursed from the proceeds of the 2016 Bonds or from Special Tax Revenues. See “**PLAN OF FINANCING – Sources and Uses of Funds**.” Catellus LLC has advised that it expects to submit the documents required by the Acquisition Agreement for payment of costs of the Improvements that will fully utilize all of the 2021 Bond proceeds to be deposited to the Improvement Fund sometime in the next twelve months.

The Fiscal Agent Agreement allows for the issuance of Parity Bonds in a principal amount equal to the difference, if any, between \$40,000,000 bonded indebtedness limit of the District, and the initial principal amount of the 2016 Bonds (\$15,415,000) and of the 2021 Bonds (\$_____), and otherwise that are Refunding Bonds, which Parity Bonds will be secured on a parity with the 2016 Bonds and the 2021 Bonds (see “**SECURITY FOR THE 2021 BONDS – Issuance of Additional Bonds**”). Proceeds of any Parity Bonds that are not used for refunding purposes will be available to pay additional costs of the Improvements pursuant to the Acquisition Agreement.

Proceeds of the 2021 Bonds will also be used to fund the Reserve Fund for the 2021 Bonds, make a deposit to a Cash Flow Account, and to pay the costs of issuance of the 2021 Bonds.

Estimated Sources and Uses of Funds

The sources and uses of funds in connection with the 2021 Bonds are expected to be as follows:

Principal of 2021 Bonds	\$
<i>Plus:</i> Net Original Issue Premium/Discount	
<i>Less:</i> Underwriter's Discount	
Total Sources	\$
Deposit to Improvement Fund ⁽¹⁾	\$
Deposit to Reserve Fund ⁽²⁾	
Deposit to Costs of Issuance Fund ⁽³⁾	
Deposit to Cash Flow Account ⁽⁵⁾	
Total Uses	\$

(1) To be used to finance the Improvements authorized to be funded by the District. See "PLAN OF FINANCING—Overview."

(2) Equal to the initial Reserve Requirement. See "SECURITY FOR THE 2021 BONDS—Reserve Fund."

(3) Costs of issuance include, without limitation, Fiscal Agent fees and expenses, Bond Counsel and Disclosure Counsel and other legal fees and expenses, and printing costs.

(4) Equal to the initial Cash Flow Account Requirement. See "SECURITY FOR THE 2021 BONDS—Cash Flow Account."

THE 2021 BONDS

Authority for Issuance

Pursuant to the Law, on January 7, 2014, the City Council adopted Resolution No. 14880 establishing the District ("**Resolution of Formation**"). Also on January 7, 2014, the then two owners of the property in the District (being the Successor Agency and the Homebuilder), and thereby the qualified electors for the District, authorized the issuance of bonded indebtedness to finance certain public improvements, and approved the original rate and method of apportionment of special taxes for the District. On April 21, 2015, following an election of the then two owners of property in the District, the City Council adopted Resolution No. 15024 pursuant to which it altered the original rate and method of apportionment of special taxes for the District (as so altered, referred to herein as the "Rate and Method"), increased the bonded indebtedness limit of the District to \$40,000,000, and added to the Improvements authorized to be funded by the District. Also on April 21, 2015, following an election by the then owners of the property in the Annexation Area, the City formally annexed the Annexation Area to the District. See "THE DISTRICT—History of the District." On March 17, 2016, the City issued, for the District, the Outstanding Senior Bonds in the initial principal amount of \$15,415,000, leaving \$24,585,000 of remaining bond authorization for the 2021 Bonds and any future new money Parity Bonds.

The 2021 Bonds are authorized to be issued pursuant to the Law, a resolution adopted on September 7, 2021, by the City Council, acting as the legislative body of the District, and the Fiscal Agent Agreement. The Special Taxes to be used to pay debt service on the 2021 Bonds will be levied in accordance with the Rate and Method.

General Provisions

The 2021 Bonds will be issued only as fully registered 2021 Bonds, in the denomination of \$5,000 or any integral multiple thereof, and will bear interest at the rates per annum and will

mature on the dates set forth on the inside cover page of this Official Statement. The 2021 Bonds will be dated the date of their issuance and interest will be payable on each Interest Payment Date, commencing March 1, 2022.

Each 2021 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2022, in which event it will bear interest from the date of issuance of the 2021 Bonds; provided, however, that if, as of the date of authentication of any 2021 Bond, interest thereon is in default, such 2021 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The term “**Record Date**” as defined in the Fiscal Agent Agreement means the fifteenth (15th) day of the month next preceding the month of the applicable Interest Payment Date, whether or not such fifteenth (15th) day is a Business Day.

The 2021 Bonds will be payable both as to principal and interest, and as to any premium upon the redemption thereof, in lawful money of the United States of America. The principal of the 2021 Bonds and any premium due upon the redemption thereof will be payable by check of the Fiscal Agent upon presentation and surrender of the applicable 2021 Bonds at the Principal Office of the Fiscal Agent. Interest with respect to each Bond will be computed using a year of 360 days comprised of twelve 30-day months.

The 2021 Bonds will be issued in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the 2021 Bonds. Individual purchases of the 2021 Bonds will be made in book-entry form only. Purchasers of the 2021 Bonds will not receive physical certificates representing their ownership interests in the 2021 Bonds purchased. Principal and interest payments represented by the 2021 Bonds are payable directly to DTC by the Fiscal Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the 2021 Bonds. See Appendix G—“DTC and the Book-Entry Only System.” *So long as the 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, references in this Official Statement to the owners shall mean Cede & Co., and shall not mean the purchasers or Beneficial Owners of the 2021 Bonds.*

Redemption

Optional Redemption. The 2021 Bonds maturing on and after September 1, ____, are subject to optional redemption prior to their stated maturity on any Interest Payment Date occurring on or after September 1, ____, as a whole, or in part among maturities as determined by the Finance Director of the City and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2021 Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, ____ and March 1, ____	%
September 1, ____ and March 1, ____	
September 1, ____ and any Interest Payment Date thereafter	

Mandatory Sinking Payment Redemption. The 2021 Bonds maturing on September 1, ____, are subject to mandatory sinking payment redemption in part on September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal

amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
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The 2021 Bonds maturing on September 1, ____, are subject to mandatory sinking payment redemption in part on September 1, ____, and on each September 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
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The amounts in the foregoing tables will be reduced as a result of any prior partial redemption of the 2021 Bonds pursuant to the optional redemption or redemption from special tax prepayments provisions of the Fiscal Agent Agreement, so as to maintain to the extent practicable the same debt service profile for the Bonds as in effect prior to such redemption, as specified in writing by the City's Finance Director to the Fiscal Agent.

Mandatory Redemption From Special Tax Prepayments. The 2021 Bonds are subject to mandatory redemption prior to their stated maturity on any Interest Payment Date, from the proceeds of Special Tax Prepayments and corresponding transfers of funds from the Reserve Fund (as described below under "SECURITY FOR THE 2021 BONDS—Reserve Fund"), as a whole or in part by lot and allocated among maturities of the 2021 Bonds and any Parity Bonds as determined by the City so as to maintain substantially the same debt service profile for the Bonds as in effect prior to such redemption, at a redemption price (expressed as a percentage of the principal amount of the 2021 Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
any Interest Payment Date to and including March 1, ____	%
September 1, ____ and March 1, ____	
September 1, ____ and March 1, ____	
September 1, ____ and any Interest Payment Date thereafter	

To date, there have been no Special Tax Prepayments by property owners in the Original Area. No assurance can be given regarding future prepayments of Special Taxes which, if they occur, will result in a redemption of the 2021 Bonds prior to maturity. See the last paragraph under the heading "SECURITY FOR THE 2021 BONDS – Summary of Rate and Method" and "SPECIAL RISK FACTORS – Potential Early Redemption of Bonds from Special Tax Prepayments."

Purchase of 2021 Bonds In Lieu of Redemption. In lieu of redemption as described above, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2021 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase prior to the selection of 2021 Bonds for redemption, 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 2021 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Selection of 2021 Bonds for Redemption. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2021 Bonds or any given portion thereof pursuant to the optional redemption provisions of the Fiscal Agent Agreement, the Fiscal Agent shall select the 2021 Bonds to be redeemed, from all 2021 Bonds or such given portion thereof not previously called for redemption among maturities as directed in writing by the Finance Director, and within a maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate and fair. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the 2021 Bonds pursuant to the Special Tax Prepayment provisions of the Fiscal Agent Agreement, the Fiscal Agent will select the 2021 Bonds to be redeemed, from all 2021 Bonds or such given portion thereof not previously redeemed, so as to maintain substantially the same debt service profile for the Bonds as in effect prior to such redemption, and within a maturity by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate and fair. In each case, for purposes of selection of 2021 Bonds to be redeemed, all 2021 Bonds shall be deemed to be comprised of separate \$5,000 portions, and such portions shall be treated as separate 2021 Bonds that may be separately redeemed.

Notice of Redemption. The Fiscal Agent will cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 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 (or by such other means as permitted by such services), and to the respective registered Owners of any 2021 Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing is not a condition precedent to 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 2021 Bonds. The redemption notice will state the redemption date and the redemption price and, if less than all of the then Outstanding 2021 Bonds are to be called for redemption, will designate the CUSIP numbers and Bond numbers of the 2021 Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or will state that all 2021 Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the 2021 Bonds of one or more maturities have been called for redemption, will state as to any Bond called in part the principal amount thereof to be redeemed, and will require that such 2021 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 2021 Bonds will not accrue after the redemption date.

Notwithstanding the foregoing, any notice of redemption in connection with an optional redemption or redemption from Special Tax Prepayments may state that the redemption is conditioned upon receipt by the Fiscal Agent of sufficient moneys to redeem the 2021 Bonds on the anticipated redemption date, and that the redemption will not occur if by no later than the scheduled redemption date sufficient moneys to redeem the 2021 Bonds have not been deposited with the Fiscal Agent. In the event that the Fiscal Agent does not receive sufficient funds by the scheduled redemption date to so redeem the 2021 Bonds to be redeemed, the Fiscal Agent will send written notice to the owners of the 2021 Bonds, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as

anticipated, and the 2021 Bonds for which notice of redemption was given will remain Outstanding for all purposes of the Fiscal Agent Agreement.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2021 Bonds so called for redemption have been deposited in the Bond Fund, such 2021 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.

Tender of 2021 Bonds in Payment of Special Taxes. The City has covenanted in the Fiscal Agent Agreement not to permit the tender of 2021 Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the City having insufficient Special Tax Revenues to pay the principal or and interest on the 2021 Bonds that will remain Outstanding following such tender.

Transfer or Exchange of 2021 Bonds

So long as the 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of 2021 Bonds shall be made in accordance with DTC procedures. See Appendix F—"DTC and the Book-Entry Only System." If the book-entry only system for the 2021 Bonds is ever discontinued, any 2021 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 2021 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. Whenever any 2021 Bond or 2021 Bonds are surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new 2021 Bond or 2021 Bonds, for a like aggregate principal amount of 2021 Bonds of authorized denominations and of the same maturity. 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 2021 Bonds will be required to be made (i) within the 15 days prior to the date designated by the Fiscal Agent as the date for selecting 2021 Bonds for redemption, or (ii) with respect to any 2021 Bond after such 2021 Bond has been selected for redemption.

Discontinuance of DTC Services

DTC may determine to discontinue providing its services with respect to the 2021 Bonds at any time by giving written notice to the Fiscal Agent during any time that the 2021 Bonds are Outstanding, and discharging its responsibilities with respect to the 2021 Bonds under applicable law. The City may terminate the services of DTC with respect to the 2021 Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the 2021 Bonds or that continuation of the system of book-entry transfers through DTC is not in the best interest of the Beneficial Owners. The City will mail any such notice of termination to the Fiscal Agent.

Upon the termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions can be found which is willing and able to undertake such functions upon reasonable or customary terms, or if the City determines that it is in the best interest of the Beneficial Owners of the 2021 Bonds that they obtain certificated Bonds, the 2021 Bonds will no longer be restricted to being registered in the Registration Books of the Fiscal Agent in the name of Cede & Co., as nominee of DTC, but may

be registered in whatever name or name the Owners designate at that time, in accordance with the Fiscal Agent Agreement.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, the 2021 Bonds will be delivered to such Beneficial Owners as soon as practicable in accordance with the Fiscal Agent Agreement.

Scheduled Debt Service

The following is the debt service schedule for the Outstanding Senior Bonds and the 2021 Bonds, assuming no optional redemption of the 2021 Bonds or any redemption of 2021 Bonds with proceeds of Special Tax Prepayments:

Period Ending	Outstanding Senior Bonds		2021 Bonds		
<u>September 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 60,000	\$ 736,450	\$	\$	\$
2022	85,000	734,050			
2023	110,000	730,650			
2024	135,000	726,250			
2025	165,000	720,850			
2026	195,000	712,600			
2027	230,000	702,850			
2028	265,000	691,350			
2029	305,000	680,750			
2030	340,000	668,550			
2031	380,000	654,950			
2032	430,000	635,950			
2033	475,000	614,450			
2034	530,000	590,700			
2035	585,000	564,200			
2036	635,000	543,725			
2037	690,000*	521,500			
2038	755,000*	487,000			
2039	825,000*	449,250			
2040	900,000*	408,000			
2041	980,000*	363,000			
2042	1,065,000*	314,000			
2043	1,155,000*	260,750			
2044	1,250,000*	203,000			
2045	1,350,000*	140,500			
2046	1,460,000*	73,000			
2047					
2048					
2049					
2050					
2051					
Totals	\$	\$	\$	\$	\$

* Indicates a mandatory sinking fund payment.

SECURITY FOR THE 2021 BONDS

General

Pursuant to the Fiscal Agent Agreement, the 2021 Bonds are secured by a first pledge of all of the Special Tax Revenues (other than the first Special Tax Revenues in the amount of the

Minimum Administrative Expense Requirement received by the City in each Fiscal Year, which are to be used to pay Administrative Expenses), and all moneys deposited in the Bond Fund, the Reserve Fund and, until disbursed in accordance with the Fiscal Agent Agreement, the Special Tax Fund. "Special Tax Revenues," as defined in the Fiscal Agent Agreement, means (i) so long as any Senior Bonds are outstanding under the Senior Fiscal Agent Agreement, amounts remitted by the Senior Fiscal Agent thereunder to the Fiscal Agent each fiscal year pursuant to the Senior Fiscal Agent Agreement after satisfaction of the requirements of the Senior Fiscal Agent Agreement for such fiscal year; and (ii) once all of the Senior Bonds have been repaid or legally defeased, the proceeds of the Special Taxes levied on the property in the District and received by the City, including any scheduled payments and any prepayments 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 to the amount of said lien, but does not include interest and penalties, if any, collected with the Special Taxes that are in excess of the rate of interest payable on the Bonds. The Special Tax Revenues and all moneys deposited into said funds (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to the payment of the principal of, and interest and any premium on, the 2021 Bonds in accordance with the Fiscal Agent Agreement until all of the 2021 Bonds have been paid or defeased.

The requirements of the Senior Fiscal Agent Agreement to be satisfied each Fiscal Year prior to the release of funds thereunder to the Fiscal Agent for deposit in the Special Tax Fund under the Fiscal Agent Agreement include the payment, or set aside for payment, of the amount needed to pay the debt service due on the Senior Bonds in the Bond Year that commences in the respective fiscal year, and the provision for administrative expenses of the City related to the District and the Senior Bonds in an amount up to the Minimum Administrative Expense Requirement, which is defined in the Senior Fiscal Agent Agreement as, for Fiscal Year 2021-22, \$27,602, and for each Fiscal Year thereafter an amount equal to 102% of the Minimum Administration Expense Requirement in effect for the prior Fiscal Year.

The Fiscal Agent Agreement provides for a Cash Flow Account within the Bond Fund established under the Fiscal Agent Agreement to assure that sufficient funds will be available to pay interest due on the 2021 Bonds on each March 1 interest payment date, as the foregoing requirements of the Senior Fiscal Agent Agreement may not be satisfied in any Fiscal Year prior to the occurrence of the March 1 interest payment date for the 2021 Bonds. See "SECURITY FOR THE 2021 BONDS—Cash Flow Account."

Amounts in the Administrative Expense Fund, in the Improvement Fund and in the Costs of Issuance Fund, and amounts in the Special Tax Fund to be retained by the City or deposited to the Administrative Expense Fund to be used to pay Administrative Expenses, are not pledged to the repayment of the 2021 Bonds. The Improvements are not pledged to pay the debt service on the 2021 Bonds. The proceeds of any funds realized following condemnation or destruction of any of the Improvements are not pledged to pay the debt service on the 2021 Bonds.

Limited Obligation

The 2021 Bonds are limited obligations of the City on behalf of the District and are payable solely from and secured solely by the Special Tax Revenues (other than the first Special Tax Revenues in the amount of the Minimum Administrative Expense Requirement received by the City in each Fiscal Year, which are to be used to pay Administrative Expenses), and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund created pursuant to the Fiscal Agent Agreement.

In the event that the Special Taxes are not paid when due, the only sources of funds available to repay the 2021 Bonds are amounts held by the Fiscal Agent under the Fiscal Agent Agreement in the Bond Fund, the Special Tax Fund and the Reserve Fund, and the proceeds, if any, from foreclosure sales of parcels with delinquent Special Taxes levies.

Special Taxes

In accordance with the provisions of the Law, the Rate and Method was initially approved in January 2014 by the then two owners of land in, and thereby the then qualified electors of, the Original Area, and was modified in April 2015 as approved by the then owners of property in the Original Area. The Rate and Method is set forth in its entirety in Appendix B. The Rate and Method provides for the levy of “**Special Taxes**” in order to fund the annual “**Special Tax Requirement (Post-Bond Issuance)**,” which includes the amounts needed to pay the debt service on the Senior Bonds and on the Bonds, to pay the costs of administering the District, and to replenish any draws on the reserve fund established under the Senior Fiscal Agent Agreement, any draws on the Reserve Fund and any draws on the Cash Flow Account, as well as to pay directly for the costs of the Improvements and to account for reasonably anticipated delinquencies in the payment of Special Taxes. The Special Taxes levied on any parcel of Taxable Property may not exceed the maximum amount as provided in the Rate and Method. See “SECURITY FOR THE 2021 BONDS—Summary of Rate and Method.”

Special Taxes were first levied on Taxable Property in Fiscal Year 2013-14 by means of a mid-year direct billing of Tri Pointe, as the then owner of all of the Taxable Property. Since then, there has been a levy of Special Taxes on the County ad valorem tax roll for Fiscal Year 2014-15, a mid-year billing that was due on November 15, 2015 and one additional mid-year billing of Special Taxes in May 2016. Since then, a Special Tax levy for each Fiscal Year from and after Fiscal Year 2015-16 has been included on the County’s ad valorem tax roll. See “THE DISTRICT—Special Tax Levies and Delinquencies” for a table showing historical Special Tax levies and delinquency rates with respect to the last seven years of Special Tax levies.

The Special Taxes levied on Taxable Property will be payable and will be collected in the same manner, at the same time and in the same installment as the County ad valorem taxes on property levied on the secured tax roll are payable, and pursuant to the Law have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the taxes levied on the tax roll. Notwithstanding the foregoing, the Special Taxes may be collected at a different time or in a different manner if necessary to meet the District’s financial obligations.

Although the Special Taxes will constitute a lien on parcels of Taxable Property within the District, they do not constitute a personal indebtedness of the owners of the property within the District. Pursuant to the Law, in the event of any delinquency in the payment of the Special Tax on a parcel of Taxable Property, the City may order the institution of a superior court action to foreclose the lien on the parcel of Taxable Property within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale. The Law provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* property taxes. See “SECURITY FOR THE 2021 BONDS—Summary of Rate and Method,” “SECURITY FOR THE 2021 BONDS—Covenant for Superior Court Foreclosure” and “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments.” The Fiscal Agent Agreement contains explicit provisions with respect to the enforcement of delinquent Special Taxes and the manner in which they will be used, when and if collected, to pay the 2016 Bonds prior to their use in connection with the Bonds. See “SECURITY FOR THE 2021 BONDS—Subordination of Special Taxes to Senior Bonds.”

Other liens for taxes and assessments already exist on the property located within the District and others could come into existence in the future. See “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments.” There is no assurance that any owner of a parcel subject to the Special Tax levy will be financially able to pay the annual Special Taxes or that it will pay such taxes even if financially able to do so. See “SPECIAL RISK FACTORS.”

Special Tax Fund

Deposit of Special Tax Revenues. The Special Tax Fund is established by the Fiscal Agent Agreement as a separate fund to be held by the Fiscal Agent. The Fiscal Agent Agreement provides that there shall be deposited to the Special Tax Fund (i) amounts received by the Fiscal Agent pursuant to the Senior Fiscal Agent Agreement following the satisfaction in each Fiscal Year of the requirements of the special tax fund established under the Senior Fiscal Agent Agreement so long as it is in effect, and (ii) thereafter all Special Tax Revenues received by the City, which the City has agreed in the Fiscal Agent Agreement to transfer, as soon as practicable following receipt by the City, to the Fiscal Agent.

Notwithstanding the foregoing,

(i) from and after the Senior Fiscal Agent Agreement is no longer in effect, with respect to the first Special Tax Revenues collected by the City in any Fiscal Year in the amount of the Minimum Administrative Expense Requirement for such Fiscal Year; first, the City may retain all or any portion thereof, and not remit the same to the Fiscal Agent, to the extent the City determines that it needs said amount to pay Administrative Expenses of the City (and the City shall so use such amount to pay Administrative Expenses); and second, any remaining portion of such amount shall be separately identified by the City and shall be deposited by the Fiscal Agent in the Administrative Expense Fund;

(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes not used as provided in the Senior Fiscal Agent Agreement shall be separately identified by the City and shall be deposited by the Fiscal Agent first, in the Bond Fund to the extent needed to pay any past due debt service on the Bonds; second, to the Reserve Fund to the extent needed to increase the amount then on deposit in the Reserve Fund up to the then Reserve Requirement; and third, to the Special Tax Fund for use as described below;

(iii) any proceeds of Special Tax Prepayments not used as provided in the Senior Fiscal Agent Agreement shall be separately identified by the City and shall be deposited by the Fiscal Agent as follows (as directed in writing by the Finance Director): (a) that portion of any Special Tax Prepayment constituting the Future Facilities Costs (as defined in Section H of the Rate and Method) shall be deposited by the Fiscal Agent to the Improvement Fund so long as the Improvement Fund has not theretofore been closed, and if the Improvement Fund has been closed, then such amount shall be retained by the City to be used to pay Project costs; and (b) any remaining portion of any Special Tax Prepayment shall be deposited by the Fiscal Agent in the Special Tax Prepayments Account within the Bond Fund to be used to redeem Bonds pursuant to the Fiscal Agent Agreement (see “THE 2021 BONDS—Redemption – Mandatory Redemption From Special Tax Prepayments”); and

(iv) from and after the Senior Fiscal Agent Agreement is no longer in effect, any Special Tax Revenues constituting the portion, if any, of the Special Tax Requirement

(Post Bond Issuance) (as defined in the Rate and Method); that is to pay directly for the acquisition or construction of any portion of the Project shall be separately identified by the City and shall be deposited by the Fiscal Agent in the Improvement Fund so long as the Improvement Fund has not theretofore been closed, and if the Improvement Fund has been closed, then such amount shall be retained by the City to be used to pay Project costs.

Moneys in the Special Tax Fund will be held by the Fiscal Agent for the benefit of the City and the Owners of the Bonds, will be disbursed as described below and, pending and disbursement, will be subject to a lien in favor of the Owners of the Bonds and the City.

Disbursements. From time to time as needed to pay the obligations of the District, but no later than the Business Day before each Interest Payment Date, the Fiscal Agent will withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority:

(i) to the Cash Flow Account of the Bond Fund the amount, if any, needed to increase the amount on deposit therein to the amount of the then Cash Flow Account Requirement,

(ii) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers under the Fiscal Agent Agreement from the Improvement Fund, the Reserve Fund, the Special Tax Fund and the Cash Flow Account to the Bond Fund, such that the amount in the Bond Fund equals the principal (including any mandatory sinking payment or principal due on the Bonds pursuant to optional or special tax prepayment redemptions), premium, if any, and interest due on the Bonds on the next Interest Payment Date, and

(iii) to the Reserve Fund an amount, taking into account amounts then on deposit in the Reserve Fund, such that the amount in the Reserve Fund is equal to the Reserve Requirement;

provided that no such transfers shall exceed the amount then available to be transferred from the Special Tax Fund.

In addition to the foregoing, if in any Fiscal Year there are sufficient funds in the Special Tax Fund to make the foregoing transfers to the Cash Flow Account, the Bond Fund and the Reserve Fund in respect of the Interest Payment Dates occurring in the Bond Year that commences in such Fiscal Year, the Finance Director may direct the Fiscal Agent to transfer to the Administrative Expense Fund, from time to time, any amount in the Special Tax Fund in excess of the amount needed to make such transfers to the Cash Flow Account, the Bond Fund and the Reserve Fund, (i) to the Administrative Expense Fund, if the Finance Director determines that monies are needed to pay Administrative Expenses in excess of the amount then on deposit in the Administrative Expense Fund, or (ii) to the City, to be used for any lawful purpose under the Law.

Summary of Rate and Method

The Rate and Method is used to allocate the amount of the Special Taxes that is needed to be collected each fiscal year to fund the Special Tax Requirement (Post-Bond Issuance) among the Taxable Property within the District based upon the development status of the Taxable Property and its size, subject to specified maximum tax rates. The Rate and Method is set forth in full in Appendix B and the following is a summary of the Rate and Method. Capitalized

terms used below and not otherwise defined in this Official Statement or in the Fiscal Agent Agreement have the meanings given to them in the Rate and Method.

The Rate and Method classifies all Taxable Property, i.e., all Assessor's Parcels in the District not exempt pursuant to law or the Rate and Method from the levy of the Special Taxes, into three categories: Developed Property, Final Mapped Property and Undeveloped Property. Developed Property includes Taxable Property for which a building permit for new construction was issued prior to May 1 of the prior Fiscal Year, and Final Mapped Property includes, in general, Taxable Property that is not Developed Property and which as of January 1 of the prior Fiscal Year was located within a final map, a phased final map, or a portion thereof recorded pursuant to applicable law, that creates individual lots for which a building permit may be issued.

The amount of Special Taxes that the District may levy is limited by the applicable Maximum Special Tax set forth in the Rate and Method. Under the Rate and Method, the Maximum Special Taxes for each class of property in the Original Area increases each July 1, commencing July 1, 2014, by an amount equal to three percent (3%) of the amount in effect for the previous fiscal year. The Maximum Special Tax for parcels classified as Developed Property in the Annexation Area also increases at three percent (3%) annually on each July 1, commencing July 1, 2015. The Maximum Special Tax for parcels classified as Developed Property will equal the greater of specified Assigned Special Tax rates or a "Backup Special Tax Rate" for Fiscal Year 2021-22 of \$1.9002 per Lot Square Foot of the applicable parcel of Taxable Property.

Developed Property in the District is further classified into nineteen categories (each a "Land Use Class"): (a) eight categories of Single Family Detached Dwelling Units (with such categories based on the building square footage), (b) ten categories of Multi Family Dwelling Unit (with such categories based on the building square footage), and (c) one category for Non-Residential Property. The Maximum Assigned Special Taxes for Fiscal Year 2021-22 for each Land Use Class of Developed Property in the Original Area and in the Annexation Area is shown in Table 1 below. Note that, however, the portion of the property in Phase 3 of the Annexation Area currently is exempt from the Special Tax levy because it is owned by the Successor Agency.

Table 1
City of Alameda
Community Facilities District No. 13-1
Assigned Special Taxes for Fiscal Year 2021-22 for
Taxable Property in Original Area and the Annexation Area

Land Use Class	Description	Building Square Feet	FY 2021 /22 Assigned Special Tax			
Taxable Developed Property		Original Area		Annexation Area		
1	Single Family Detached Dwelling Unit	> 2,900	\$5,697.9318	per Unit	\$6,638.8591	per Unit
2	Single Family Detached Dwelling Unit	2,751 - 2,900	5,419.2424	per Unit	6,314.1724	per Unit
3	Single Family Detached Dwelling Unit	2,601 - 2,750	5,140.5530	per Unit	5,988.2559	per Unit
4	Single Family Detached Dwelling Unit	2,451 - 2,600	4,859.3300	per Unit	5,661.1094	per Unit
5	Single Family Detached Dwelling Unit	2,301 - 2,450	4,627.5111	per Unit	5,390.5372	per Unit
6	Single Family Detached Dwelling Unit	2,151 - 2,300	4,580.6406	per Unit	5,336.4227	per Unit
7	Single Family Detached Dwelling Unit	2,001 - 2,150	4,206.9434	per Unit	4,901.0474	per Unit
8	Single Family Detached Dwelling Unit	0 - 2,000	3,881.3835	per Unit	4,521.0163	per Unit
9	Multi-Family Dwelling Unit	> 2,300	3,881.3835	per Unit	4,521.0163	per Unit
10	Multi-Family Dwelling Unit	2,151 - 2,300	3,648.2978	per Unit	4,250.4441	per Unit
11	Multi-Family Dwelling Unit	2,001 - 2,150	3,415.2121	per Unit	3,978.6420	per Unit
12	Multi-Family Dwelling Unit	1,851 - 2,000	3,183.3932	per Unit	3,708.0697	per Unit
13	Multi-Family Dwelling Unit	1,701 - 1,850	3,041.5150	per Unit	3,544.4965	per Unit
14	Multi-Family Dwelling Unit	1,551 - 1,700	2,715.9551	per Unit	3,164.4655	per Unit
15	Multi-Family Dwelling Unit	1,401 - 1,550	2,576.6103	per Unit	3,000.8922	per Unit
16	Multi-Family Dwelling Unit	1,251 - 1,400	2,435.9989	per Unit	2,838.5489	per Unit
17	Multi-Family Dwelling Unit	1,101 - 1,250	2,249.7837	per Unit	2,620.8612	per Unit
18	Multi-Family Dwelling Unit	0 - 1,100	1,783.6123	per Unit	2,078.4868	per Unit
19	Non-Residential Property	NA	1.9508	per Building Square Foot	1.8940	per Building Square Foot
Taxable Property						
20	Final Mapped Property	NA	1.9002	per Lot Square Foot	2.2753	per Lot Square Foot
21	Undeveloped Property	NA	1.9002	per Lot Square Foot	2.2138	per Lot Square Foot

Source: NBS.

Each Fiscal Year, the City determines the Special Tax Requirement (Post-Bond Issuance) and will levy the Special Taxes until the total Special Tax levy equals the Special Tax Requirement (Post-Bond Issuance). The Special Tax Requirement (Post-Bond Issuance) is defined in the Rate and Method as the amount required in any Fiscal Year for the District to pay the sum of (i) the Debt Service or the periodic costs on all outstanding Senior Bonds, 2021 Bonds and any Parity Bonds due and payable in the Calendar Year that commences in such Fiscal Year, plus (ii) Administrative Expenses payable or reasonably expected to be payable during the Calendar Year that commences in such Fiscal Year, plus (iii) the costs associated with the release of funds from an escrow account, if any, plus (iv) any amount required to establish or replenish any Reserve Fund, plus (v) the collection or accumulation of funds in the Improvement Fund, provided, however, that the aggregate amount on deposit therein shall not exceed the Improvement Fund Requirement (which is \$35,000,000), plus (vi) an amount equal to reasonably anticipated delinquent Special Taxes

as determined by the CFD Administrator, less (vii) any amount available to pay Debt Service or other periodic costs on the Bonds pursuant to the provisions of the Fiscal Agent Agreement or this Rate and Method of Apportionment. As provided in the Fiscal Agent Agreement, clause (vii) of the prior sentence specifically excludes any deduction for amounts in the Cash Flow Account. See "SECURITY FOR THE 2021 BONDS—No Limitation on Increases in Special Tax Levies by Reason of Delinquencies" for information regarding how the Law differs from the Mello-Roos Community Facilities Act of 1982 in respect of the ability of the City to increase Special Tax levies on parcels in the District in the event of delinquencies in the payment of Special Taxes, subject in any event to the Maximum Special Taxes described above.

Under the Rate and Method, the City will levy the Special Taxes in six steps, in the following order, until the amount of the levy equals the amount needed to be collected to satisfy the Special Tax Requirement (Post-Bond Issuance). The City will:

First: Determine the Special Tax Requirement (Post-Bond Issuance):

- (a) Calculate the Debt Service or periodic costs on all outstanding Bonds.
- (b) Calculate the Administrative Expenses of the District for such Fiscal Year.
- (c) Calculate any amount required to establish or replenish the Reserve Fund.
- (d) Calculate the amount which must be levied in such Fiscal Year to increase the balance on deposit in the Improvement Fund (including the proceeds of Bonds deposited or projected to be deposited in the Improvement Fund in such Fiscal Year) to equal the Project Fund Requirement. No amount may be included in the Special Tax Requirement (Post Bond Issuance) to be deposited in the Improvement Fund if such deposit would cause the amount on deposit therein to exceed the Project Fund Requirement (which is \$35,000,000).
- (e) Calculate the sum of items (a) through (d).
- (f) Subtract from item (e), any amounts available to pay Debt Service or other periodic costs on the Bonds including Capitalized Interest to arrive at the Special Tax Requirement (Post-Bond Issuance), but not including any amount in the Cash Flow Account.

Second: Levy the Special Tax Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Assigned Special Tax to satisfy the Special Tax Requirement (Post Bond Issuance).

Third: If additional monies are needed to satisfy the Special Tax Requirement (Post Bond Issuance) after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcels of Final Mapped Property at up to 100% of the Assigned Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement (Post Bond Issuance).

Fourth: If additional monies are needed to satisfy the Special Tax Requirement (Post Bond Issuance) after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Assigned Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement (Post Bond Issuance).

Fifth: If the sum of the amounts collected in the second, third, and fourth steps is insufficient to satisfy the Special Tax Requirement (Post Bond Issuance), then the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to 100% of the Backup

Special Tax as needed to satisfy the Special Tax Requirement (Post Bond Issuance).

Sixth: If additional monies are needed to satisfy the Special Tax Requirement (Post Bond Issuance) after the second through fifth steps have been completed, the Special Tax on each Assessor's Parcel of Final Mapped Property whose Maximum Special Tax is the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to 100% of the Backup Special Tax as needed to satisfy the Special Tax Requirement (Post Bond Issuance).

The term "Proportionately" as used in the above steps means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property. For Final Mapped Property, "Proportionately" means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Final Mapped Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all future Assessor's Parcels of Undeveloped Property.

The Rate and Method also provides that the Special Taxes may be levied for no more than 45 years from the date of issuance of the 2016 Bonds. Under the Rate and Method, Public Property within the boundaries of the District is exempt from the levy of Special Taxes, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 3-70.17 of the Law will be taxed and classified in accordance with its use, excluding property classified as Affordable Housing Units which is exempt from the levy of Special Taxes in any event.

The amount of Special Taxes that may be levied on Taxable Property in the District in any year is strictly limited by the Maximum Special Tax rates set forth in the Rate and Method, as described above. In addition and pursuant to the Rate and Method, Taxable Property classified as Moderate Income Units will be taxed at a Maximum Special Tax equal to 50% of their applicable Assigned Special Tax. Assessor's Parcels classified as Affordable Housing Unit(s) will be exempt from the Special Tax as long as they remain classified as such. There can be no more than sixteen (16) Moderate Income Units. As defined in the Rate and Method, (a) the term "Moderate Income Unit" means an attached or detached dwelling unit that was privately developed and is privately owned or rented but where ownership or rentals are restricted to persons or families meeting the qualifying income standards for moderate income households as defined by California Health and Safety Code Sections 50093, or any successor statute thereto; and (b) the term "Affordable Housing Unit" means an attached or detached dwelling unit owned by the City's Housing Authority or its non-profit development partner, Resources for Community Development or a partnership formed for the purpose of securing low-income housing tax credit financing, and rented to persons or families meeting the qualifying income standards for low income and very low income households as defined by California Health and Safety Code Sections 50079.5 and 50105, or any successor statute thereto.

The Special Taxes obligation applicable to a parcel of Taxable Property within the District may be prepaid and the obligation to pay any Special Taxes for such Taxable Property may be fully or partially satisfied as described in the Rate and Method. See Section H in the Rate and Method in Appendix B. No assurance can be given that partial or full prepayments of Special Taxes will not occur in the future. Prepayments of Special Taxes not used to redeem Senior Bonds will result in a mandatory redemption of the Bonds. See "THE 2021 BONDS—

Redemption – Mandatory Redemption From Special Tax Prepayments” and “SPECIAL RISK FACTORS – Potential Early Redemption of Bonds from Special Tax Prepayments.”

Cash Flow Account

The Fiscal Agent Agreement provides for a Cash Flow Account within the Bond Fund established under the Fiscal Agent Agreement in order to assure that funds will be available to pay interest on the 2021 Bonds due on each March 1. The amount deposited to the Cash Flow Account from the proceeds of the 2021 Bonds will be an amount equal to the interest due on the 2021 Bonds on March 1, 2022. Thereafter the Cash Flow Account Requirement will be an amount of interest due on the 2021 Bonds on each next succeeding March 1. Amounts in the Cash Flow Account will be used to pay interest on the 2021 Bonds on each March 1, commencing March 1, 2022, before any other funds are used for that purpose. An amount necessary to increase the amount in the Cash Flow Account to the then Cash Flow Account Requirement will be transferred by the Fiscal Agent each year from the Special Tax Fund. See “SECURITY FOR THE 2021 BONDS—Special Tax Fund.”

Reserve Fund

The Fiscal Agent Agreement establishes a debt service reserve fund (the “**Reserve Fund**”) as a separate fund to be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds (which include the 2021 Bonds and any Parity Bonds), as a reserve for the payment of principal of, and interest and any premium on, the Bonds and moneys in the Reserve Fund are subject to a lien in favor of the Owners of the Bonds. The Reserve Fund is required by the Fiscal Agent Agreement to be funded in an amount equal to the Reserve Requirement which amount is, as of any date of calculation, an amount equal to the least of (i) the then Maximum Annual Debt Service, (ii) one hundred twenty-five percent (125%) of the then average Annual Debt Service, or (iii) ten percent (10%) of the initial principal amount of the Bonds. The Reserve Requirement as of the date of issuance of the 2021 Bonds will be \$_____.

Except as otherwise provided in the Fiscal Agent Agreement (with respect to the use of moneys in the Reserve Fund for the payment of any rebate liability due to the federal government, and the use of excess moneys in the Reserve Fund to pay debt service on the Bonds), all amounts deposited in the Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the Bonds. See Appendix C—“Summary of Fiscal Agent Agreement.”

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, 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. In the event that the amount 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 to be used for any lawful purpose under the Law. Notwithstanding the foregoing, no amounts will be transferred from the Reserve Fund until after (i) amounts in the Reserve Fund are withdrawn, at the written request of the Treasurer, for purposes of making any payment due to the federal government in accordance with the Fiscal Agent Agreement following payment of the Bonds, and (ii) payment of any fees and expenses due to the Fiscal Agent. See Appendix C—“Summary of Fiscal Agent Agreement.”

Subordination of Special Taxes to Senior Bonds

In the event of the delinquency in payment of Special Taxes levied on any parcel of Taxable Property in the District, and action is initiated by or on behalf of the City pursuant to the foreclosure provisions of the Senior Fiscal Agent Agreement, the Fiscal Agent Agreement or otherwise to collect such delinquency, the City and the District, and the Owners of the Bonds by their acceptance of the Bonds, expressly agree to subordinate the obligation of any such parcel to pay Special Taxes to any obligation of such parcel in respect of special taxes levied or to be levied thereon for the Senior Bonds with the purpose and effect as follows:

(i) any amount collected in respect of any action taken to collect the delinquent Special Taxes on a parcel shall first be used to satisfy any delinquent amounts owing on Senior Bonds allocable to such parcel (to the extent the delinquency is not otherwise satisfied in connection with actions to collect the same); and

(ii) to the extent required to effect a foreclosure sale of any parcel with delinquent Special Taxes, first the delinquent Special Taxes allocable to the 2021 Bonds and any Parity Bonds shall be reduced and forgiven as necessary to effect such sale, and, if a sale of the parcel subject to delinquent special taxes allocable to the Bonds cannot be sold if all such delinquent Special Taxes have been reduced and forgiven, the future Special Tax levy on such parcel shall be permanently reduced and discharged (such reduction and discharge to be deemed to be a prepayment of Special Taxes for such parcel under the Rate and Method of Apportionment of Special Taxes) to the extent, and only to the extent, necessary to allow such sale to occur, and: (a) the parcel shall remain subject to the remaining special taxes of the District not yet due and payable, and (b) proceeds of such sale, if any, shall be used to pay the Senior Bonds to the extent of the amount of the delinquency allocable to the Senior Bonds.

The Fiscal Agent Agreement provides that, to the extent necessary to collect delinquent special taxes levied by the District on a parcel: First, delinquent Special Taxes on such parcel allocable to the Bonds shall be reduced and discharged, and then Second, future Special Taxes on such parcel allocable to the Bonds shall be reduced and discharged, as necessary to allow for collection of delinquent special taxes levied by the District to pay the Senior Bonds with the parcel subject to all future special taxes of the District encumbering such parcel that are determined to be needed to pay the Senior Bonds.

In connection with the foregoing, the Fiscal Agent Agreement provides that (i) delinquencies shall include all statutory interest and penalties associated therewith, and (ii) the foregoing shall not in any way prohibit the reduction of special tax delinquencies or encumbrances on a parcel by or on behalf of the District if necessary (in the judgment of the administrator of the District or otherwise by proceedings in accordance with applicable law), following the reduction and discharge of all delinquent and future Special Taxes in respect of such parcel, to collect as much as possible of the delinquent and future special taxes on such parcel by the District.

The Fiscal Agent Agreement expressly provides that the above-described provisions of the Fiscal Agent Agreement shall in no way prevent or inhibit a Bondowner from being a bidder at any foreclosure sale of property in the District with delinquent Special Taxes, or from otherwise acquiring any such property.

Covenant for Superior Court Foreclosure

Foreclosure Under the Act. Pursuant to the Law, in the event of any delinquency in the payment of the Special Tax on the taxed parcel, the City may order the institution of a superior court action to foreclose the lien on the taxed parcel within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale.

City Foreclosure Covenant. Judicial foreclosure proceedings in the event of delinquent Special Taxes are not mandatory. However, the City has covenanted in the Fiscal Agent Agreement for the benefit of the Bondowners that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as described in the following paragraphs.

So long as the Senior Bonds are outstanding, the City shall comply with the foreclosure provisions of the Senior Fiscal Agent Agreement.

Following payment in full of the Senior Bonds, on or about August 15 of each Fiscal Year, the Finance Director shall compare the amount of Special Taxes theretofore levied in the District to the amount of Special Tax Revenues theretofore received by the City. Following such comparison, or if at any other time the Finance Director becomes aware of any delinquency in the payment of any Special Tax due and owing:

(a) Individual Delinquencies. If the Finance Director determines that any single parcel subject to the Special Tax in the District is delinquent in the payment of Special Taxes in the aggregate amount of \$11,000 or more, or which otherwise is delinquent with respect to two (2) years of Special Tax levies, the Finance Director will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner by the following October 1, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the City against the delinquent parcel within 90 days of the sending of such notice and shall be diligently pursued by the City to completion. Notwithstanding the foregoing, the City need not take any such action so long as the amount then in the Reserve Fund is at least equal to the Reserve Requirement.

(b) Aggregate Delinquencies. If the Finance Director determines that the aggregate amount of Special Taxes levied in the District for the preceding Fiscal Year and theretofore collected is less than ninety-five percent (95%) of the total amount of Special Taxes levied for such Fiscal Year, the Finance Director will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to each property owner with delinquent Special Taxes by the following October 1, and (if any such delinquency remains uncured) foreclosure proceedings will be commenced by the City within 90 days of the sending of such notices against all such delinquent parcels.

No assurance can be given as to the time necessary to complete any foreclosure sale or that any foreclosure sale will be successful. The City is not required to be a bidder at any foreclosure sale.

In a foreclosure proceeding the City is entitled to recover penalties and interest on the delinquent Special Taxes through the date that an order of sale is entered. However, under the Fiscal Agent Agreement, the Special Taxes pledged to the payment of the Bonds does not include any such penalties and interest collected by the City that are in excess of the rate of

interest payable on the Bonds. Also it should be noted that prompt commencement of foreclosure proceedings may not, in and of itself, result in a timely or complete payment of delinquent Special Taxes. See also "SECURITY FOR THE 2021 BONDS—Subordination of Special Taxes to Senior Bonds."

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. 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. Subject to the maximum rates, the Rate and Method is designed to generate from all Taxable Property within the District the current year's debt service on the Outstanding Senior Bonds and the 2021 Bonds, administrative expenses, replenishment of the reserve fund under the Senior Fiscal Agent Agreement to its required level, replenishment of the Cash Flow Account to the amount of the Cash Flow Requirement and replenishment of the Reserve Fund to the Reserve Requirement. If foreclosure proceedings are necessary, however, and the Reserve Fund has been depleted, there could be a delay in payments to owners of the 2021 Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. Note also that the requirements of the Senior Fiscal Agent Agreement must be satisfied each Fiscal Year before funds are available for purposes of the Fiscal Agent Agreement. See "SECURITY FOR THE 2021 BONDS – Subordination of Special Taxes to Senior Bonds."

The ability of the City to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the obligee in the event the property is owned by or in receivership of the Federal Deposit Insurance Corporation. See "SPECIAL RISK FACTORS—FDIC/Federal Government Interests in Properties."

No assurance can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the City for the District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy in which to redeem the property to be sold, which period may be shortened to 20 days for parcels other than those on which a dwelling unit for not more than four persons is located. If a judgment debtor fails to redeem and the property is sold, his 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 (Section 701.680 of the California Code of Civil Procedure). The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld.

Section 3-70.94 of the Law 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 51% of the principal outstanding Bonds is obtained. Neither the Law nor the Fiscal Agent Agreement requires the City to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale, and the City has no intent to be such a purchaser.

The City will levy the Special Tax to pay the current year's debt service on the Outstanding Senior Bonds and the 2021 Bonds and related administrative expenses, to replenish the reserve fund under the Senior Fiscal Agent Agreement to its required level, and to replenish the Cash Flow Account to the Cash Flow Requirement and the Reserve Fund to the Reserve Requirement, subject to Maximum Special Tax rates. However, if superior court foreclosure

proceedings are necessary to collect delinquent Special Taxes, and if the Cash Flow Account and the Reserve Fund are depleted, there could be a delay in payments of principal of and interest on the 2021 Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. See “SPECIAL RISK FACTORS—Bankruptcy Delays” and “—Proceeds of Foreclosure Sales.”

No Teeter Plan

Collection of the Special Taxes is not subject to the “Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds,” as provided for in Section 4701 et seq. of the California Revenue and Taxation Code (known as the “Teeter Plan”). Accordingly, collections of Special Taxes will reflect actual delinquencies, if any.

No Limitation on Increases in Special Tax Levies by Reason of Delinquencies

While the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) expressly prohibits an increase of more than ten percent (10%) in the Special Tax levy on any parcel for which an occupancy permit for residential use has been issued as a consequence of delinquency or default by the owner of any other parcel within the District, the Law has no such limitation. Thus, the City has the ability, and the obligation under the Fiscal Agent Agreement, to levy Special Taxes, up to the Maximum Special Tax rates set forth in the Rate and Method, to provide sufficient funds to pay the debt service on the Senior Bonds and the Bonds without any limitation of the nature described in the preceding sentence.

Investment of Moneys

Except as otherwise provided in the Fiscal Agent Agreement, all moneys in any of the funds or accounts established pursuant to the Fiscal Agent Agreement will be invested by the Fiscal Agent solely in Permitted Investments, as directed by the City. See Appendix C—“Summary of the Fiscal Agent Agreement” for a definition of “**Permitted Investments**” and for additional provisions regarding the investment of funds held under the Fiscal Agent Agreement.

Issuance of Additional Bonds

Additional Senior Bonds. The City may not issue any additional Senior Bonds without the prior written consent of the owners of the then outstanding Bonds; provided that no such consent shall be needed in connection with the issuance of Refunding Bonds, as defined in the Senior Bonds Fiscal Agent Agreement, which definition is substantially the same as the definition of Refunding Bonds in the Fiscal Agent Agreement except that references to the “Bonds” therein are references to the Senior Bonds.

Parity Bonds. The Fiscal Agent Agreement authorizes the City to issue one or more series of Parity Bonds. Subject to meeting the conditions summarized below, the Parity Bonds will be secured by a lien on the Special Tax Revenues and funds pledged for the payment of the Bonds under the Fiscal Agent Agreement on a parity with all other Bonds Outstanding under the Fiscal Agent Agreement; the Fiscal Agent Agreement defines “**Bonds**” as the 2021 Bonds and any Parity Bonds.

The City may issue the Parity Bonds subject to the following specific conditions precedent, as set forth in the Fiscal Agent Agreement:

(A) ***Current Compliance.*** The City must be in compliance on the date of issuance of the Parity Bonds with all covenants set forth in the Fiscal Agent Agreement and all Supplemental Agreements, and in the Senior Fiscal Agent Agreement.

(B) ***Payment Dates.*** The interest on the Parity Bonds must be payable on March 1 and September 1, and principal of the Parity Bonds must be payable on September 1 in any year in which principal is payable (provided that there is no requirement that any Parity Bonds pay interest on a current basis).

(C) ***Funds and Accounts; Cash Flow Account and Reserve Fund Deposits.*** The Supplemental Agreement providing for the issuance of such Parity Bonds may provide for the establishment of separate funds and accounts, and shall provide for a deposit to the Cash Flow Account in an amount necessary so that the amount on deposit in the Cash Flow Account following the issuance of such Parity Bonds is equal to the Cash Flow Account Requirement, to the Reserve Fund (or to a separate account created for such purpose) in an amount necessary so that the amount on deposit in the Reserve Fund (together with the amount in any such separate account), following the issuance of such Parity Bonds, is equal to the Reserve Requirement.

(D) ***Value-to-Lien Ratio.*** The District Value shall be at least 8 times the sum of: (i) the aggregate principal amount of all Bonds then Outstanding, plus (ii) the aggregate principal amount of the series of Parity Bonds proposed to be issued, plus (iii) the aggregate principal amount of any fixed assessment liens on the parcels in the District subject to the levy of Special Taxes, plus (iv) a portion of the aggregate principal amount of any and all other community facilities district bonds then outstanding and payable at least partially from special taxes to be levied on parcels of land within the District (the "Other District Bonds") equal to the aggregate principal amount of the Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other District Bonds on parcels of land within the District, and the denominator of which is the total amount of special taxes levied for the Other District Bonds on all parcels of land against which the special taxes are levied to pay the Other District Bonds (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on the Other District Bonds occurs), based upon information from the most recent available Fiscal Year.

(E) ***The Special Tax Coverage.*** The City shall obtain a certificate of a Tax Consultant to the effect that (i) the amount of the maximum Special Taxes that may be levied in each Fiscal Year shall be at least one hundred ten percent (110%) of the total Annual Debt Service for each such Fiscal Year on the Bonds and the proposed Parity Bonds plus estimated Administrative Expenses, and (ii) based upon the Special Taxes that may be levied under the Rate and Method of Apportionment of the Special Taxes for the District, the aggregate Special Tax Prepayments that could occur after the issuance of the Parity Bonds is not less than the Outstanding principal amount of the Bonds and such Parity Bonds.

(F) ***Officer's Certificate.*** The City must certify to the Fiscal Agent that the conditions for the issuance of Parity Bonds described above in the Fiscal Agent Agreement have been satisfied.

Refunding Bonds. The City may issue Refunding Bonds as Parity Bonds without the need to satisfy the requirements of paragraphs (D) or (E) above, and, in connection therewith,

the Officer's Certificate referred to in paragraph (F) above need not make reference to said paragraphs (D) and (E).

The term "**District Value**" referred to in (D) above and as used in the Fiscal Agent Agreement means the market value as determined by reference to (i) an appraisal performed within six (6) months of the date of issuance of any proposed Parity Bonds by an MAI appraiser selected by the City, of the parcels of real property in the District subject to the levy of the Special Taxes and not delinquent in the payment of any Special Taxes then due and owing, including with respect to such nondelinquent parcels the value of the then existing improvements and any facilities to be constructed or acquired with any amounts then on deposit in the Improvement Fund and with the proceeds of any proposed series of Parity Bonds, or (ii), in the alternative as to some or all of the parcels, the assessed value of all such nondelinquent parcels and improvements thereon as shown on the then current County real property tax roll available to the Finance Director. Neither the City nor the Finance Director shall be liable to the Owners, the Original Purchaser or any other person or entity in respect of any appraisal provided for purposes of this definition or by reason of any exercise of discretion made by any appraiser pursuant to the foregoing definition.

Subordinate Bonds. The provisions of the Fiscal Agent Agreement do not in any way prohibit the City from issuing bonds or otherwise incurring debt secured by a pledge of Special Tax Revenues subordinate to the pledge of such Special Tax Revenues under the Fiscal Agent Agreement.

THE DISTRICT

Location and Description of the District

The District, located in a portion of the former Navy Fleet Industrial Supply Center in the City, is a community facilities district established by the City Council pursuant to the Law in January 2014 to finance certain public infrastructure improvements (referred to herein as the "Improvements") necessitated by development occurring in the District. See "THE DISTRICT—The Improvements." At the time it was formed, the District included approximately 24 gross acres (referred to in this Official Statement as the "Original Area"), and in April 2015, the City Council conducted proceedings under the Law to annex an additional approximately 40 gross acres to the District (referred to in this Official Statement as the "Annexation Area"). At the time of the annexation, the City Council added additional public infrastructure improvements to the Improvements authorized to be funded by the District. See "THE DISTRICT—History of the District."

In the summer of 2012, Catellus LLC commenced construction of various infrastructure improvements required for the development of the first phase of Alameda Landing, including the demolition of then existing Navy warehouses and the completion of certain roadway improvements. The construction of the retail component of the project, which is not located in the District, was completed in January 2015, and includes a Target store, a Safeway grocery store, a Michaels craft store, and other retail stores. During the period from December 2013 to December 2015, TRI Pointe Homes, Inc., a Delaware corporation ("TRI Pointe") purchased the right to have conveyed by the Successor Agency approximately 24 acres of land in the District (referred to in this Official Statement as the "Original Area") from Catellus LLC, and began the construction of model homes in that area in May 2014. TRI Pointe completed the construction of 253 homes in the Original Area in August 2019, including 164 attached dwelling units and 91 detached dwelling units, all of which are currently owned by individual homeowners and are subject to the levy of Special Taxes.

In April 2015, the City Council conducted proceedings to annex approximately 44 acres of land (referred to in this Official Statement as the “Annexation Area”) to the District. The property in the Annexation Area was then owned by the Successor Agency.

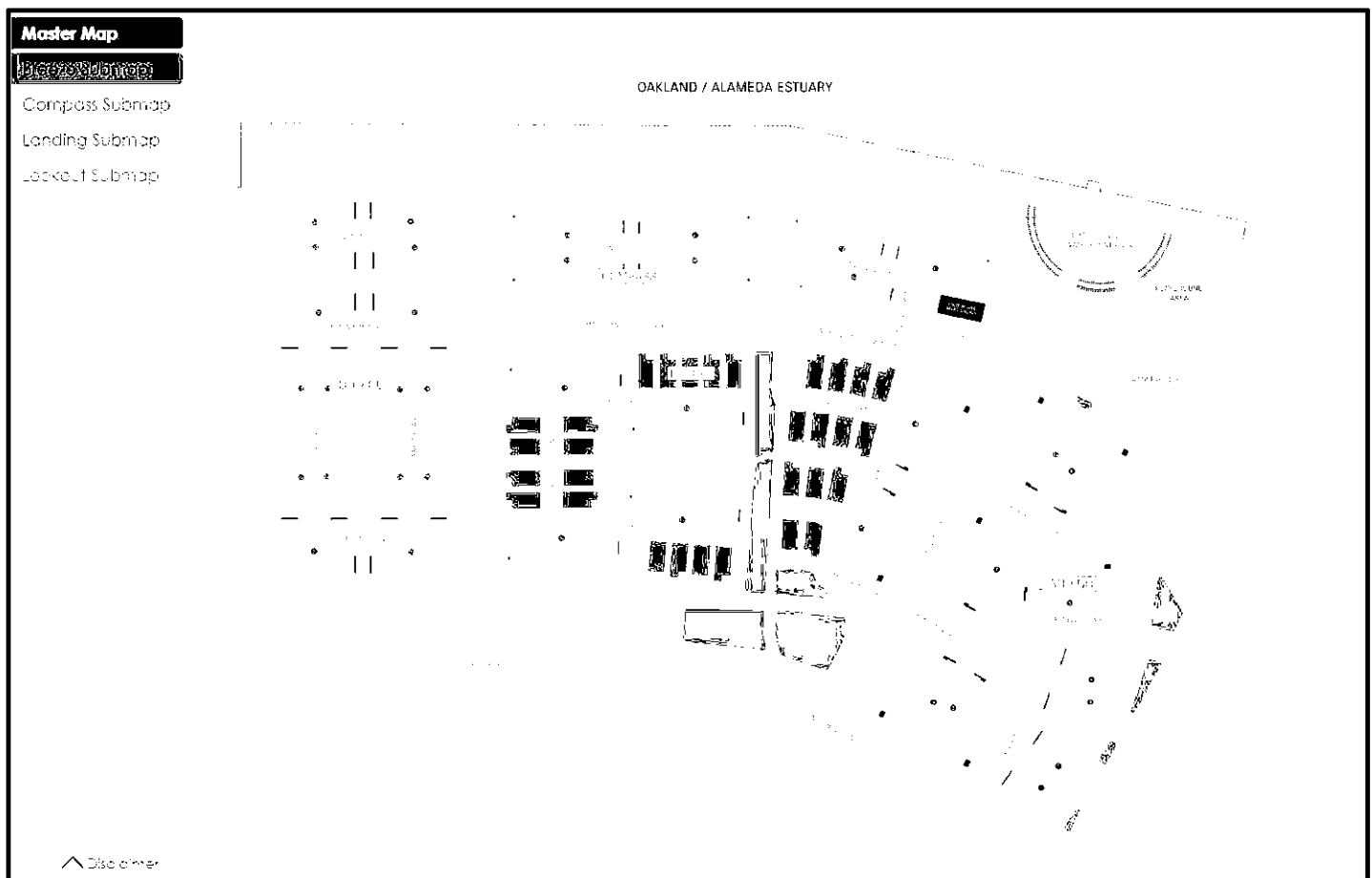
In September 2017, the City Council approved a Master Plan Amendment revising the entitlements for the development of the property in the District, plus a 4.6 acre waterfront park, to be as shown in the table below:

	Master Plan	Amended Master Plan
Office with supporting retail uses	400,000 sq.ft.	0
Maritime Commercial	0	364,000 sq.ft
Health Club	20,000 sq.ft.	0
Shopping Center/Retail	300,000 sq.ft.	296,000 sq.ft + 6,700 sq.ft. office
Residential	300 units	Maximum 700 units (actual number subject to traffic cap but in no event will exceed 700 units)

On February 22, 2019, Pulte Home Company, LLC (referred to in this Official Statement as the “Homebuilder”) entered into a contract with the Successor Agency and Catellus LLC to acquire an approximately 17.22 acres of property in the Annexation Area in three separate conveyances. The first conveyance of 7.47 acres for a sales price of \$35,110,000 occurred on August 17, 2020 (referred to in this Official Statement as “Phase 1 of the Annexation Area”), the second conveyance of 6.01 acres for a sales price of \$24,075,000 occurred on June 14, 2021 (referred to in this Official Statement as “Phase 2 of the Annexation Area”), and the third conveyance of 3.74 acres for a sales price of \$22,065,000 is expected to occur on or about April 1, 2022 (referred to in this Official Statement as “Phase 3 of the Annexation Area”). No assurance can be given that the conveyance of Phase 3 of the Annexation will occur as expected.

The construction and sales of homes on the property in Phase 1 of the Annexation Area is ongoing, and is expected to include a total of 156 single family residences and a 0.16 acre site for commercial use that is currently being used by the Homebuilder for a sales office. The property in Phase 2 of the Annexation Area has been site graded and is expected to include 95 attached and detached homes, with in-tract improvements and homes to be constructed by the Homebuilder. The property in Phase 3 of the Annexation Area, when and if conveyed to the Homebuilder, is it expected to be improved with 106 single family homes, with in-tract improvements and homes to be constructed by the Homebuilder. See “THE DISTRICT—The Homebuilder.”

The following page contains a map showing the site plan for the development of the property in the Annexation Area.



History of the District

On June 23, 2013, the City Council adopted Resolution No. 14850 authorizing the commencement of proceedings to form the District. On November 1, 2013, the City and Catellus LLC entered into the Original Acquisition Agreement pursuant to which the City agreed to use Special Taxes and bonds issued for the District to reimburse Catellus LLC for costs of infrastructure improvements needed for the development of the Original Area. Catellus LLC commenced construction of infrastructure improvements in the fall of 2012, with the primary improvements needed for the development of the Original Area having been completed in October 2013, and accepted by the City in February 2014.

Pursuant to the Law, the City Council of the City, acting in its capacity as the legislative body for the District, adopted Resolution No. 14872 (the "Resolution of Intention") on December 3, 2013, stating its intention to establish the District (including only the Original Area) and to levy the special tax within the District. On January 7, 2014, the City Council formed the District (including the Original Area) and adopted Resolution No. 14880, authorizing a special election with respect to the incurrence of indebtedness and the levy of the Special Tax. Also on January 7, 2014, the then two landowners in the District (being the Successor Agency and the Homebuilder), constituting the then qualified electors for the District, authorized the issuance of up to \$20,000,000 principal amount of special tax bonds to finance the Improvements and approved the original Rate and Method.

On January 9, 2014, the City recorded a Notice of Special Tax Lien as Document No. 2014006202 in the Alameda County Recorder's Office, with respect to the lien securing the payment of the Special Taxes to be levied on property in the Original Area. On January 21, 2014, the City Council adopted Ordinance No. 3084 (New Series) providing for the levy of the Special Taxes on property in the Original Area.

Pursuant to Resolution No. 15015 adopted by the City Council on April 7, 2015, the City Council conducted proceedings to increase the bonded indebtedness limit of the District to \$40,000,000, to alter the Rate and Method (allowing for, among other changes, an increase in the Project Fund Requirement to \$35,000,000 and allowing for increased Maximum Special Tax rates for Taxable Property in the Annexation Area), and to add to the infrastructure improvements that could be financed by the District improvements needed for the development of the Annexation Area, including the approval of an amendment to the Original Acquisition Agreement related thereto. On April 21, 2015, the City and Catellus LLC entered into a Supplement No. 1 to the Acquisition Agreement.

On April 7, 2015, the City Council adopted Resolution No. 15016 pursuant to which it conducted proceedings to annex the Annexation Area to the District. On July 22, 2015, the City recorded in the Alameda County Recorder's Office a Second Amendment to the Notice of Special Tax Lien as Document No. 2015202937 acknowledging the annexation of property to the District and providing notice of the Special Tax lien on the property in the Annexation Area.

On May 5, 2015, the City Council adopted Ordinance No. 3125 (New Series) amending and restating Ordinance No. 3084 to allow for the levy of Special Taxes pursuant to the Rate and Method as then in effect on Taxable Property in both the Original Area and the Annexation Area. On June 1, 2015, the City recorded in the Alameda County Recorder's Office a First Amendment to Notice of Special Tax Lien as Document No. 2015143612 which acknowledged the changes made to the bonded indebtedness limit of, the Improvements authorized to be funded by, and the Rate and Method for the District.

Pursuant to the Law, on February 16, 2016, the City Council, acting as the legislative body of the District, adopted Resolution No. 15118 authorizing the issuance of the 2016 Bonds and approving related documents and actions. On March 17, 2016, the City entered into the Senior Fiscal Agent Agreement and issued, for the District, the 2016 Bonds in the initial principal amount of \$15,415,000.

Pursuant to Resolution No. 15306 adopted by the City Council on September 19, 2017, the City Council conducted proceedings to modify the Rate and Method to provide that Special Taxes would only be levied on a parcel then in public ownership (identified as "Conveyance Parcel 7") when it was conveyed to a private entity and new construction occurs on the parcel. Conveyance Parcel 7, consisting of 22.12 acres, is currently owned by Bay Ship & Yacht Company. Upon completion of those proceedings, on December 27, 2017, the City recorded a Third Amendment to Notice of Special Tax Lien as Document No. 2017284717 in the Alameda County Recorder's Office which acknowledged the change to the Rate and Method.

On July 22, 2019, the City entered into a Supplement No. 2 to the Acquisition Agreement that related to the Improvements to be constructed by Catellus in the Annexation Area, and that effectively replaced the additions thereto made by Supplement No. 1 to the Acquisition Agreement.

Pursuant to the Law, on September 7, 2021, the City Council, acting as the legislative body of the District, adopted Resolution No. _____ authorizing the issuance of the 2021 Bonds, and approving related documents (including the Fiscal Agent Agreement) and actions. The net proceeds of the 2021 Bonds will be used to reimburse Catellus LLC for costs of the Improvements constructed by it to date in accordance with the Acquisition Agreement. See "PLAN OF FINANCING—Overview."

The Improvements

The District is authorized to fund various public infrastructure improvements, including costs of the acquisition and construction of roadways, sanitary sewer systems and any components thereof, stormwater drainage systems and any components thereof, water systems and any components thereof, parks and park improvements, curbs, gutters and sidewalks, street lights and traffic signals, demolition of, and stabilization and improvements to an existing wharf, entry monuments, a floating dock and wharf railing, all within and in the vicinity of the District; including the acquisition of any related right-of-way and other land needed for the installation of any such improvements, demolition of existing structures and site leveling needed for the installation of any such improvements, erosion control, landscaping, joint trench, acquisition and installation of street furniture, and other appurtenances.

The District also is eligible to fund, in addition to those facilities described above, all or a portion of the costs of the following improvements within the District, any territory annexed to the District, or otherwise in the vicinity of the District or any territory annexed to the District: the demolition of, and stabilization and improvements to the existing wharf in the Annexation Area, an entry monument, a floating dock, and a wharf railing.

The Improvements include the costs of design, engineering and planning, the costs of any environmental or other studies, surveys or reports, the cost of any required environmental mitigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision, City staff and consultant costs, and any other costs or appurtenances related to any of the Improvements.

The Improvements are being constructed by Catellus LLC pursuant to the Acquisition Agreement. The Improvements needed for the development of the Original Area have been completed, and the City approved payment to Catellus LLC of an aggregate of \$17,206,137 in costs of the Improvements so completed. To date, the City has reimbursed Catellus LLC a total of \$16,865,879.19 for costs of the Improvements from proceeds of the 2016 Bonds and from Special Taxes levied on property in the Original Area not needed to pay administrative costs of the District and debt service on the 2016 Bonds. Proceeds of the 2021 Bonds deposited in the Improvement Fund will be used to pay amounts owed to Catellus LLC under the Acquisition Agreement, as amended and currently in effect.

Catellus LLC has advised that the infrastructure improvements needed for the development of Phase 1 of the Annexation Area and Phase 2 of the Annexation Area were completed in June 2021, and construction of the infrastructure improvements for Phase 3 of the Annexation Area commenced in April 2021 and is expected to take nine months to complete. No assurance can be given, however, as to when and if the construction of the infrastructure improvements for Phase 3 of the Annexation Area will be commenced or completed.

Land Ownership

As of August 1, 2021, the Homebuilder owned all of the proposed parcels of Taxable Property in Phase 1 of the Annexation Area (comprised of parcels 1, 2 and 3 of Parcel Map 11038) and in Phase 2 of the Annexation Area, homebuyers owned 253 parcels of Taxable Property with completed homes in the Original Area and the Successor Agency owned the property in Phase 3 of the Annexation Area. See Tables 2 and 3 under the heading “THE DISTRICT – The Homebuilder – Homebuilder Development Plan” for more information regarding the ownership, development plan and status of development of the parcels in the Annexation Area.

The Homebuilder

Information in this section, entitled “The Homebuilder,” is included because it may be considered relevant by some investors to make an informed evaluation and analysis of the Taxable Property within the District. The information contained in this section does not guarantee that the Homebuilder will not change or that the current or any subsequent property owners will pay the Special Tax when due. The Special Tax will constitute a lien on Taxable Property within the District and is not a personal indebtedness of the owners of property within the District. Information in this section has been provided by the Homebuilder, and neither the City nor the Underwriter can ensure, and do not ensure, its completeness or accuracy.

Pulte Home Company, LLC. As previously defined in this Official Statement, the Homebuilder is Pulte Home Company, LLC, a Michigan limited liability company, an indirect wholly-owned subsidiary of PulteGroup, Inc., a Michigan corporation (the “Parent Entity”). The Parent Entity is a publicly-held holding company based in Atlanta, Georgia, whose subsidiaries engage primarily in the homebuilding business. The Parent Entity also has mortgage banking operations, conducted principally through Pulte Mortgage LLC, and title operations. The Parent Entity is a Michigan corporation organized in 1956 whose common stock trades on the New York Stock Exchange under the symbol “PHM.” The property in the Community Facilities District is being developed by the Developer’s Northern California division.

Through its brands, which include Centex, Pulte Homes, Del Webb, DiVosta Homes, John Weiland Homes and Neighborhoods, and American West, the Parent Entity and its

subsidiaries offer a wide variety of home designs, including single-family detached, townhouses, condominiums, and duplexes at different prices and with varying levels of options and amenities to the company's major customer groups: first-time, move-up, and active adult. Over its history, the Parent Entity and its subsidiaries have delivered nearly 750,000 homes. As of December 31, 2020, the Parent Entity, through its subsidiaries, operated out of approximately 874 active communities in 40 markets across 23 states.

The Parent Entity is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith is obligated to file reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission ("SEC"). Such filings, particularly the Parent Entity's annual report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the SEC on February 2, 2021, and quarterly report on Form 10-Q for the quarter ended June 30, 2021, as filed with the SEC on July 27, 2021, set forth certain data relative to the consolidated results of operations and financial position of the Parent Entity and its subsidiaries, including the Developer as of such dates.

The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including the Parent Entity. The address of such Internet web site is www.sec.gov. All documents subsequently filed by the Parent Entity pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of the Parent Entity's Annual Report and each of its other quarterly and current reports, including any amendments, are available from the Parent Entity's website at www.pultegroup.com. *The foregoing internet addresses are included for reference only and the information on these internet sites are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such internet sites.*

Homebuilder Development Plan

The Homebuilder plans to construct 357 single family detached and attached condominium units within the Annexation Area. These homes are being marketed as the following four product lines: (i) Breeze at Bay37 ("Breeze"), expected to include 30 3-level single-family detached homes at completion; (ii) Compass at Bay37 ("Compass"), expected to include 93 flats-style and 3-level townhome-style condominium homes within eight 9-plex and three 7-plex buildings at completion; (iii) Landing at Bay37 ("Landing"), expected to include 96 flats-style condominium homes within eight 4-story elevator serviced buildings containing twelve units each (each building containing four units on each of the second, third and fourth floors and private garages on the first floor) at completion; and (iv) Lookout at Bay 37 ("Lookout"), expected to include 138 traditional townhome-style or row homes within 18 7-plex buildings and two 6-plex buildings at completion.

Thirty-nine of the 357 proposed homes within the Annexation Area will be inclusionary housing units (below market rate), including 14 within Landing, 17 within Lookout and eight within Compass. Eighteen of the below market rate units will be conveyed to the City's Housing Authority, or its designee, and rented to persons or families meeting the qualifying income standards for low income and very low income households (the "Affordable Housing Units"). The remaining 21 below market rate units will be restricted to persons or families meeting the qualifying income standards for moderate income households (the "Moderate Income Units"). The Homebuilder plans to contract with an affordable housing broker, who will market the Moderate Income Units and qualify the homebuyers, after which the Homebuilder will work directly with the homebuyers to complete the sale and close escrow on

the Moderate Income Units. Under the provisions of the Rate and Method, Affordable Housing Units, after they have been conveyed to the City's Housing Authority, are exempt from the Special Tax. The Rate and Method also provides that no more than 16 Moderate Income Units in the District will be taxed at a Maximum Special Tax equal to 50% of their Assigned Special Tax; however, the Special Tax Consultant has advised that there were 16 Moderate Income Units in the Original Area, so none of the Moderate Income Units in the Annexation Area will qualify for the reduced Maximum Special Tax provisions of the Rate and Method.

The Annexation Area is subdivided into three phases. The Homebuilder acquired Phase 1 of the Annexation Area planned for 156 homes and an approximately .16 acre retail site currently used for the sales trailer on August 14, 2020, and Phase 2 of the Annexation Area planned for 95 homes on June 14, 2021. The Homebuilder expects to close escrow on Phase 3 of the Annexation Area planned for 106 homes by April 2022. No assurance can be given that the Homebuilder will close escrow on Phase 3 of the Annexation Area as planned. The final subdivision map for Phase 1 of the Annexation Area was recorded on November 4, 2020. The final subdivision map for Phase 2 of the Annexation Area has been submitted to the City for approval and is expected to be recorded by August 6, 2021. The final subdivision map for Phase 3 of the Annexation Area is expected to be submitted to the City for approval by April 2022 and recorded by June 2022.

Catellus LLC is responsible for all backbone infrastructure, environmental and geotechnical certification, and delivering mass graded lots for property in the Annexation Area to the Homebuilder. The Homebuilder is responsible for grading for pads and the installation of in-tract improvements (i.e. wet and dry utilities, streets and street lights, landscaping and walkways). As of August 1, 2021, in-tract work for Phase 1 of the Annexation Area is substantially complete. In-tract work for Phase 2 of the Annexation Area commenced in June 2021 and is expected to be substantially complete in December 2021.

Table 2 below summarizes the ownership and expected development of the Annexation Area as of August 1, 2021.

Table 2
City of Alameda
Community Facilities District No. 13-1
Ownership and Expected Development of
Annexation Area
(as of August 1, 2021)

Phase	Owner	Expected Development	Total Number of Projected Units
1	Homebuilder	13 Breeze 21 Compass 96 Landing 26 Lookout	156 ⁽¹⁾
2	Homebuilder	17 Breeze 36 Compass 42 Lookout	95
3	Successor Agency	36 Compass 70 Lookout	106
Totals			357

(1) Phase 1 of the Annexation Area will include the 18 Affordable Housing Units which, when conveyed to the City's Housing Authority, will be exempt from the Special Tax.
Source: The Homebuilder and Catellus LLC.

Home construction and sales are underway within Phase 1 of the Annexation Area, with the initial production homes expected to close escrow in August 2021. The Homebuilder commenced vertical construction of the models and first phase of production homes in Phase 1 of the Annexation Area in October 2020 and opened its on-site sales trailer in April 2021. The models for the four product lines are expected to be completed and open to the public in either August 2021 or September 2021. Vertical home construction in Phase 2 of the Annexation Area is expected to commence in October 2021. Assuming the Homebuilder completes the acquisition of the property in Phase 3 of the Annexation Area property as described above, vertical home construction in Phase 3 of the Annexation Area is expected to commence in June 2022. Full buildout and conveyance of the last homes to individual homebuyers in the Annexation Area is expected to occur by the third quarter of 2024.

As of August 1, 2021, 38 homes were in escrow for sale to individual homebuyers. It should be noted that homes under contract may not result in closed escrows as sales contracts are subject to cancellation by homebuyers.

Table 3 below sets forth the development status and proposed product mix of the homes planned within the Annexation Area as of August 1, 2021.

Table 3
City of Alameda
Community Facilities District No. 13-1
Status of Planned Residential Development of
Annexation Area
(as of August 1, 2021)

Product Line	Plan Description	Base Plan Square Footage	Base Price(1)	Closed Homes	Homes Under Construction(2)	Homes Completed Not Closed	Home Construction Not Started(3)	Total Homes Planned
Breeze	Plan 1	2,375	\$1,355,990	0	4	0	6	10
Breeze	Plan 2	2,565	1,405,990	0	9	0	11	20
Total Breeze:				0	13	0	17	30
Compass	Plan 1	1,298	875,990	0	3	0	8	11
Compass	Plan 2	1,366	885,990	0	3	0	8	11
Compass	Plan 3	1,553	925,990	0	3	0	8	11
Compass	Plan 4	1,551	960,000	0	0	0	16	16
Compass	Plan 5	1,714	1,015,990	0	3	0	8	11
Compass	Plan 6	1,756	1,025,990	0	0	0	8	8
Compass	Plan 7	1,997	1,095,990	0	9	0	16	25
Total Compass:				0	21	0	72	93
Landing	Plan 1	1,305	850,990	0	21	0	3	24
Landing	Plan 2	1,344	880,990	0	21	0	3	24
Landing	Plan 3	1,454	940,990	0	21	0	3	24
Landing	Plan 4	1,506	955,990	0	21	0	3	24
Total Landing:				0	84	0	12	96
Lookout	Plan 1	1,000	780,990	0	8	0	32	40
Lookout	Plan 2	1,138	835,990	0	8	0	32	40
Lookout	Plan 3	1,066-1,102	809,990	0	10	0	48	58
Total Lookout:				0	26	0	112	138
GRAND TOTAL:				0	144	0	213	357

- (1) Base sales prices are as of August 1, 2021 and applicable to 318 market rate units only. [CONFIRM: Base sales prices for the 18 Affordable Housing units and 21 Moderate Income Units are expected to be [substantially] lower than the base sales prices set forth in the table.] Base sales prices are exclusive of any premiums, options, upgrades, incentives and any selling concessions or prior reductions currently being offered. There can be no assurance that base sales prices in the future will not differ from the estimated/actual base sales prices set forth in the table.
- (2) Includes one (1) model home within Breeze (a Plan 2), four (4) model homes within Compass (Plans 1, 3, 5 and 7), two (2) model homes within Landing (Plans 2 and 4), and three (3) model homes within Lookout (Plans 1, 2 and 3b).
- (3) As of August 1, 2021, no building permits had been issued for any of the 213 homes without vertical construction.

Source: The Homebuilder.

Although the information in this Official Statement reflects the current development expectations of the Homebuilder, no assurances can be given that construction and home sales will be carried out on the schedule or according to the plans described in this Official Statement. The Homebuilder reserves the right to change its development plan for the property in the Annexation Area at any time without notice.

See page 41 of the Appraisal for additional information regarding homes for very low income, low income and moderate income homebuyers within various product lines.

The following pages depict the site plans for the various product lines of the homes expected to be constructed in the Annexation Area.

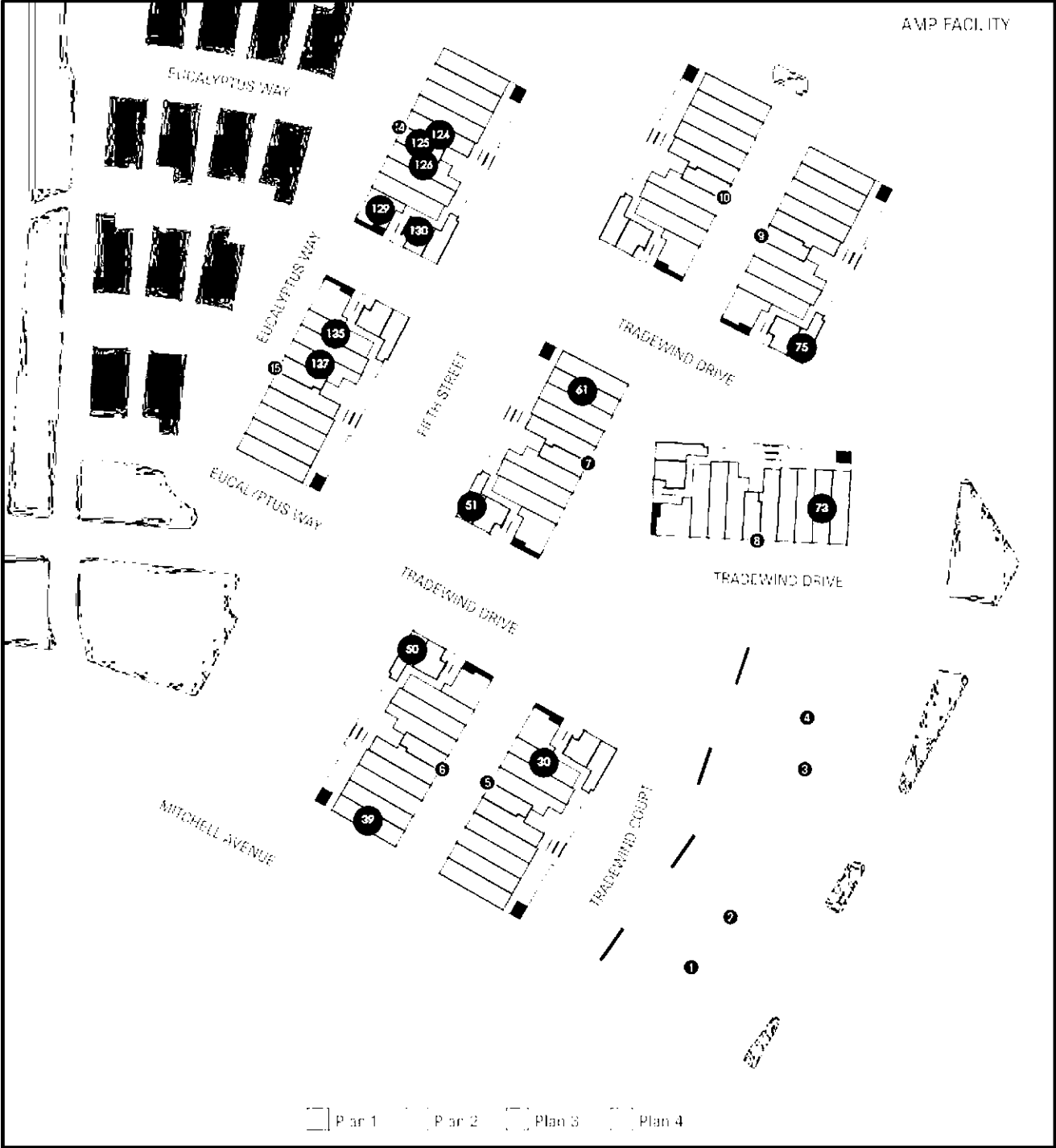
Breeze Units



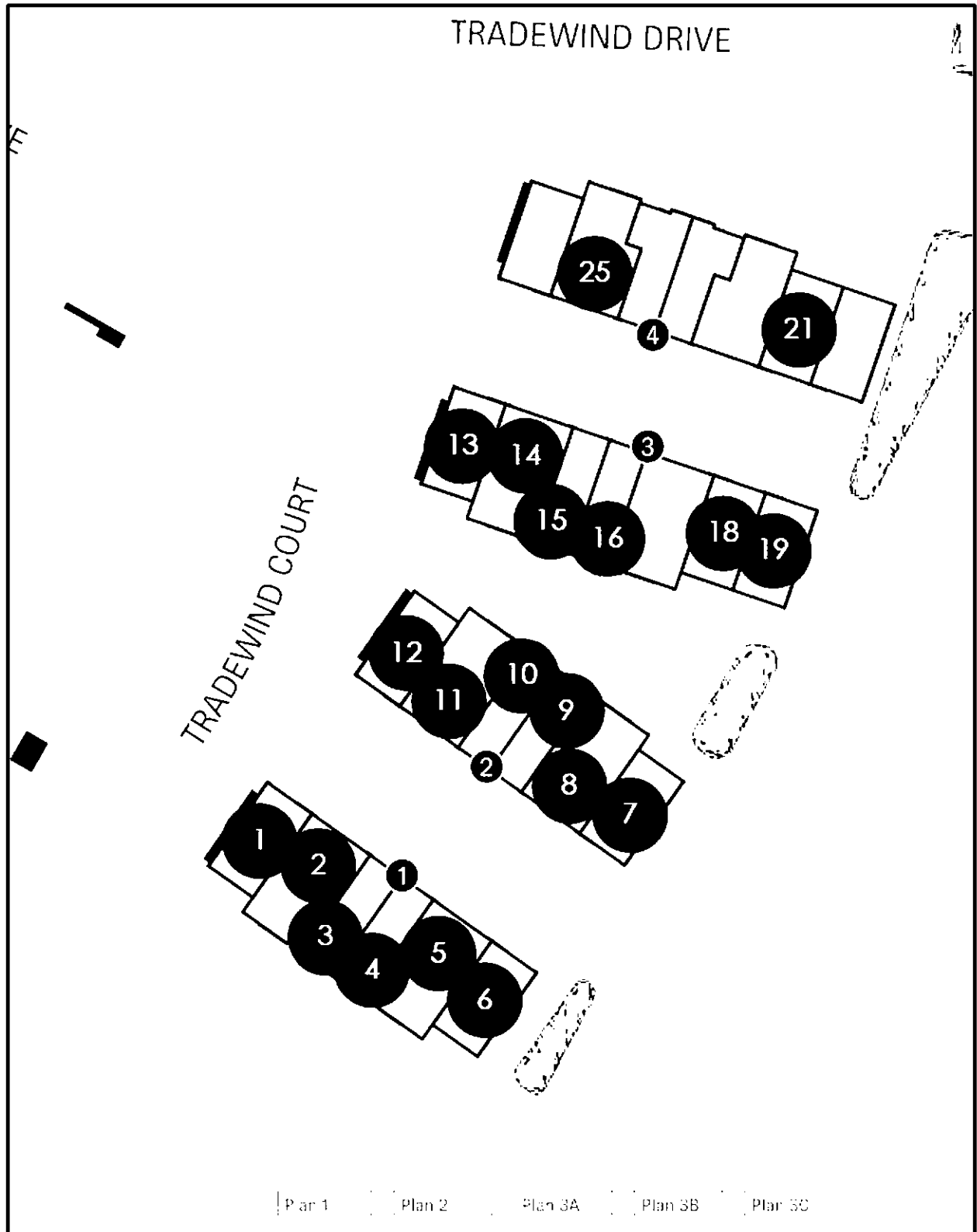
Red units are in-contract, blue reflect model homes.

-41-

Landing Units



Lookout Units



Homebuilder Financing Plan

The Homebuilder estimates that, as of July 31, 2021 it has expended approximately \$81.9 million on land acquisition costs, site development costs, permit and impact fees, home construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) related to the 156 homes that the Homebuilder plans to construct within Phase 1 of the Annexation Area and Phase 2 of the Annexation Area. The Homebuilder expects to incur approximately \$94.2 million on remaining land acquisition costs, site development costs, permit and impact fees, home construction costs, and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carry costs) between August 1, 2021 and full build-out of the 357 homes proposed to be constructed by the Homebuilder within the Annexation Area.

The Homebuilder has financed its land acquisition and various site development and home construction costs related to its property in the Annexation Area with cash generated from its home building operations and, where necessary, internal corporate financing from its Parent Entity. The Homebuilder expects to finance its remaining land acquisition, site development and home construction costs to complete its planned development within the Annexation Area with a combination of cash generated from its home building operations (including revenues generated from home sales in the Annexation Area) and, where necessary, internal corporate financing from its Parent Entity. Notwithstanding the internal corporate financing from its Parent Entity, and revenues generated from home sales in the Annexation Area, there can be no assurance that the Homebuilder will have timely access to the sources of funds which will be necessary to complete the remaining proposed land acquisition and development in the Annexation Area. Neither the Homebuilder nor its Parent Entity has a legal obligation to Owners of the 2021 Bonds to make any such funds available to fund the remaining land acquisition and development costs or to pay ad valorem property taxes or Special Taxes related to its property in the Annexation Area. Many factors beyond the Homebuilder's control, or a decision by the Homebuilder to alter its current plans, may cause the actual sources and uses to differ from the projections.

If and to the extent that internal funding, including but not limited to home sales revenues and corporate financing from the Parent Entity, is inadequate to pay the costs to complete the planned land acquisition and development by the Homebuilder within the Annexation Area and other financing by the Homebuilder is not put into place, there could be a shortfall in the funds required to complete the proposed land acquisition and development by the Homebuilder in the Annexation Area and the remaining portions of the Homebuilder's projects in the Annexation Area may not be developed, including its acquisition of the property in Phase 3 of the Annexation Area. See "SPECIAL RISK FACTORS – Failure to Complete the Development" herein.

At the time of delivery and payment for the 2021 Bonds, the Homebuilder will deliver a certificate to the effect that there are no events of monetary default or events which with the passage of time would constitute a monetary default under any loan or similar credit arrangement to which Homebuilder is a party the result of which could reasonably be expected to have a material adverse effect on the Homebuilder's ability to complete its planned development and sale of the residential units within the Annexation Area as described in this Official Statement or to pay the applicable Special Tax obligation levied on the property in the Annexation Area owned by the Homebuilder when due.

COVID-19 Pandemic

The development of the Homebuilder's planned development within the Annexation Area may be subject to delays caused by the COVID-19 pandemic and related public health and governmental authorities' orders and actions. As the impacts caused by the outbreak evolve, there could be an adverse impact on the timing and costs of the planned development within the Annexation Area. See "SPECIAL RISK FACTORS – Covid-19 Pandemic" herein.

The Homebuilder cannot predict the ultimate effects of the COVID-19 outbreak and related public health and governmental authorities' orders and actions (including, without limitation, the scope of restrictions under any shelter in place orders) or whether any such effects would have a material adverse effect on its ability to develop and/or sell homes in the Annexation Area.

Property Values

The value of property within the District is an important factor in determining the investment quality of the 2021 Bonds. If a property owner defaults in the payment of the Special Tax, the City's primary remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. The Special Tax is not a personal obligation of the owners of the property. A variety of economic, political, and natural occurrences incapable of being accurately predicted can affect property values. See "SPECIAL RISK FACTORS – Property Value."

The City has commissioned the Appraisal Report, dated June 18, 2021, for the property in the Annexation Area. The Appraisal Report does not include any valuation of the property in the Original Area, as that property is currently owned by homeowners.

The Appraiser concluded in the Appraisal Report that, as of June 15, 2021, the market value of the property in Phase 1 of the Annexation Area is \$55,380,000, the market value of the property in Phase 2 of the Annexation Area is \$26,980,000, and the market value of the property in Phase 3 of the Annexation Area is \$27,120,000, in each case subject to certain assumptions and limiting conditions set forth in the Appraisal Report, including an extraordinary assumption to the effect that there are no adverse soil conditions, toxic substances or other environmental hazards that may interfere or inhibit the development of the property in the Annexation Area. On August __, 2021, the Appraiser provided a letter to the City (the "Update Letter") to the effect that the estimated value for the property in the Annexation Area set forth in the Appraisal has not decreased since June 15, 2021.

The Appraiser has also noted in the Appraisal that the Fiscal Year 2021-22 Alameda County Assessor's value of the 253 homes constructed in the Original Area and of two non-residential parcels in the Original Area is \$262,697,583. The total County Assessor's value of the property in the Original Area has been updated since the date of the Appraisal to \$267,339,781 for Fiscal Year 2021-22 per the July 2021 Alameda County secured tax roll data, and the updated amount is reflected in Table 5 under the heading "THE DISTRICT – Value to Burden Ratio."

Table 4 below contains a summary of the valuation of the property in the District.

Table 4
City of Alameda
Community Facilities District No. 13-1
Summary of Values of Taxable Property in the District

Assessed Value of Property in the Original Area ⁽¹⁾	\$267,339,781
Appraised Value of Property ⁽²⁾	
Phase 1 of the Annexation Area	\$55,380,000
Phase 2 of the Annexation Area	26,980,000
Phase 3 of the Annexation Area ⁽³⁾	<u>27,120,000</u>
Appraised Value Subtotal	<u>\$109,480,000</u>
Composite Value	\$376,819,781

(1) Alameda County Assessor's value for 253 homes and two non-residential parcels as of July, 2021.

(2) See Appendix H – Appraisal Report.

(3) Property in Phase 3 of the Annexation Area is not subject to the levy of Special Taxes until it is conveyed to the Homebuilder. See "INTRODUCTION – The District."

The total of the appraised value of the land in Phase 1 of the Annexation Area and in Phase 2 of the Annexation Area, as reflected in the Appraisal Report, together with the assessed value of the homes in the Original Area, for a total of \$349,699,781, is approximately 8.76* times the \$39,880,000* aggregate amount of the \$24,585,000* initial principal amount of the 2021 Bonds and the \$15,295,000 principal amount of the Outstanding Senior Bonds. **The Appraisal Report and the Update Letter are included in Appendix H to this Official Statement and should be read in their entirety including in the Appraisal Report, an explanation of the methodology and the assumptions underlying and the conditions limiting the valuation conclusions contained in the Appraisal Report. Neither the City nor the Underwriter makes any representation as to the accuracy or completeness of the Appraisal Report or the Update Letter.**

The Appraisal Report does not take into account possible future liens or indebtedness which may be imposed by the City or by other public entities on Taxable Property in the Annexation Area. The City has not covenanted, and in many instances does not have the legal ability, to restrict other entities from imposing indebtedness which may be secured by a lien on the Taxable Property in the District which is on a parity with the Special Tax. See "THE DISTRICT – Direct and Overlapping Governmental Obligations" and "SPECIAL RISK FACTORS – Parity Taxes and Special Assessments." A number of economic, political, and natural occurrences may adversely affect the value of the property as expressed in the Appraisal Report. See "SPECIAL RISK FACTORS."

Value-to-Burden Ratio

General Information Regarding Value-to-Burden Ratios. The value-to-burden ratio for bonds secured by special taxes will generally vary over the life of those bonds as a result of changes in the value of the property that is security for the special taxes and the principal amount of the bonds. As described under the heading "THE DISTRICT—Location and Description of the District, and as more fully described in the Appraisal Report in Appendix H, while the property in the Original Area is built out, there are lots with homes currently under

* Preliminary, subject to change.

construction in Phase 1 of the Annexation Area and undeveloped lots in Phase 2 of the Annexation Area, and undeveloped property in Phase 3, of the Annexation Area.

In comparing the composite value of the real property in the District to the aggregate of the principal amount of the 2016 Bonds and the principal amount of 2021 Bonds, it should be noted that an individual parcel may only be foreclosed upon to pay delinquent installments of the Special Taxes attributable to that parcel. The aggregate of the principal amount of the 2016 Bonds and the principal amount of 2021 Bonds is not allocated equally among the parcels within the District; rather, the principal amount of the 2016 Bonds and the principal amount of 2021 Bonds have been allocated among the parcels within the District based on their respective share of the total projected Special Taxes to be levied in fiscal year 2021-22.

Economic and other factors beyond the property owners' control, such as economic recession, deflation of land values, financial difficulty or bankruptcy by one or more property owners, or the complete or partial destruction of Taxable Property caused by, among other possibilities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the District. See "SPECIAL RISK FACTORS—Property Value" and "—Bankruptcy Delays."

Development Status, Projected Special Tax Levy and Estimated Appraised Value to Bond Burden Ratios. Table 5 below sets forth the development status and ownership of property in the District, the value of the areas so delineated, projected Special Tax levies and value-to-lien ratios.

Table 5
City of Alameda
Community Facilities District No. 13-1
Land Ownership, Projected Special Tax Levy and Estimated Value-to-Lien Ratios

Area/Development Status/Ownership	Number of Parcels	Number of Expected Residential Units	Composite Value ⁽¹⁾	Projected FY 21/22 Maximum Special Tax Revenue ⁽²⁾	Projected FY 21/22 Special Tax Levy ⁽³⁾	Percent of Total Projected FY 21/22 Special Tax Levy	Allocable Share of 2016 Bonds	Allocable Share of 2021 Bonds	Allocable Share of 2016 and 2021 Bonds - Based on FY 2022 Levy	Estimated Total Value-to-Lien Ratios Based on Expected Levy
Developed Property										
Individually Owned Homes and Condominiums	253	253	\$266,414,781	\$1,064,272	\$959,473	48.71%	\$7,494,981	\$12,000,268	\$19,495,249	13.67
Commercial Space	2	-	925,000	5,907	4,893	0.25%	38,219	61,193	99,413	9.30
Phase 1 Residential Lots with Building Permits Issued	17	132	45,971,538	422,052	404,688	20.75%	3,161,240	5,061,485	8,222,725	5.59
<i>Subtotal Developed Property</i>	272	385	\$313,311,319	\$1,492,231	\$1,369,053	69.71%	\$10,694,441	\$17,122,946	\$27,817,387	11.26
Final Mapped Property										
Phase 1 Planned Residential Lots	2	24	\$8,358,462	\$54,195	\$54,195	2.75%	\$423,344	\$677,819	\$1,101,163	7.59
Phase 1 Planned Commercial Space	1	-	1,050,000	16,432	16,432	0.83%	128,359	205,517	333,876	3.14
Undeveloped Property										
Phase 2 Property	1	95	\$26,980,000	\$525,997	\$525,997	26.71%	4,108,856	6,578,718	10,687,573	2.52
<i>Subtotal Taxable Property</i>	276	504	\$349,699,781	\$2,088,854	\$1,965,677	100.00%	\$15,355,000	\$24,585,000	\$39,940,000	8.76
Exempt Property										
Phase 3 Property ⁽⁴⁾	1	106	\$27,120,000				-	-	-	-
<i>Total</i>	277	610	\$376,819,781	\$2,088,854	\$1,965,677	100.00%	\$15,355,000	\$24,585,000	\$39,940,000	9.43

- (1) For the Original Area: the Assessed Value per the Alameda County Assessor roll data for Fiscal Year 2021 / 22, as of January 1, 2021. 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; for the Annexation Area: based on the appraised values in the Appraisal Report. For Residential property in Phase 1, the total appraised value of \$55,380,000, minus the appraised value of the commercial space, was evenly spread to Developed Property and Final Mapped Property based on the expected Units.
- (2) Maximum Special Tax (i.e., greater of the Assigned Special Tax or the Backup Special Tax for each parcel) is calculated using development status defined in the Rate and Method of Apportionment with parcels with a building permit issued as of the date of value in the Appraisal.
- (3) Projected Fiscal Year 2021/22 Special Tax levy is the sum of the Assigned Special Tax for each parcel of Taxable Property in the District.
- (4) Currently owned by the Successor Agency to the Community Improvement Commission of the City of Alameda, and expected to transfer to the Homebuilder in April 2022. Property in Phase 3 of the Annexation Area will become Taxable Property once transferred to the Homebuilder.

Source: NBS

Special Tax Levies and Delinquencies

The City is obligated under the Fiscal Agent Agreement to levy Special Taxes on Taxable Property in the District in the amount of the Special Tax Requirement (Post-Bond Issuance). See "SECURITY FOR THE 2021 BONDS—Special Taxes" and "—Summary of the Rate and Method.

Set forth in Table 6 below is a history of Special Tax levies and collections.

Table 6
City of Alameda
Community Facilities District No. 13-1
Special Tax Levies and Delinquencies

Fiscal Year	Total Parcels Levied	Total Amount Levied	Total Amount Delinquent at End of Fiscal Year	Parcels Remaining Delinquent at July 15, 2021	Total Amount Delinquent at July 15, 2021 ⁽¹⁾	Percentage of Amount Levied Which is Delinquent at July 15, 2021
2014/15	2	\$493,741.60	0.00	0	\$0.00	0.00%
2015/16	86	602,657.58	\$4,771.92	0	0.00	0.00
2016/17	179	841,861.80	0.00	0	0.00	0.00
2017/18	255	856,952.84	8,497.56	0	0.00	0.00
2018/19	255	882,528.06	20,331.28	0	0.00	0.00
2019/20	255	909,004.74	7,872.95	0	0.00	0.00
2020/21	255	936,274.72	10,619.31	3	10,619.31	1.13
						0.19

(1) Per Alameda County Tax Collector data as of July 15, 2021.
Source: NBS.

Direct and Overlapping Governmental Obligations

General. Property within the District is subject to general obligation and general fund overlapping debt. Currently, special taxes also are imposed upon property within the District pursuant to a community facilities district established by the City Council ("CFD 13-2") to fund certain maintenance services. While CFD 13-2 is not authorized to incur bonded indebtedness, nevertheless the lien for the annual maintenance services Special Taxes is co-equal to the lien for that community facilities district and will be co-equal to the lien for any assessment district that may be established in the future, as well as co-equal with the lien for general property taxes. Additional indebtedness could be authorized by other public agencies at any time.

Presently, land within the District is subject to approximately \$26,404,316 of total outstanding tax and assessment, and general obligation, overlapping debt, in addition to the \$24,585,000* initial principal amount of the 2021 Bonds. To repay direct and overlapping debt the owners of the land within the District must pay the annual Special Taxes, special taxes levied for CFD 13-2, and the general property tax levy. The ability of the City to collect the Special Taxes could be adversely affected if additional debt is issued with respect to the Taxable Property in the District. The land, at any time, could become subject to additional parity debt either by the formation of additional community facilities districts or the imposition of other taxes and assessments by public agencies other than the City on behalf of the property owners within the District. The imposition of additional liens on a parity with the Special Taxes may reduce the ability or willingness of the landowners to pay the Special Taxes and may increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes.

CFD 13-2. The City's CFD 13-2 is authorized to levy special taxes on property in the District, as well as on property in the retail portion of the Alameda Landing project that is not within the District, subject to the following maximum special tax rates:

* Preliminary, subject to change.

Table 7
City of Alameda
Community Facilities District No. 13-2
(Alameda Landing Municipal Services District)
Maximum Special Taxes

Land Use Class	Description	FY 2021/22 Maximum Special Tax
1	Affordable Housing Unit (Developed Property or Alternative Developed Property)	\$0.0000 per Unit
3	Moderate Income Unit (Developed Property or Alternative Developed Property)	1,214.0278 per Unit
4	Residential Dwelling Unit (Developed Property or Alternative Developed Property)	1,517.5347 per Unit
6	Final Mapped Property or Alternative Developed Property (designated for Moderate Income Unit)	1,214.0278 per Unit
7	Final Mapped Property or Alternative Developed Property (designated for Residential Dwelling Unit)	1,517.5347 per Unit
8	Undeveloped Residential Property	16,074.4862 per Acre
9	Undeveloped Non-Residential Property	5,618.6722 per Acre
10	Non-Residential Property	0.4553 per Building Square Foot

Source: NBS

On each July 1, commencing on July 1, 2022, the foregoing maximum special taxes will be adjusted to account for inflation. The amount of the annual adjustment will be the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the San Francisco Bay Area for the current Calendar Year over CPI for the San Francisco Bay Area for the previous Calendar Year, each as of April 1.

Proceeds of special taxes levied for CFD 13-2 will be used to pay administrative expenses and certain maintenance services authorized to be funded by CFD 13-2, including: (a) public safety services, including police and fire protection; (b) maintenance of bus shelters and bus stops within or adjacent to the area of CFD 13-2; (c) maintenance of landscaping in public areas, public easements and public right of way; (d) maintenance of sanitary sewers within or serving the area of CFD 13-2; (e) maintenance of sidewalks in or near to the area of CFD 13-2; (f) maintenance of public signage in or near CFD 13-2; (g) maintenance of storm drainage systems within or serving the area of CFD 13-2; (h) maintenance of streets and roadways within or in the vicinity of the area of CFD 13-2; (i) maintenance of street lighting located within or in the vicinity of CFD 13-2; (j) maintenance of traffic signals within and in the vicinity of CFD 13-2; and (k) graffiti removal from public improvements within and in the area of CFD 13-2.

The special taxes levied on Taxable Property in the District by the City for CFD 13-2 are secured by a lien of the Taxable Property that is co-equal with the lien securing the payment of the Special Taxes levied by the City for the District.

Direct and overlapping indebtedness, tax and assessment debt as of June 1, 2021 is shown in the following Table 8 compiled by California Municipal Statistics, Inc. Neither the

City nor the Underwriter has independently verified the information in Table 8 and they make no representation as to its completeness or accuracy.

Table 8
City of Alameda
Community Facilities District No. 13-1
Direct and Overlapping Debt Summary

2020-21 Local Secured Assessed Valuation: \$286,366,739

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/21</u>
Alameda County General Obligation Bonds	0.086%	\$ 165,192
Bay Area Rapid Transit District General Obligation Bonds	0.033	625,529
East Bay Regional Park District General Obligation Bonds	0.053	71,202
Peralta Community College District General Obligation Bonds	0.237	1,034,479
Alameda Unified School District General Obligation Bonds	1.846	3,664,257
City of Alameda General Obligation Bonds	1.846	118,814
City of Alameda Community Facilities District No. 13-1	100.	15,295,000 ⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$20,914,473
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County General Fund Obligations	0.086%	\$ 682,289
Alameda-Contra Costa Transit District Certificates of Participation	0.102	11,918
Peralta Community College District Pension Obligation Bonds	0.237	315,366
Alameda Unified School District Certificates of Participation	1.846	97,913
City of Alameda Certificates of Participation	1.846	109,398
TOTAL OVERLAPPING GENERAL FUND DEBT		\$1,216,884
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$4,152,959
 COMBINED TOTAL DEBT		\$26,344,316 ⁽²⁾

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Local Secured Assessed Valuation:

Direct Debt (\$15,295,000)	5.34%
Total Direct and Overlapping Tax and Assessment Debt	7.30%
Combined Total Debt	10.87%

Source: California Municipal Statistics, Inc.

Sample Tax Bills. Set forth below is Table 9 which provides, for a single family detached home classified as Land Use Class 1 and a single family detached home classified as Land Use Class 7 of Taxable Property in the Rate and Method, each using as the Average Sales Price of the average County Assessor's value of the parcels in the Original Area in the respective Land Use Class, the expected property tax bill that would be received by a respective owner of the applicable Taxable Property for fiscal year 2020-21.

Table 9
City of Alameda
Community Facilities District No. 13-1
Sample Tax Bill for Land Use Classes 1 and 7
for Fiscal Year 2020-21⁽¹⁾

<u>Assumptions</u>			
Unit Type		Land Use Class 1	Land Use Class 7
<u>Assessed Value</u>			
Average Sales Price ⁽¹⁾		\$1,432,948.00	\$1,124,609.00
(Less) Homeowner Exemption		(7,000.00)	(7,000.00)
Average Assessed Value		\$1,425,948.00	\$1,117,609.00
<u>Ad Valorem</u>		<u>Tax Rate</u>	
General Purpose Ad Valorem Tax (Proposition 13)	1.0000%	\$14,259.48	\$11,176.09
County GO Bond	0.0036	51.33	40.23
City of Alameda	0.0215	306.58	240.29
School Unified	0.0737	1,050.92	823.68
Community College	0.0452	644.53	505.16
Bay Area Rapid Transit	0.0139	198.21	155.35
East Bay Regional Park	0.0014	19.96	15.65
Total Ad Valorem Taxes	1.1593%	\$16,531.02	\$12,956.44
<u>Special/Direct Assessments</u>			
AC Transit Measure VV		\$96.00	\$96.00
AUSD Measure A		869.20	560.21
City Sewer Service		332.88	332.88
CSA Paramedic		35.00	35.00
East Bay Trail LLD		5.44	5.44
EBMUD Wetweather		115.70	115.70
EBRPD CFD No A/C-3		12.00	12.00
Hazardous Waste Program		6.64	6.64
Healthcare A 2002		298.00	298.00
(2) Mosquito Assessment 2008		2.50	2.50
Mosquito MSR K 1982		1.74	1.74
Peralta 2018 Measure E		48.00	48.00
School Measure B1		1,049.60	676.48
SFBRA Measure AA		12.00	12.00
Urban Runoff		56.14	56.14
Vector Control Assessment		5.08	5.08
Vector Control Measure A 84		5.92	5.92
Water Quality/Flood Protection		58.50	35.78
Total Special/Direct Assessments		\$3,010.34	\$2,305.51
<u>Mello-Roos Community Facilities District (CFD)</u>			
(3) CFD 13-1		\$5,531.96	\$4,084.40
CFD 13-2 MSD		1,461.88	1,461.88
Total CFD Special Taxes		\$6,993.84	\$5,546.28
<hr/>			
Total Estimated Annual Property Taxes		\$26,535.20	\$20,808.23
Effective Tax Rate		1.8518%	1.8503%
Effective Tax Rate - Excluding CFD Taxes		1.3637%	1.3571%

Estimate of annual property taxes does not include any new special financing district fees, assessments, and/or special taxes imposed by the state, county, or local agencies that are yet to be established or any future annexation into existing special financing districts required by conditions for approval of development. Information contained within is based upon records and official documents provided by various governmental agencies and third-party sources.

(1) Average assessed value of parcels in the respective Land Use Class in the Original Area.

(2) The rate shown for the Mosquito Assessment 2008 is the actual rate, the maximum tax rate is \$5.00.

(3) Assigned Special Tax shown.

Source: Alliant Tax Research and NBS.

Other Potential Debt. The City has no control over the amount of additional debt payable from taxes or assessments levied on all or a portion of the Taxable Property within the District which may be incurred in the future by other governmental agencies having jurisdiction over all or a portion of the Taxable Property within the District. Furthermore, nothing prevents the owners of Taxable Property within the District from consenting to the issuance of additional debt by other governmental agencies which would be secured by taxes or assessments on a parity with the Special Taxes. To the extent such indebtedness is payable from assessments, other special taxes levied pursuant to the Act or taxes, such assessments, special taxes and taxes will be secured by liens on the Taxable Property within the District on a parity with the lien of the Special Taxes.

Accordingly, the debt on the property within the District could increase, without any corresponding increase in the value of the property therein, and thereby severely reduce the estimated value-to-lien ratio that exists at the time the Bonds are issued. The imposition of such additional indebtedness could reduce the willingness and ability of the owners of the Taxable Property within the District to pay the Special Taxes when due. See “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments.”

Moreover, in the event of a delinquency in the payment of Special Taxes, no assurance can be given that the proceeds of any foreclosure sale of Taxable Property with delinquent Special Taxes would be sufficient to pay the delinquent Special Taxes. See “SPECIAL RISK FACTORS—Property Value.”

Projected Debt Service Coverage

The Maximum Special Taxes that can be levied on Taxable Property in the District in any fiscal year increases by three percent (3%) over the Maximum Special Taxes for the prior fiscal year. See “SECURITY FOR THE 2021 BONDS—Special Taxes” and “—Summary of Rate and Method.”

Set forth in Table 10 below is the projected Maximum Special Taxes from the 255 parcels in the Original Area, the 156 parcels in Phase 1 of the Annexation Area and 95 parcels in Phase 2 of the Annexation Area all of which are subject to the levy of Special Taxes, assuming no delinquencies in the payment of Special Taxes, that could be available to pay the debt service on the Bonds. If and when Phase 3 of the Annexation Area is conveyed by the Successor Agency to the Homebuilder, the property in Phase 3 will become subject to the levy of the Special Taxes.

Table 10
City of Alameda
Community Facilities District No. 13-1
Estimated Maximum Taxing Capacity

Fiscal Year	Maximum Special Taxes ⁽¹⁾	Administrative Expenses ⁽²⁾	Net Special Tax Revenues	2016 Bond Debt Service ⁽³⁾	2021 Bond Debt Service ^{(3)*}	Total Bonds Debt Service ^{(3)*}	Estimated Debt Service Coverage*
2021/22 ⁽⁴⁾	\$2,084,936	\$27,602	\$2,057,334	\$819,050	\$434,400	\$1,253,450	1.64
2022/23 ⁽⁵⁾	1,909,294	28,154	1,881,140	840,650	868,800	1,709,450	1.10
2023/24	1,966,573	28,717	1,937,856	861,250	898,800	1,760,050	1.10
2024/25	2,025,570	29,291	1,996,279	885,850	927,600	1,813,450	1.10
2025/26	2,086,337	29,877	2,056,460	907,600	960,200	1,867,800	1.10
2026/27	2,148,928	30,475	2,118,453	932,850	991,400	1,924,250	1.10
2027/28	2,213,395	31,084	2,182,311	956,350	1,026,200	1,982,550	1.10
2028/29	2,279,797	31,706	2,248,091	985,750	1,054,400	2,040,150	1.10
2029/30	2,348,191	32,340	2,315,851	1,008,550	1,096,200	2,104,750	1.10
2030/31	2,418,637	32,987	2,385,650	1,034,950	1,131,000	2,165,950	1.10
2031/32	2,491,196	33,647	2,457,549	1,065,950	1,164,000	2,229,950	1.10
2032/33	2,565,932	34,320	2,531,612	1,089,450	1,210,200	2,299,650	1.10
2033/34	2,642,910	35,006	2,607,904	1,120,700	1,249,000	2,369,700	1.10
2034/35	2,722,197	35,706	2,686,491	1,149,200	1,290,600	2,439,800	1.10
2035/36	2,803,863	36,420	2,767,443	1,178,725	1,334,800	2,513,525	1.10
2036/37	2,887,979	37,149	2,850,830	1,211,500	1,376,400	2,587,900	1.10
2037/38	2,974,618	37,892	2,936,727	1,242,000	1,425,400	2,667,400	1.10
2038/39	3,063,857	38,649	3,025,207	1,274,250	1,471,400	2,745,650	1.10
2039/40	3,155,773	39,422	3,116,350	1,308,000	1,524,400	2,832,400	1.10
2040/41	3,250,446	40,211	3,210,235	1,343,000	1,574,000	2,917,000	1.10
2041/42	3,347,959	41,015	3,306,944	1,379,000	1,625,200	3,004,200	1.10
2042/43	3,448,398	41,835	3,406,562	1,415,750	1,677,800	3,093,550	1.10
2043/44	3,551,850	42,672	3,509,178	1,453,000	1,736,600	3,189,600	1.10
2044/45	3,658,405	43,526	3,614,880	1,490,500	1,791,200	3,281,700	1.10
2045/46	3,768,157	44,396	3,723,761	1,533,000	1,851,600	3,384,600	1.10
2046/47	3,881,202	45,284	3,835,918	-	3,482,400	3,482,400	1.10
2047/48	3,997,638	46,190	3,951,449	-	3,590,600	3,590,600	1.10
2048/49	4,117,567	47,114	4,070,454	-	1,284,400	1,284,400	3.17

* Preliminary, subject to change.

(1) Based on the Maximum Special Taxes (i.e., greater of the Assigned Special Tax or the Backup Special Tax for each parcel) that can be levied on parcels in the Original Area and in Phase 1 and Phase 2 of the Annexation Area for the respective Fiscal Year.

(2) Based on the Minimum Administrative Expense Requirement, pursuant to the Senior Fiscal Agent Agreement; not pledged to the repayment of the 2021 Bonds.

(3) Shown on a Bond Year basis.

(4) Based on development status, as of May 1, 2021.

(5) Assumes full build out beginning in Fiscal Year 2022/23, and full collection of Special Taxes. Does not include Phase 3 of the Annexation Area or Special Taxes on Affordable Housing Units.

Source: NBS.

See “SECURITY FOR THE 2021 BONDS—No Limitation on Increases in Special Tax Levies by Reason of Delinquencies” for information regarding how the Law differs from the Mello-Roos Community Facilities Act of 1982 in respect of the ability of the City to increase Special Tax levies on parcels in the District in the event of delinquencies in the payment of Special Taxes, subject in any event to the Maximum Special Taxes described under the heading “SECURITY FOR THE 2021 BONDS—Summary of Rate and Method.”

SPECIAL RISK FACTORS

The following is a description of certain risk factors affecting the District, the property owners in the District, the parcels subject to the levy of Special Taxes and the payment of and security for the 2021 Bonds. The following discussion of risks is not meant to be a complete list of the risks associated with the purchase of the 2021 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the investment quality of the 2021 Bonds. There can be no assurance that other risk factors will not become material in the future.

No General Obligation of the City or the District

The City's obligations under the 2021 Bonds and under the Fiscal Agent Agreement are limited obligations of the City on behalf of the District and are payable solely from and secured solely by the Special Tax Revenues and amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund. The 2021 Bonds are neither general or special obligations of the City nor general obligations of the District, but are limited obligations of the City for the District payable solely from the revenues and funds pledged therefor and under the Fiscal Agent Agreement. Neither the faith and credit nor the taxing power of the City or the State of California or of any of their respective political subdivisions is pledged to the payment of the 2021 Bonds.

Concentration of Ownership

All of the Taxable Property in Phase 1 of the Annexation Area and in Phase 2 of the Annexation Area is currently owned by the Homebuilder. It is expected that approximately 19% of the Fiscal Year 2021-22 Special Tax levy will be apportioned to the 22 parcels owned by the Homebuilder as of August 1, 2021 (see Table 5 under "THE DISTRICT—Value-to-Burden Ratio"). While the construction and sales of homes in Phase 1 of the Annexation Area are ongoing, and the Homebuilder may sell lots to unaffiliated homebuilders (although it has expressed no intent to do that), the construction and sales of homes are expected to occur over an extended period of time. The lack of diversity in ownership of property in the Annexation Area, and the consequent lack of diversity in the obligation to pay the Special Taxes levied in the Annexation Area, represents significant risk to the owners of the 2021 Bonds in that the ability of the Homebuilder to pay the Special Taxes levied on property it owns will depend, in part, on the successful sales of lots and homes in the Annexation Area.

Failure of any owner of a significant portion of the Taxable Property in the Annexation Area to pay the annual Special Taxes when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of the delinquent parcels of land upon a foreclosure or otherwise. In that event, there could be a default in payments of the principal of, and interest on, the 2021 Bonds. See "SPECIAL RISK FACTORS – Insufficiency of Special Tax Revenues."

Failure to Complete the Development

The completion of the development of the 357 lots in the Annexation Area requires the construction of homes. While the construction of necessary infrastructure improvements has been completed (see "THE DISTRICT – The Improvements"), the construction of homes may take several years to complete. Any event that significantly impacts the ability to complete the construction and sale of homes on a timely basis (such as strikes or other work stoppages, loan defaults, adverse weather conditions, catastrophic events such as earthquakes or other natural events, or other similar events) could cause the value of the land within the Annexation Area to

be less than that estimated by the Appraiser and could affect the willingness and ability of the landowners in the Original Area to pay the Special Taxes when due.

Payment of the Special Tax is not a Personal Obligation

The owners and users of the parcels in the District are not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation that is secured only by a lien against the Taxable Property on which it is levied. If the value of a Taxable Property is not sufficient to secure fully the payment of the Special Tax levied and to be levied on it, the City has no recourse against the owners of the Taxable Property.

Property Value

If a landowner defaults in the payment of the Special Tax, the only legal remedy is the institution of a superior court action to foreclose on the delinquent Taxable Property in an attempt to obtain funds with which to pay the Special Tax. The value of the Taxable Property in the Original Area could be adversely affected by economic factors beyond the City's control, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property in the event of sale or foreclosure; (ii) changes in real estate tax rates and other expenses of owning Taxable Property, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, wildfire, earthquakes, tsunamis and floods), which may result in uninsured losses. See "SPECIAL RISK FACTORS—Natural Disasters and Potential Drought Conditions."

No assurance can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay the delinquent Special Tax installment. Although the Law authorizes the City to cause such an action to be commenced and diligently pursued to completion, the Law does not specify any obligation of the City with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale. The City is not obligated and does not expect to be a bidder at any such foreclosure sale. See "SECURITY FOR THE BONDS—Covenant for Superior Court Foreclosure" and "SPECIAL RISK FACTORS—Proceeds of Foreclosure Sales."

COVID-19 Pandemic

General. Information about the State's current status can be found at the State's website, www.covid19.ca.gov. Also see the County's website www.sjcphs.org for up to date information regarding COVID-19 restrictions in place in the County. Reference to the State's and the County's website is included in this Official Statement for general information only and information on such website is not included in this Official Statement by reference to such website.

Effect on the Property in the District. Generally, homebuilders have experienced material increases in certain construction costs, supply chain delays and increased cycle time for home deliveries, however, they have not experienced any significant development delays resulting from work stoppages, reduced attendance of workers, or the ability to obtain necessary inspections and approvals for homes, which may be attributed, directly or indirectly, to the COVID-19 pandemic. While the cost increases and delays may have been and may continue to be intermittently affected by COVID-19, the majority of cost increases and delays can be

attributable to the strength of the housing market and the result of vendors not anticipating the scale of the demand for housing materials.

Although the recent material cost increases and construction delays are not currently expected to have a significant impact on the overall development of homes in the Annexation Area, the impacts caused by the outbreak are evolving and no prediction can be made with respect to the ultimate effects of the COVID-19 outbreak and related public health and governmental authorities' orders and actions. Such effects, if and as they arise, could have a material adverse effect on the ability to sell lots and develop the homes in the Annexation Area as planned, and no assurance can be provided that will be able to (a) complete in whole or in any part, or within any particular time, the construction of homes within the Annexation Area; (b) avoid additional material increases in development costs or delays resulting from work stoppages, reduced attendance of workers, shortages or delays in the delivery of building materials, and/or delays in obtaining necessary inspections and approvals; or (c) sell homes, and close home sales, due to in each case to public health or governmental restrictions, further spread of COVID-19, an economic downturn driven by the pandemic, or otherwise.

It should be noted that the Special Taxes are expected to be collected on ad valorem property tax bills delivered by the County. Property tax delinquencies may increase as a consequence of economic difficulties of property owners.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method. In addition, the Law provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction, or by gift or devise, that is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property, for outstanding Bonds only, is to be treated as if it were a special assessment. The constitutionality and operation of these provisions of the Act have not been tested. See "SECURITY FOR THE 2021 BONDS—Special Taxes."

In particular, insofar as the Law requires payment of the Special Tax by a federal entity acquiring property within the District, it may be unconstitutional. See "SPECIAL RISK FACTORS—FDIC/Federal Government Interests in Properties." If for any reason property within the District becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government or another public agency, subject to the limitation of the Maximum Special Taxes, the Special Tax will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Taxes and could have an adverse impact upon the timely payment of the Special Taxes. Moreover, if a substantial portion of land within the District becomes exempt from the Special Taxes because of public ownership, or otherwise, the maximum rate that could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the 2021 Bonds when due and a default would occur with respect to the payment of such principal and interest.

The Law further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of

consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Parity Taxes and Special Assessments

The Special Taxes and any penalties thereon will constitute liens against the taxable parcels in the District until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is coequal to and independent of the lien for general property taxes regardless of when they are imposed upon the taxable parcel. The Special Taxes have priority over all existing and future private liens imposed on the property. The Special Taxes and the special taxes levied by the City for CFD 13-2 have the same lien priority with respect to the Taxable Property. See “THE DISTRICT—Direct and Overlapping Governmental Obligations” for a description of existing overlapping liens on the Taxable Property.

The City has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the taxable property within the District subject to the levy of Special Taxes. In addition, the landowners within the District may, without the consent or knowledge of the City, petition other public agencies to issue public indebtedness secured by special taxes or assessments, and any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes. The imposition of additional indebtedness could reduce the willingness and the ability of the property owners within the District to pay the Special Taxes when due.

Insufficiency of Special Taxes

In order to pay debt service on the 2021 Bonds, it is necessary that the Special Taxes levied against taxable parcels within the District be paid in a timely manner. The City has established the Reserve Fund in an amount equal to the Reserve Requirement to pay debt service on the 2021 Bonds and any Parity Bonds to the extent Special Taxes are not paid on time and other funds are not available. See “SECURITY FOR THE 2021 BONDS—Reserve Fund” and Appendix C—“Summary of the Fiscal Agent Agreement.” Under the Fiscal Agent Agreement, the City has covenanted to maintain in the Reserve Fund an amount equal to the Reserve Requirement; subject, however, to the limitation that the City may not levy the Special Tax in any fiscal year at a rate in excess of the Maximum Special Taxes rates permitted under the Rate and Method. Consequently, if a delinquency occurs, the City may be unable to replenish the Reserve Fund to the Reserve Requirement due to the limitation of the Maximum Special Tax rates. If such defaults were to continue in successive years, the Reserve Fund could be depleted and a default on the 2021 Bonds would occur if proceeds of a foreclosure sale did not yield a sufficient amount to pay the delinquent Special Taxes.

The City has made certain covenants regarding the institution of foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the 2021 Bonds. See “SECURITY FOR THE 2021 BONDS—Covenant for Superior Court Foreclosure.” If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of delinquent Special Taxes to protect its security interest.

Potential Early Redemption of Bonds from Special Tax Prepayments

Property owners within the Original Area and the Annexation Area are permitted to prepay their Special Taxes at any time. Any such prepayments will result in a mandatory redemption of 2021 Bonds on the next Interest Payment Date for which timely notice may be

given under the Fiscal Agent Agreement following the receipt of the Special Tax prepayment. Any resulting redemption of 2021 Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such 2021 Bonds. The Authority cannot predict whether and if so when Special Tax prepayments will occur in the future. See “THE 2021 BONDS – Redemption – Mandatory Redemption from Special Tax Prepayments.”

Tax Delinquencies

Under provisions of the Law, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the 2021 Bonds are derived, are being billed to the Taxable Property within the District on the regular property tax bills sent to owners of the parcels. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, 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 installment payments in the future. See “SECURITY FOR THE 2021 BONDS—Reserve Fund” and “-Covenant for Superior Court Foreclosure” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Fiscal Agent Agreement, in the event of delinquency in the payment of Special Tax installments. See also “THE DISTRICT—Special Tax Levies and Delinquencies” for historical Special Tax delinquency history.

Bankruptcy Delays

The payment of the Special Tax and the ability of the City to commence a superior court action to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY FOR THE 2021 BONDS—Covenant for Superior Court Foreclosure,” 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. Any legal opinion to be delivered concurrently with the delivery of the 2021 Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2021 Bonds.

Proceeds of Foreclosure Sales

Pursuant to the Law, in the event of any delinquency in the payment of any Special Tax, the City Council, as the legislative body of the District, may order that the Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. The City has covenanted in the Fiscal Agent Agreement that it will, under certain circumstances, commence such a foreclosure action. See “SECURITY FOR THE 2021 BONDS—Covenant for Superior Court Foreclosure.” Moreover, the Fiscal Agent Agreement includes specific provisions that govern in the case of foreclosure and the subordination to the payment of the Senior Bonds of the use of Special Taxes. See “SECURITY FOR THE 2021 BONDS – Subordination of Special Taxes to Senior Bonds.”

No assurances can be given that a taxable parcel in the District that would be subject to a judicial foreclosure sale for delinquent Special Taxes will be sold or, if sold, that the proceeds of such sale will be sufficient to pay the delinquent Special Tax installment, including both the portion attributable to debt service on the Senior Bonds and the debt service due on the 2021 Bonds. Although the Law authorizes the City to cause such an action to be commenced and diligently pursued to completion, the Law does not specify any obligation of the City with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale and the City has not in any way agreed nor does it expect to be such a bidder.

In a foreclosure proceeding, a judgment debtor (i.e., the property owner) has 140 days from the date of service of the notice of levy in which to redeem the property to be sold and may have other redemption rights afforded by law. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale if the purchaser at the sale was the judgment creditor. If a foreclosure sale is thereby 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.

If foreclosure proceedings were ever instituted, any holder of a mortgage or deed of trust on the affected property could, but would not be required to, advance the amount of the delinquent Special Tax installment to protect its security interest.

In the event such superior court foreclosure or foreclosures are necessary, there could be a delay in principal and interest payments to the owners of the 2021 Bonds pending prosecution of the foreclosure proceedings and receipt by the District of the proceeds of the foreclosure sale, if any. Foreclosure proceeds are first used to satisfy delinquent amounts related to the Senior Bonds. See "SECURITY FOR THE 2021 BONDS – Subordination of Special Taxes to Senior Bonds." Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions and other factors beyond the control of the City, including delay due to crowded local court calendars or legal tactics and, in any event could take several years to complete. In particular, bankruptcy proceedings involving the Landowner or any other owner of a taxable parcel in the District could cause a delay, reduction or elimination in the flow of Special Tax Revenues to the Fiscal Agent. See "SPECIAL RISK FACTORS—Bankruptcy Delays."

Natural Disasters

The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements. Such occurrences include, without limitation, wildfire, earthquakes and floods.

As reported by the Appraiser in the Appraisal Report, according to the Seismic Safety Commission, the District is located within a Commission designated Zone 4, which is considered to be the highest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the District is located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology.

California is subject to a wide range of earthquake activity. California has many known faults as well as yet undiscovered faults. A major earthquake could cause very serious damage to homes located even many miles from the epicenter of the earthquake. A more moderate earthquake occurring on a more minor fault, or on an as yet undiscovered fault, could also cause substantial damage. The major active faults in the area of the District are the San Andreas, Hayward and Calaveras Faults.

A Seismic Hazard Zone is defined in the Seismic Hazards Mapping Act (California Public Resources Code Section 2690 et seq.). There are two types of Seismic Hazard Zones: a landslide zone and a liquefaction zone. Seismic Hazard Zones are shown on maps that are prepared and released by the California Department of Conservation, Division of Mines and Geology. The District is located within a Seismic Hazard Zone for potential liquefaction. Property within a Seismic Hazard Zone for potential liquefaction is an area where there is a potential for, or historic occurrences of liquefaction. Liquefaction is a condition in the soils where loose, water saturated granular sediment are shaken in a significant earthquake and the soil temporarily becomes "liquid-like" which may cause structures to settle unevenly and cause damage to the structures.

A portion of the District is located within a Special Flood Hazard Area, and specifically, Zone A, as designated by the Federal Emergency Management Agency ("FEMA"). Property within Zone A is subject to a one percent (1%) annual chance of flooding in a "100-year" rainstorm. As a result, many lenders (and particularly those insured or guaranteed by the federal government) require that purchasers obtain and maintain flood insurance for residential dwellings. However, the Homebuilder has advised that the portion of the District subject to the Special Flood Hazard Area Zone A does not impact any of the areas where homes are being constructed. Accordingly, flood insurance is not required for the homes in the Original Area.

In addition to possible earthquakes and flooding, other natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Property may well depreciate or disappear.

Risk of Sea Level Changes and Flooding

The property in the Annexation Area is subject to the San Francisco Bay Plan and Bay Policies Guidelines set and administered by the San Francisco Bay Conservation and Development Commission (the "BCDC"). The City, as the successor to the Successor Agency, and Catellus LLC, are co-applicants under the BCDC and related agencies for permits for development of the property in the Annexation Area.

BCDC guidelines require compliance under the McAteer-Petris Act, Policies for a Rising Bay. The permit issuance is subject to the State of California Sea-Level Rise Guidance (2018 Update) which reviews project specific criteria, risk assessment and provides policy recommendations for near term and long-term adaptation for sea-level-rise protections.

On March 7, 2019, the BCDC approved the Annexation Area for development with a unanimous 18-0 vote and issued Permit No. 2018.004.00 affirming that adequate development measures and conditions are in place to satisfy the State guidelines for sea-level-rise and long term risks to flooding.

Notwithstanding the foregoing, the City is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the property in the District.

Hazardous Substances

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

The land within the District was previously part of the Department of Navy's former Fleet and Industrial Supply Center (the "Facility") which served as the main supply facility supporting the Department of Defense operations of military fleets and shore activities in the Pacific Basin during World War II, and remained an active supply center until its closure in 1998. During its approximate 50 years as a supply center, Facility operations utilized potentially toxic and hazardous substances including such as polychlorinated biphenyls (PCBs), cadmium, polycyclic aromatic hydrocarbons (PAHs), and petroleum-based products that contaminated the soils underlying the District. Since its closure in 1998, the Facility has undergone several remediation actions, the most recent ones conducted under the supervision and regulations of the California Department of Toxic Substances Control ("DTSC") during which specific mitigation efforts were implemented to minimize exposure of human health or environmental receptors to contaminants. DTSC and the Navy entered into the Interim Covenant to Restrict Use of Property, Environmental Restriction ("Interim Covenant") covering the property, which was recorded as Document No. 2000215932 in the Official Records of the County of Alameda, State of California on July 20, 2000. The Interim Covenant placed restrictions on the property, including restrictions on residential use. Remedial action activities were approved by DTSC and undertaken to remove contaminated soils to allow the property to be developed for residential use. On December 4, 2013, DTSC approved the Remedial Action Implementation Report that concluded that contaminated soils from the ground surface to four (4) feet below the finished grade had been satisfactorily remediated.

Following completion of the above remediation and rough grading for a portion of the property in the District (the "Initial Property"), DTSC recorded a Release of Interim Covenant to Restrict Use of Property Environmental Restriction, recorded as Document No. 2014181106 recorded on July 21, 2014 in the Official Records of Alameda County, (the "Release of Restrictions"), lifting the restriction on residential use among other things. The Release of Restrictions confirmed that DTSC "has made the determination that the hazardous materials that caused the land to be restricted have since been sufficiently investigated, removed or altered in a manner that allows the Department to determine there is no significant existing or potential hazard to present or future human health and the environmental, as long as applicable operation and maintenance and institutional controls are implemented at the Property." However, hazardous substances, primarily PAHs, remain in soils four (4) feet below the finished grade with chemical concentrations above levels acceptable for unrestricted land use.

DTSC also recorded on July 21, 2014, as Document No. 2014181105 in the Official Records of Alameda County, the Land Use Covenant and Agreement Environmental Restrictions for the Initial Property (the "Land Use Covenant") setting forth operation and maintenance and monitoring measures that are required to ensure that residents of the Initial Property are fully protected from any residual levels of chemicals that may remain in soil and/or groundwater. The Land Use Covenant only covers the Initial Property and there will be a series of Land Use Covenants for remaining portions of the area within and surrounding the District to restrict portions of the property covered by any future Land Use Covenants. The Land Use Covenant recorded for the Initial Property includes prohibitions on the following activities: (a) disturbance of soils four feet below the ground surface without prior DTSC written approval; (b) reuse of soils that are considered and/or defined as hazardous waste pursuant to the California Code of Regulations, Title 22, Division 4.5, Chapter 11; (c) construction of any groundwater well without prior DTSC written approval; (d) extraction, utilization, or consumption of groundwater without prior DTSC written approval; and (e) soil disturbance beyond the structural concrete or impermeable liner in bioretention areas without prior DTSC written approval.

The Land Use Covenant also requires that soil management activities are subject to a Site Management Plan approved by DTSC in May 2008 and any other Site Management Plan subsequently approved by the DTSC. Site Management Plans commonly include procedures and protocols for handling, testing, reusing, and disposing of soil at a site. The Land Use Covenant requires monitoring, including the completion of certain periodic inspection and reports verifying compliance. The Land Use Covenant also requires that notice be given by the seller and buyer of any of the lots and units.

Each Owner of any portion of the Initial Property will have the responsibility of complying with all rights and covenants running with the land, including but not limited to the Land Use Covenant, Interim Covenant, the Site Management Plan and any other plans approved by DTSC. However, DTSC agreed in the Land Use Covenant that the future inspection and reporting responsibility and reimbursement for DTSC's oversight costs for reviewing and approving such reports and other oversight can be transferred to a homeowners association through a Memorandum of Agreement ("MOA"). Once an MOA is executed, the responsibility and costs for future inspection, reporting and DTSC oversight will be handled by the homeowners association and funded by the homeowners association fees/assessments. The Homebuilder has advised that it is intended that DTSC oversight will be handled by a homeowners' association for the homes in the Original Area.

The City has been advised that the 56 townhome-style Symmetry condominium units developed in the Original Area were built using a vapor intrusion mitigation system ("VIMS") below the foundation to alleviate any elevated levels of vapor concentrations. The VIMS consists of a vapor barrier and a sub-slab venting system, and was installed pursuant to the plans and specifications contained in the Vapor Intrusion Mitigation System Operations and Maintenance Plan (the "Plan") prepared for Tri Pointe Homes, Inc., the homebuilder in the Original Area, by ENGEO Incorporated. The vapor barrier is installed between the floor slab and sub-grade, and fastened to the footings. The sub-slab venting system is installed beneath the slab/foundation and functions by drawing in outside air to the sub-slab area to dilute and reduce volatile chemical concentrations. DTSC approved the Plan in April 2015, and continued to work with Tri Pointe Homes, Inc. in completing (a) an institutional controls remedy for groundwater and site management plan compliance, (b) an operation and maintenance plan and agreement for long-term VIMS operation and maintenance activities, and (c) issuance of a Remedial Action Certification and RCRA Corrective Action Completion Determination.

The approach to the Initial Property has been adopted by DTSC for the build-out of the entire Alameda Landing Waterfront Project, including the Annexation Area. The Annexation Area development is occurring in three phases, each a separate reporting and evaluation area under the Remedial Disposition and Implementation Plan (RDIP) Approved by the Department and following the same process as the Initial Area.

Phase 1 of the Annexation Area includes approximately 7.4 acres that were remediated and an approval of a Remedial Action Completion Report was issued by DTSC for that property on August 13, 2020. A DTSC-required Land Use Covenant for Phase 1 of the Annexation Area was recorded on August 14, 2020. Phase 2 of the Annexation Area includes approximately 5.75 acres that was remediated and DTSC issued and approved the Remedial Action Completion Report for that area on June 9, 2021. The DTSC-required Land Use Covenant for Phase 2 of the Annexation Area was recorded on June 14, 2021. There is no additional remediation required for the property in Phase 3 of the Annexation Area due to its existing elevation which is four feet or more below the future finished grades. A final Remedial Action Completion Report is anticipated to be submitted to DTSC for the property in Phase 3 of the Annexation Area by August 31, 2021. DTSC has confirmed that the Land Use Covenant language provided for Phases 1 and 2 of the Annexation Area will provide the template for Phase 3 of the Annexation Area and the Homebuilder anticipates a swift review and approval based on the prior investigations and reporting, but no assurance can be given with respect to such approval.

Disclosure to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax, even if the value of the property is sufficient to justify payment, may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The City has caused a notice of the Special Tax, and two amendments thereto, to be recorded in the Office of the Recorder for the County against the Taxable Property in the District. Although title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation when purchasing a Taxable Property within the District or lending money thereon, as applicable.

California Civil Code Section 1102.6b requires that, in the case of transfers, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

FDIC/Federal Government Interests in Properties

General. The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the 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, anything 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 a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the 2021 Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the City to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be extinguished at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the 2021 Bonds.

No Acceleration Provision

The 2021 Bonds and the Fiscal Agent Agreement do not contain a provision allowing for the acceleration of the 2021 Bonds in the event of a payment default or other default under the terms of the 2021 Bonds or the Fiscal Agent Agreement or in the event interest on the 2021 Bonds becomes included in gross income for federal income tax purposes.

Taxability Risk

As discussed herein under the caption "TAX MATTERS," interest on the 2021 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2021 Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Fiscal Agent Agreement. There is no provision in the 2021 Bonds or the Fiscal Agent Agreement for special redemption or acceleration or for the payment of additional interest should such an event of taxability occur, and the 2021 Bonds will remain outstanding until maturity or until redeemed under one of the redemption provisions contained in the Fiscal Agent Agreement.

In addition, as discussed under the caption "TAX MATTERS," Congress is or may be considering in the future legislative proposals, including some that carry retroactive effective dates, that, if enacted, would alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the 2021 Bonds. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. The City can provide no assurance that federal tax law will not change while the 2021 Bonds are outstanding or that any such changes will not adversely affect the exclusion of interest on the 2021 Bonds from gross income for federal income tax purposes. If the exclusion of interest on the 2021 Bonds from gross income for federal income tax purposes were amended or eliminated, it is likely that the market price for the 2021 Bonds would be adversely impacted.

Enforceability of Remedies

The remedies available to the Fiscal Agent and the registered owners of the 2021 Bonds upon a default under the Fiscal Agent Agreement or any other document described in this Official Statement are in many respects dependent upon regulatory and judicial actions that are

often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. Any legal opinions to be delivered concurrently with the issuance of the 2021 Bonds will be qualified to the extent that the enforceability of the legal documents with respect to the 2021 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion. A California court may not strictly apply certain remedies or enforce certain covenants if it concludes that application or enforcement would be unreasonable under the circumstances and it may delay the application of such remedies and enforcement.

No Secondary Market

No representation is made concerning any secondary market for the 2021 Bonds. There can be no assurance that any secondary market will develop for the 2021 Bonds. Investors should understand the long-term and economic aspects of an investment in the 2021 Bonds and should assume that they will have to bear the economic risks of their investment to maturity. An investment in the 2021 Bonds may be unsuitable for any investor not able to hold the 2021 Bonds to maturity.

Proposition 218

An initiative measure entitled the “Right to Vote on Taxes Act” (the “**Initiative**”) was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the “Title and Summary” of the Initiative prepared by the California Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Provisions of the Initiative have been and will continue to be interpreted by the courts. The Initiative could potentially impact the Special Taxes otherwise available to the District to pay the principal of and interest on the 2021 Bonds as described below.

Among other things, Section 3 of Article XIIC states, “...the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” The Act provides for a procedure, which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, the Governor of the State signed a bill into law enacting Government Code Section 5854, which states that:

Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution.

Accordingly, although the matter is not free from doubt, it is likely that Article XIIC has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the 2021 Bonds.

It may be possible, however, for voters or the City Council acting as the legislative body of the District to reduce the Special Taxes in a manner that does not interfere with the timely repayment of the 2021 Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the 2021 Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses (as defined in the Fiscal Agent Agreement). Nevertheless, the City has covenanted that it will not consent to, or conduct proceedings with respect to, a reduction in the maximum Special Taxes that may be levied in the District below an amount, for any fiscal year, equal to 110% of the aggregate of the debt service due on the 2021 Bonds in such fiscal year, plus a reasonable estimate of Administrative Expenses for such fiscal year. However, no assurance can be given as to the enforceability of the foregoing covenant.

The interpretation and application of Article XIIC and Article XIID will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See “—Enforceability of Remedies.”

Ballot Initiatives

Articles XIIC and XIID of the California Constitution were adopted pursuant to measures qualified for the ballot pursuant to California’s constitutional initiative process, and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995 in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or local districts to increase revenues or to increase appropriations.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2021 Bonds will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the 2021 Bonds might be affected as a result of such an audit of the 2021 Bonds (or by an audit of similar bonds).

Court Action Involving Landowner – Voted Special Tax District

On August 1, 2014, in a decision in *City of San Diego v. Melvin Shapiro*, an Appellate Court invalidated an election held by the City of San Diego (the term “City” as used in this paragraph and the next paragraph means the City of San Diego) to authorize the levying of special taxes on hotels City-wide pursuant to a City charter ordinance creating a convention center facilities district (the “CCFD”) much like a community facilities district established under the provisions of the Act. While the CCFD is comprised of all of the real property in the entire City, the special tax was to be levied only on hotel properties located within the CCFD. At the

election to authorize such special tax, the electorate was defined to consist solely of (a) the owners of real property in the City on which a hotel is located, and (b) the lessees of real property owned by a governmental entity on which a hotel is located. Such approach to determining who would constitute the qualified electors of the CCFD was based on Section 53326(c) of the California Government Code, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that such landowners and lessees are neither “qualified electors” of the City for purposes of Articles XIII A, Section 4 of the California Constitution, nor a proper “electorate” under Article XIII C, Section 2(d) of the California Constitution.

The Court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes under Section 53326(b) of the California Government Code (which was the nature of the voter approval pursuant to the Law through which the District was formed, as the Successor Agency and the Homebuilder were the sole owners of the land in the District at the time of the District formation) violates the California Constitution in districts that lack sufficient registered voters to conduct an election among registered voters. In the case of the CCFD, at the time of the election all of the registered voters in the City were within the CCFD. With respect to the District, there were no registered voters within the District at the time of the election to authorize the Special Tax and issuance of bonds by the District. Thus, by its terms, the Court’s holding does not apply to the formation and Special Tax election in the District.

Moreover, Section 3-70.72 of the Law provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 3-70.98 of the Law requires that any action to determine the validity of bonds issued pursuant to the Law be brought within 30 days of the voters approving the issuance of such bonds. Also, Section 860 et seq. of the California Code of Civil Procedure effectively provides that any legal challenge to the 2021 Bonds and the Fiscal Agent Agreement be filed within 60 days of the date the Fiscal Agent Agreement and the 2021 Bonds were approved by the City Council. The two landowners in the District, as the sole qualified electors in the District at the time, approved the Special Tax and the issuance of bonds for the District on January 7, 2014 and approved the Rate and Method on that date. The 2021 Bonds were authorized to be issued and the Fiscal Agent Agreement and the 2021 Bonds were approved by Resolution No. 15118 adopted by the City Council, as the legislative body of the District, on February 16, 2016. The City is not aware of any action being filed challenging the formation of the District, the authority to levy the Special Tax on property in the District, or the validity or enforceability of the Fiscal Agent Agreement or the 2021 Bonds. See “NO LITIGATION.” Given the foregoing, the City believes that no successful challenge to the levy of the Special Tax in the District or the issuance or validity of the 2021 Bonds may now be brought.

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2021 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 Owners of the 2021 Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the 2021 Bonds. Examples of such proposals include a proposal in the fall of 2011 which

would have reduced the tax value of all itemized deductions and targeted tax expenditures for high-income taxpayers in tax years commencing on or after January 1, 2013. The concept of "high-income taxpayers" in the proposal generally captured taxpayers with adjusted gross income of \$250,000 or more for married couples filing jointly (or \$200,000 for single taxpayers). Among the targeted tax expenditures was interest on any bond excludable from gross income under Section 103 of the Code, whether the bond is outstanding on the enactment date of the proposed legislation or is issued thereafter. Another example of such proposal from the fall of 2011 would have required the Office of Management and Budget to establish steadily declining annual ratios for debt as a percentage of gross domestic product, effective for taxable years beginning on or after January 1, 2013. Under the proposal, if the ratios were not met, automatic cuts in spending and tax preferences, such as tax-exempt interest, would be triggered. Prospective purchasers of the 2021 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.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the 2021 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted in the Fiscal Agent Agreement to comply with all requirements that must be satisfied in order for the interest on the 2021 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2021 Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2021 Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the 2021 Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "**Code**"), includes provisions for an alternative minimum tax ("**AMT**") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("**AMTI**"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "**Adjusted current earnings**" would include certain tax-exempt interest, including interest on the 2021 Bonds.

Ownership of the 2021 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective

purchasers of the 2021 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “**Issue Price**”) for each maturity of the 2021 Bonds is the price at which a substantial amount of such maturity of the 2021 Bonds is first sold to the public. The Issue Price of a maturity of the 2021 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page of this Official Statement.

If the Issue Price of a maturity of the 2021 Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the 2021 Bonds (the “**OID 2021 Bonds**”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID 2021 Bond in the initial public offering at the Issue Price for such maturity and who holds such OID 2021 Bond to its stated maturity, subject to the condition that the City comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID 2021 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 2021 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 and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID 2021 Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID 2021 Bonds.

Owners of 2021 Bonds who dispose of 2021 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2021 Bonds in the initial public offering, but at a price different from the Issue Price or purchase 2021 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2021 Bond is purchased at any time for a price that is less than the 2021 Bond’s stated redemption price at maturity or, in the case of an OID 2021 Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the “**Revised Issue Price**”), the purchaser will be treated as having purchased a 2021 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 2021 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 2021 Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2021 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2021 Bonds.

An investor may purchase a 2021 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 2021 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 2021 Bond. Investors who purchase a 2021 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2021 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2021 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2021 Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the 2021 Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2021 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the 2021 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2021 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2021 Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the 2021 Bonds is exempt from California personal income taxes.

Ownership of the 2021 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2021 Bonds. Prospective purchasers of the 2021 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon issuance of the 2021 Bonds is set forth in Appendix D.

LEGAL MATTERS

Concurrent with the issuance of the 2021 Bonds, Quint & Thimmig LLP, Larkspur, California, Bond Counsel, will render its opinion substantially in the form set forth in Appendix D to this Official Statement. Quint & Thimmig LLP also is acting as Disclosure Counsel to the City with respect to the 2021 Bonds. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters related to the 2021 Bonds will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach,

California. Payment of the fees and expenses of Bond and Disclosure Counsel, and of Underwriter's Counsel, is contingent on the issuance of the 2021 Bonds.

NO RATING

The City has not made, and does not intend to make, any application to any rating agency for the assignment of a rating to the 2021 Bonds.

LITIGATION

The City is not aware of any pending or threatened litigation challenging the validity of the 2021 Bonds, the Special Taxes securing the 2021 Bonds, or any action taken by the City in connection with the formation of the District, the levying of the Special Taxes or the issuance of the 2021 Bonds.

UNDERWRITING

The 2021 Bonds are being purchased through negotiation by Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"). The Bond Purchase Agreement for the 2021 Bonds provides that the Underwriter will purchase all of the 2021 Bonds, if any are purchased. The Underwriter agreed to purchase the Series 2021 Bonds at a price of \$_____ (which is equal to the par amount of the Series 2021 Bonds, plus a net original issue premium of \$_____, and less an underwriter's discount of \$_____). The initial public offering prices of the 2021 Bonds set forth on the inside cover page may be changed by the Underwriter. The Underwriter may offer and sell the 2021 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside cover page hereof.

CONTINUING DISCLOSURE

The City

The City has covenanted in a Continuing Disclosure Agreement for the benefit of the Owners of the 2021 Bonds to provide certain annual financial information and operating data, and to provide notices of the occurrence of certain enumerated events. The City agreed in its certificate to file, or cause to be filed, with the MSRB such report and notices. See Appendix E—"Form of Continuing Disclosure Agreement of the City" for the complete text of the City's Continuing Disclosure Agreement. The covenants of the City have been made in order to assist the Underwriter in complying with the Rule.

During the past five years the City has complied in all material respects with its previous continuing disclosure undertakings pursuant to Rule 15c2-12(b)(5) promulgated under the Securities and Exchange Act of 1934, as amended.

The Homebuilder

The Homebuilder has agreed for the benefit of the owners of the 2021 Bonds in a Continuing Disclosure Agreement—Homebuilder to provide certain information on an annual and a semiannual basis, and notice of the occurrence of certain events with respect to it and the property it owns in the District. Nevertheless, the Underwriter does not consider the

Homebuilder to be an “obligated person” for purposes of the Rule. The complete text of the Continuing Disclosure Agreement—Homebuilder is set forth in Appendix F. The Homebuilder’s obligation to provide continuing annual, semiannual and event disclosure will terminate if and when the Homebuilder no longer owns property in the District that is subject to twenty percent (20%) or more of the Special Tax levy for the then current fiscal year.

The Homebuilder has represented to the City that, based on a review of prior continuing disclosure undertakings, the Homebuilder has not failed to comply in any material respect with any previous undertaking by it to provide periodic continuing disclosure reports or notices of listed events with respect to community facilities districts or assessment districts in California within the past five years.

Remedies for Failures to Comply

A failure by the City or the Homebuilder to comply with its respective continuing disclosure obligations will not constitute a default under the Fiscal Agent Agreement. However, the Continuing Disclosure Agreements provide that, in the event of a failure of the City or the Homebuilder, as applicable, to comply with any provision of their respective Continuing Disclosure Agreement, any 2021 Bond owner, any Beneficial Owner of the 2021 Bonds or the Underwriter may seek specific performance by court order to cause it to comply with its obligations under its respective Continuing Disclosure Agreement.

MISCELLANEOUS

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City or the District and the purchasers or Owners of any of the 2021 Bonds.

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

CITY OF ALAMEDA, CALIFORNIA for and
on behalf of the CITY OF ALAMEDA
COMMUNITY FACILITIES DISTRICT NO.
13-1 (ALAMEDA LANDING PUBLIC
IMPROVEMENTS)

By: _____
City Manager

01019.34;j17621

APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY

The information in this Appendix A is presented as general background data. The 2021 Bonds are payable solely from the Special Tax Revenues and amounts held in certain funds under the Fiscal Agent Agreement, as described in the Official Statement.

Although reasonable efforts have been made to include up-to-date information in this Appendix A, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

The City. The City of Alameda (the “City”) is a charter city, incorporated in 1854. The City is located in Alameda County (the “County”) just west of the City of Oakland and approximately 12 miles east of San Francisco. The City is an island in the eastern portion of the San Francisco Bay approximately six miles long by one and half miles wide and is part of a peninsula adjacent to Oakland Airport. The island portion is connected to the East Bay Area by three bridges and a vehicular underwater double barrel tube.

The City is a major marine recreational area for Northern California with seven marinas and a private seaport. The City is part of the highly urbanized East Bay, which consists of Alameda and Contra Costa counties.

Naval Air Station Alameda at Alameda Point was decommissioned in 1997 and is in the process of being turned over the City of Alameda for civilian development. The area of the former NAS Alameda is now known as Alameda Point.

The County. Located on the east side of the San Francisco Bay, Alameda County encompasses 813 square miles and extends from Albany in the North to Fremont in the South and Livermore in the East. The population of Alameda County exceeds 1.5 million making it the seventh most populous county in California according to U.S. Census Bureau data. Population growth in Alameda County has been fairly consistent during the last forty years making it a desirable place to live and work.

The County was established in 1853 and is governed by a five-member Board of Supervisors elected by popular vote. Other elected officials include the Auditor-Controller/Clerk-Recorder, Assessor, Treasurer-Tax Collector, District Attorney, and Sheriff/Coroner. The Board of Supervisors is responsible for providing policy direction, approving the County budget, and representing the County in a number of areas including special districts. The County Administrator reports to the Board and is responsible for delivering County services.

The County possesses a large and diverse economic base, consisting of research and high technology, professional services, manufacturing, farming, finance, transportation, wholesale and retail trade, higher education, medical and health services, and government services. The County also has a diversified industrial base that provides well-paying jobs to its residents.

In international trade, Alameda County has a long history of strong cultural and business ties with Pacific Rim trading partners. Because of its central location and state-of-the-art port facilities, it is a major port for the Pacific Rim trade. The County's extensive network of air, sea, highway and rail facilities have made the County a major transportation hub for regional, national, and international trade.

Population

The table below summarizes population of the City, the County, and the State of California for the last five years.

**CITY OF ALAMEDA, ALAMEDA COUNTY, and CALIFORNIA
Population**

Year	City of Alameda	Alameda County	State of California
2017	80,947	1,644,303	39,352,398
2018	81,195	1,651,760	39,519,535
2019	81,457	1,659,608	39,605,361
2020	81,135	1,663,114	39,648,938
2021	80,884	1,656,591	39,466,855

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-21, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

ALAMEDA COUNTY, CALIFORNIA, and UNITED STATES Civilian Labor Force, Employment, and Unemployment (Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2016	Alameda County	837,900	802,400	35,500	4.2%
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	Alameda County	848,500	817,600	30,900	3.6
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Alameda County	848,200	822,800	25,400	3.0
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	Alameda County	844,400	819,700	24,700	2.9
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7
2020 ⁽²⁾	Alameda County	813,800	742,400	71,400	8.8
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-20, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Employers

The following table lists the top 10 employers within Alameda County according to Alameda County's FY2019-20 Comprehensive Annual Financial Report.

ALAMEDA COUNTY 2020 Major Employers

Employer	Employees	% of Total County Employment
Kaiser Permanente	34,819	4.25%
Tesla	10,000	1.22
Safeway Inc.	9,796	1.20
Alameda County	9,588	1.17
Sutter Health	9,377	1.15
John Muir Health	6,012	0.73
Chevron Corp.	5,186	0.63
PG&E Corp.	5,100	0.62
Wells Fargo Bank	4,589	0.56
Workday	4,565	0.56
Total Top 10	99,032	12.09%

Source: Alameda County 2019-20 Comprehensive Annual Financial Report.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF ALAMEDA Building Permits and Valuation (Dollars in Thousands)

	2016	2017	2018	2019	2020
<u>Permit Valuation:</u>					
New Single-family	\$ 41,239	\$ 17,176	\$ 1,629	\$ 10,863	\$ 16,099
New Multi-family	18,340	11,587	2,426	138,636	74,836
Res. Alterations/Additions	22,674	20,997	36,408	30,007	23,848
Total Residential	82,254	49,761	40,464	179,507	114,785
Total Nonresidential	99,001	78,184	70,299	65,110	137,306
Total All Building	181,255	127,945	110,764	244,618	252,092
<u>New Dwelling Units:</u>					
Single Family	141	59	18	50	80
Multiple Family	87	63	11	622	249
Total	228	122	29	672	329

ALAMEDA COUNTY Building Permits and Valuation (Dollars in Thousands)

	2016	2017	2018	2019	2020
<u>Permit Valuation:</u>					
New Single-family	\$ 791,879	\$ 763,677	\$ 689,529	\$ 675,129	\$ 394,500
New Multi-family	497,341	1,307,093	1,431,985	782,536	722,038
Res. Alterations/Additions	466,239	501,276	469,158	512,409	293,866
Total Residential	1,755,471	2,572,048	2,590,673	1,970,076	1,410,405
Total Nonresidential	1,332,034	1,587,834	1,762,395	1,794,925	998,193
Total All Building	3,087,506	4,159,882	4,353,068	3,765,001	2,408,599
<u>New Dwelling Units:</u>					
Single Family	2,348	2,175	1,867	1,871	1,152
Multiple Family	3,171	6,889	6,540	4,145	2,610
Total	5,519	9,064	8,407	6,016	3,762

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Columns may not sum to totals due to independent rounding.

Median Household Income

The following table summarizes the total effective buying income and the median household effective buying income for Alameda, the County, the State of California and the nation for the past five years.

ALAMEDA, ALAMEDA COUNTY, STATE OF CALIFORNIA AND UNITED STATES Median Household Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2016	Alameda	\$ 3,111,451	\$ 69,484
	Alameda County	56,091,066	67,631
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	Alameda	3,529,886	77,399
	Alameda County	61,987,949	73,633
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2018	Alameda	3,712,497	82,542
	Alameda County	67,609,653	79,446
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2019	Alameda	3,869,052	86,699
	Alameda County	72,243,436	84,435
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2020	Alameda	4,137,238	91,487
	Alameda County	77,794,202	88,389
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: Nielsen, Inc.

APPENDIX B

CITY OF ALAMEDA COMMUNITY FACILITIES DISTRICT NO. 13-1 (ALAMEDA LANDING PUBLIC IMPROVEMENTS)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) (the "CFD") and collected each Fiscal Year, commencing in Fiscal Year 2013-2014, in an amount determined by the City Council of the City of Alameda (the "City") or its designee through the application of the Rate and Method of Apportionment as described below. All of the real property in the CFD, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the City of Alameda Special Tax Financing Improvement Code (Section 3-70 of the Alameda Municipal Code), which provides an alternative method of financing certain facilities and municipal services.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the CFD: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD or any designee thereof of complying with arbitrage rebate requirements applicable to any Bonds; the costs to the City, CFD or any designee thereof of complying with the continuing disclosure requirements associated with applicable federal and state securities laws applicable to any Bonds and of the Act; the costs associated with preparing Special Tax disclosure statements; the costs associated with responding to public inquiries regarding the Special Taxes; the costs of the City, the CFD or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated to be needed for or advanced by the City or the CFD for any other administrative purposes of the CFD, including attorney's fees and other costs related to the collection of delinquent Special Taxes and the administration and payment of any Bonds.

"Affordable Housing Unit" means an attached or detached dwelling unit owned by the City's Housing Authority or its non-profit development partner, Resources for Community Development or a partnership formed for the purpose of securing low-income housing tax credit financing, and rented to persons or families meeting the qualifying income standards for low income and very low income households as defined by California Health and Safety Code Sections 50079.5 and 50105, or any successor statute thereto.

"Alternative Developed Property" means, for any Fiscal Year, all Developed Property, Final Mapped Property or Undeveloped Property beginning with the Successor Agency's initial conveyance of any lot or dwelling unit.

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

"Assessor's Parcel Map" means an official map of the County Assessor of the County designating parcels by Assessor's parcel number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Special Tax of that name described in Section C.1 below.

"Backup Special Tax" means the Special Tax of that name described in Section C.2 below.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, or any refunding thereof, to which Special Taxes have been pledged.

"Bond Issuance" means the date on which the Bonds are first issued by the City for the CFD.

"Building Permit" means a permit for the construction of a residential dwelling or non-residential structure. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not constituting a residential dwelling or non-residential structure.

"Building Square Feet" means all of the square footage of the structure not including any carport, walkway, garage, overhang, patio, enclosed patio or similar area. The determination of Building Square Feet shall be made by reference to the Building Permit for the applicable Assessor's Parcel or similar document selected by the CFD Administrator. Once such determination has been made for an Assessor's Parcel, it shall remain fixed for all future Fiscal Years.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"Capitalized Interest" means proceeds of the Bonds which are deposited in a Debt Service Fund or the equivalent thereof and available to pay debt service on Bonds.

"Capitalized Interest Period" means any Fiscal Year containing an Interest Payment Date for which Capitalized Interest is available to pay Debt Service or any portion thereof on the Bonds, not to exceed four Interest Payment Dates after Bond issuance.

"CFD" means City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements).

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of Special Taxes.

"City" means the City of Alameda.

"Conveyance Parcel 7" means the property described and depicted in Schedule A attached hereto.

"Council" means the City Council of the City.

"County" means the County of Alameda.

"Debt Service" means the total amount of principal and interest due and payable in any Calendar Year on any Bonds of the CFD.

"Debt Service Fund" means that fund established pursuant to the Indenture from which Debt Service is paid.

"Developed Property" means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to May 1 of the prior Fiscal Year.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section E.

"Final Mapped Property" means for each Fiscal Year all Taxable Property, exclusive of Developed Property, which as of January 1 of the prior Fiscal Year was located within (i) a final map, a phased final map, or portion thereof recorded pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates individual lots for which building permits may be issued, or (ii) for Condominiums, a final map recorded and a condominium plan recorded pursuant to California Civil Code Section 1352 or any successor statute thereto creating such individual lots. The term "Final Mapped Property" shall include any recorded parcel map or subdivision map or portion thereof which creates individual lots for which a building permit may be issued, including parcels that are designated as a remainder parcel.

"First Year Prorated Special Tax" means a Special Tax collected once for each Assessor's Parcel, or if an Assessor's Parcel Number has not yet been assigned, a lot of Final Mapped Property, of Alternative Developed Property on the date when it is first designated as Alternative Developed Property. The First Year Prorated Special Tax shall be calculated as of May 1 and equal 100% of the Maximum Special Tax that can be levied on such Assessor's Parcel for the current Fiscal Year, prorated to cover only the remainder of the current Fiscal Year based upon the remaining number of days in the fiscal year from the date it became Alternative Developed Property.

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

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

"Interest Payment Date" means any date on which the scheduled payment of interest on any Bond is due and payable.

"Land Use Class" means any of the classes listed in Table 1 below.

"Lot" means an individual legal lot for which a Building Permit could be issued.

"Maximum Special Tax" means the greatest amount of Special Tax that can be levied in any Fiscal Year determined under this Rate and Method.

"Moderate Income Unit" means an attached or detached dwelling unit that was privately developed and is privately owned or rented but where ownership or rentals are restricted to persons or families meeting the qualifying income standards for moderate income

households as defined by California Health and Safety Code Sections 50093, or any successor statute thereto.

“Multi-Family Dwelling Unit” means all Assessor’s Parcels of Developed Property for which a building permit was issued for construction of a residential structure containing residential dwelling Units within a building or buildings comprised of attached residential dwelling Units, all of which are made available for rental or ownership by the general public.

“New Construction” means the redevelopment of Conveyance Parcel 7 with development other than the existing use, and excluding (a) the reuse and rehabilitation of the approximate 364,000 square feet of existing warehouses and associated wharf and land areas, (b) subject to compliance with applicable Building Code requirements, repair and/or replacement of the existing warehouses in the event of casualty (including damage or destruction due to fire, flood, earthquake, or other circumstances outside the reasonable control of the property owner), and/or (c) subject to compliance with applicable Building Code requirements, replacement in kind of all or any portion of the existing 364,000 square feet of warehouses, consisting of replacement within the same footprint with buildings of substantially similar exterior design as the existing warehouses, with no increase in square footage and no new or substantially more severe significant environmental impacts than the existing warehouses.

“Non-Residential Property” means all Assessor Parcels of Developed Property for which a Building Permit(s) has been issued for purposes of constructing a building that has any type of non-residential use.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section H.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section H.

“Project Fund” means, prior to Bond Issuance, that fund established by the City and into which Special Tax revenues shall be deposited. On the date of Bond Issuance, the City shall transfer all amounts then on deposit in the Project Fund to the Trustee for deposit in a fund by the same name or an improvement fund to be established pursuant to the provisions of the Indenture.

“Project Fund Requirement” means \$35,000,000.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Final Mapped Property, “Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Final Mapped Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all future Assessor’s Parcels of Undeveloped Property. The term “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section D below.

“Public Facilities” means the facilities eligible to be funded by the District.

“Public Property” means any property within the boundaries of the CFD that is (i) used for parks, schools, drainage and detention easements, rights-of-way or any other public purpose and is owned by or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency or (ii) encumbered by an

unmanned utility easement making impractical its utilization for purposes other than the purpose set forth in the easement, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 3-70.17 of the Act shall be taxed and classified in accordance with its use.

“Rate and Method” means this Rate and Method of Apportionment of Special Tax.

“Reserve Fund” means any fund established pursuant to the Indenture to pay Debt Service on the Bonds in the event that funds on deposit in the Debt Service Fund are insufficient to make such payments.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential dwelling units.

“Single Family Detached Dwelling Unit” means all Assessor’s Parcels of Developed Property for which a building permit was issued for construction of a residential structure that has a single residential Unit that does not share a common wall with another Unit in private ownership where ownership is not restricted or qualified because of income.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement (Pre-Bond Issuance) or Special Tax Requirement (Post-Bond Issuance), as applicable.

“Special Tax Requirement (Pre-Bond Issuance)” means, for any Fiscal Year commencing prior to the date on which Bond Issuance occurs, the amount required in any such Fiscal Year to (i) pay Administrative Expenses payable or reasonably expected to be payable during such Fiscal Year, plus (ii) provide for the collection or accumulation of funds in the Project Fund to be used for the acquisition or construction of Public Facilities; provided, however, that the aggregate amount on deposit therein shall not exceed the Project Fund Requirement.

“Special Tax Requirement (Post-Bond Issuance)” means, for any Fiscal Year commencing with the Fiscal Year following the date on which Bond Issuance occurs, the amount required in any Fiscal Year to pay (i) the Debt Service or the periodic costs on all outstanding Bonds due and payable in the Calendar Year that commences in such Fiscal Year, plus (ii) Administrative Expenses payable or reasonably expected to be payable during the Calendar Year that commences in such Fiscal Year, plus (iii) the costs associated with the release of funds from an escrow account, if any, plus (iv) any amount required to establish or replenish any Reserve Fund, plus (v) the collection or accumulation of funds in the Project Fund, provided, however, that the aggregate amount on deposit therein shall not exceed the Project Fund Requirement, plus (vi) an amount equal to reasonably anticipated delinquent Special Taxes as determined by the CFD Administrator, less (vii) any amount available to pay Debt Service or other periodic costs on the Bonds pursuant to the provisions of the Indenture or this Rate and Method of Apportionment, including Capitalized Interest.

“State” means the State of California.

“Successor Agency” means the Successor Agency to the City’s former Community Improvement Commission.

“Taxable Property” means any Assessor’s Parcel within the CFD, which is not exempt from the Special Tax by applicable law or this Rate and Method. “Taxable Property” does not include Public Property except Public Property leased to a private entity and subject to taxation under Subsection 3-70-17 of the Act excluding property classified as Affordable Housing Units.

“Trustee” means the entity acting as trustee, fiscal agent or paying agent, as applicable, under the Indenture.

“Undeveloped Property” means for each Fiscal Year all Taxable Property not classified as Developed Property or Final Mapped Property.

“Unit” means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within the CFD shall be classified by the CFD Administrator as Developed Property, Final Mapped Property or Undeveloped Property and shall be subject to Special Taxes determined pursuant to Sections C and D below. Once Taxable Property has been assigned to a Developed Property Classification by the CFD Administrator, it shall remain in that classification for all future Fiscal Years.

C. MAXIMUM SPECIAL TAX

1. Assigned Special Tax Rates

The Assigned Special Taxes for Taxable Property in the Original Area of the District for Fiscal Year 2013-14 are identified in Table 1A below.

TABLE 1A
ASSIGNED SPECIAL TAXES FOR
ORIGINAL AREA

Land Use Class	Description	Building Square Feet	Assigned Special Tax
Taxable Developed Property			
1	Single Family Detached Dwelling Unit	> 2,900	\$4,498.00 per Unit
2	Single Family Detached Dwelling Unit	2,751 - 2,900	4,278.00 per Unit
3	Single Family Detached Dwelling Unit	2,601 - 2,750	4,058.00 per Unit
4	Single Family Detached Dwelling Unit	2,451 - 2,600	3,836.00 per Unit
5	Single Family Detached Dwelling Unit	2,301 - 2,450	3,653.00 per Unit
6	Single Family Detached Dwelling Unit	2,151 - 2,300	3,616.00 per Unit
7	Single Family Detached Dwelling Unit	2,001 - 2,150	3,321.00 per Unit
8	Single Family Detached Dwelling Unit	0 - 2,000	3,064.00 per Unit
9	Multi-Family Dwelling Unit	> 2,300	3,064.00 per Unit
10	Multi-Family Dwelling Unit	2,151 - 2,300	2,880.00 per Unit
11	Multi-Family Dwelling Unit	2,001 - 2,150	2,696.00 per Unit
12	Multi-Family Dwelling Unit	1,851 - 2,000	2,513.00 per Unit
13	Multi-Family Dwelling Unit	1,701 - 1,850	2,401.00 per Unit
14	Multi-Family Dwelling Unit	1,551 - 1,700	2,144.00 per Unit
15	Multi-Family Dwelling Unit	1,401 - 1,550	2,034.00 per Unit
16	Multi-Family Dwelling Unit	1,251 - 1,400	1,923.00 per Unit
17	Multi-Family Dwelling Unit	1,101 - 1,250	1,776.00 per Unit
18	Multi-Family Dwelling Unit	0 - 1,100	1,408.00 per Unit
19	Non-Residential Property	NA	1.54 per Building Square Foot
Taxable Property			
20	Final Mapped Property	NA	1.50 per Lot Square Foot
21	Undeveloped Property	NA	1.50 per Lot Square Foot

The Assigned Special Taxes for Taxable Property in the Annexation Area of the District for Fiscal Year 2014-15 are identified in Table 1B below.

TABLE 1B
ASSIGNED SPECIAL TAXES
FOR ANNEXATION AREA

Land Use Class	Description	Building Square Feet	Assigned Special Tax
Taxable Developed Property			
1	Single Family Detached Dwelling Unit	> 2,900	\$5,398 per Unit
2	Single Family Detached Dwelling Unit	2,751 - 2,900	5,134 per Unit
3	Single Family Detached Dwelling Unit	2,601 - 2,750	4,869 per Unit
4	Single Family Detached Dwelling Unit	2,451 - 2,600	4,603 per Unit
5	Single Family Detached Dwelling Unit	2,301 - 2,450	4,383 per Unit
6	Single Family Detached Dwelling Unit	2,151 - 2,300	4,339 per Unit
7	Single Family Detached Dwelling Unit	2,001 - 2,150	3,985 per Unit
8	Single Family Detached Dwelling Unit	0 - 2,000	3,676 per Unit
9	Multi-Family Dwelling Unit	> 2,300	3,676 per Unit
10	Multi-Family Dwelling Unit	2,151 - 2,300	3,456 per Unit
11	Multi-Family Dwelling Unit	2,001 - 2,150	3,235 per Unit
12	Multi-Family Dwelling Unit	1,851 - 2,000	3,015 per Unit
13	Multi-Family Dwelling Unit	1,701 - 1,850	2,882 per Unit
14	Multi-Family Dwelling Unit	1,551 - 1,700	2,573 per Unit
15	Multi-Family Dwelling Unit	1,401 - 1,550	2,440 per Unit
16	Multi-Family Dwelling Unit	1,251 - 1,400	2,308 per Unit
17	Multi-Family Dwelling Unit	1,101 - 1,250	2,131 per Unit
18	Multi-Family Dwelling Unit	0 - 1,100	1,690 per Unit
19	Non-Residential Property	NA	1.54 per Building Square Foot
Taxable Property			
20	Final Mapped Property	NA	1.85 per Lot Square Foot
21	Undeveloped Property	NA	1.80 per Lot Square Foot

2. Backup Special Tax Rates

TABLE 2

BACKUP SPECIAL TAXES

Description	Rate
Developed Property	\$1.50 per Lot Square Foot
Final Mapped Property	1.50 per Lot Square Foot
Undeveloped Property	1.50 per Lot Square Foot

3. Maximum Special Tax

The Maximum Special Tax for parcels classified as Developed Property and Final Mapped Property will equal the greater of the Assigned Special Tax or the Backup Special Tax.

4. Maximum Special Tax for Moderate Income/ Affordable Housing Units

Taxable Property classified as Moderate Income Unit(s) will be taxed at a Maximum Special Tax equal to 50% of their Assigned Special Tax in Table 1. Assessor's Parcels classified as Affordable Housing Unit(s) will be exempt from the Special Tax as long as they remain classified as such. There can be no more than sixteen (16) Moderate Income Units.

5. Increases in the Maximum Special Tax

On each July 1, commencing on July 1, 2014, the Maximum Special Tax for each class of property in the Original Area (commencing on July 1, 2015 for each class of property in the Annexation Area) shall be increased by 3% over the Maximum Special Tax then in effect.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2013-2014 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement and the City shall levy the Special Tax until the amount of Special Taxes equal the Special Tax Requirement.

1. Prior to Bond Issuance

For each Fiscal Year commencing prior to the date on which Bond Issuance occurs, the City shall levy a Special Tax on all Taxable Property within the CFD in accordance with the following steps:

First: Determine the Special Tax Requirement (Pre-Bond Issuance):

- a) Calculate the Administrative Expenses of the CFD for such Fiscal Year.
- b) Calculate the amount which may be levied in such Fiscal Year to increase the balance on deposit in the Project Fund to equal the Project Fund Requirement. Such amount shall equal the aggregate Special Taxes which may be levied on all Taxable Property at 100% of the applicable Assigned Special Tax rates in Table 1 less the amounts calculated in (a).
- c) Calculate the sum of items (a) and (b) to arrive at the Special Tax Requirement (Pre-Bond Issuance).

Second: Levy the Special Tax Requirement Proportionately on each Assessor's Parcel of Taxable Property up to 100% of the applicable Assigned Special Tax rates in Table 1.

2. After Bond Issuance

For each Fiscal Year commencing with the Fiscal Year following the date on which Bond Issuance occurs, the City shall levy a Special Tax on all Taxable Property within the CFD in accordance with the following steps:

First: Determine the Special Tax Requirement (Post-Bond Issuance):

- a) Calculate the Debt Service or periodic costs on all outstanding Bonds.
- b) Calculate the Administrative Expenses of the CFD for such Fiscal Year.
- c) Calculate any amount required to establish or replenish any Reserve Fund.
- d) Calculate the amount which must be levied in such Fiscal Year to increase the balance on deposit in the Project Fund (including the proceeds of Bonds deposited or projected to be deposited in the Project Fund in such Fiscal Year) to equal the Project Fund Requirement. No amount may be included in the Special Tax Requirement (Post Bond Issuance) to be deposited in the Project Fund if such deposit would cause the amount on deposit therein to exceed the Project Fund Requirement.
- e) Calculate the sum of items (a) through (d).
- g) Subtract from item (e), any amounts available to pay Debt Service or other periodic costs on the Bonds including Capitalized Interest to arrive at the Special Tax Requirement (Post-Bond Issuance).

Second: Levy the Special Tax Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Assigned Special Tax to satisfy the Special Tax Requirement.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcels of Final Mapped Property at up to 100% of the Assigned Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Assigned Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Fifth: If the sum of the amounts collected in the second, third, and fourth steps is insufficient to satisfy the Special Tax Requirement, then the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to 100% of the Backup Special Tax as needed to satisfy the Special Tax Requirement.

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the second through fifth steps have been completed, the Special Tax on each Assessor's Parcel of Final Mapped Property whose Maximum Special Tax is the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to 100% of the Backup Special Tax as needed to satisfy the Special Tax Requirement.

E. EXEMPTIONS

The City (i) shall not levy Special Taxes on Public Property within the boundaries of the CFD, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 3-70.17 of the Act shall be taxed and classified in accordance with its use excluding property classified as Affordable Housing Units; and (ii) shall not levy Special Taxes on Conveyance Parcel 7 unless there is New Construction on such Conveyance Parcel 7, at which time Conveyance Parcel 7 shall be taxed and classified in accordance with its use.

F. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that the City reserves the right to provide for any alternative method of collection, including but not limited to (a) direct billing and (b) billing, whether direct or through the services of the County, at different times, upon the CFD Administrator making a determination that such alternative method of collection better enables the CFD to meet its financial obligations. The City may covenant to foreclose and may actually foreclose on Assessor's Parcels with delinquent Special Taxes as permitted by the Act. The direct billing of the Special Tax may include the collection of the First Year Prorated Special Tax with respect to an Assessor Parcel on the date that such Assessor's Parcel becomes Alternative Developed Property.

G. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than one calendar year after having paid the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal and, if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be binding. If the decision of the CFD Administrator (if the appeal is not filed with the City Council) or the City Council (if the appeal is filed with the City Council) requires the Special Tax to be modified in favor of the property owner, no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies). This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"Future Facilities Costs" means amount required to fully fund the Project Fund Requirement less Public Facilities costs funded by Previously Issued Bonds by the CFD, interest earnings on the Project Fund actually earned prior to the date of prepayment, Special Taxes collected for the Project Fund Requirement, and/or any other source of Public Facilities funding.

"Outstanding Bonds" means all previously issued bonds issued and secured by the levy of Special Taxes, which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding bonds to be redeemed at a later date with the proceeds of prior prepayments of Maximum Special Taxes.

"Previously Issued Bonds" means all Bonds that have been issued by the CFD prior to the date of prepayment.

1. Prepayment in Full

The obligation of an Assessor's Parcel of Developed Property or Undeveloped Property for which a Building Permit has been issued to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only after Bonds have been issued for the CFD, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to any Interest Payment Date for any Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The CFD Administrator may charge a fee for providing this service.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

		Bond Redemption Amount
	plus	Future Facilities Amount
	plus	Redemption Premium
	plus	Defeasance Amount
	plus	Administrative Fees and Expenses
	less	Reserve Fund Credit
Total:	equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Step Number:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, compute the Maximum Special Tax for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Undeveloped Property to be prepaid, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to Step 2 by the total estimated Maximum Special Taxes based on the Developed Property Special Tax which could be charged, less any Assessor's Parcels which have been prepaid.
4. Multiply the quotient computed pursuant to Step 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "*Bond Redemption Amount*").
5. Compute the current Future Facilities Costs.
6. Multiply the quotient computed pursuant to Step 3 by the total Future Facilities Costs to compute the amount of the Future Facilities Amount to be retired and prepaid (the "*Future Facilities Amount*").
7. Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the amount the Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

11. Add the amounts computed pursuant to Steps 8 and 9 and subtract the amount computed pursuant to Step 10 (the "*Defeasance Amount*").
12. Verify the administrative fees and expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").
13. The reserve fund credit (the "*Reserve Fund Credit*") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
14. The Maximum Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 11 and 12, less the amount computed pursuant to Step 13 (the "*Prepayment Amount*").
15. From the Prepayment Amount, the amounts computed pursuant to Steps 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds, make debt service payments, or to deposit in the Project Fund to the extent that the project fund requirement has not been satisfied. Except that the amount computed pursuant to Step 12 shall be retained by the CFD.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment amount that is not \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under Step 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Parcel from the County tax rolls. With respect to any Parcel that is prepaid in full, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes that may be levied on Taxable Property both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Maximum Special Tax on a Parcel of Developed Property or Undeveloped Property for which a building permit has been issued may be partially prepaid in increments of \$2,000. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = PE \times F$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Parcel(s) is partially prepaying the Maximum Special Tax.

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax, (ii) the amount of partial prepayment expressed in increments of \$5,000, and (iii) the company or agency that will be acting as the escrow agent. Partial prepayment must be made not less than 60 days prior to any redemption date for any Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The CFD Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the Administrator shall (i) distribute the funds remitted to it according to Step 15 of Section H.1, and (ii) indicate in the records of the CFD that there has been a partial prepayment of the Maximum Special Tax and that a portion of the Maximum Special Tax equal to the outstanding percentage $(1.00 - F)$ of the remaining Maximum Special Tax shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

I. INTERPRETATION OF SPECIAL TAX FORMULA

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

J. TERM OF THE SPECIAL TAX

The Special Tax may be levied for no more than 45 years from Bond Issuance.

SCHEDULE A

DESCRIPTION OF CONVEYANCE PARCEL 7

All that certain real property situate in the City of Alameda, County of Alameda, State of California, and described as follows:

BEING a portion of Parcel No. 1. described in the deed recorded December 13, 1944, in Book 4652 at Page 168, a portion of the parcel described in the deed recorded December 13, 1944, in Book 4652 at Page 172, a portion of Parcel No. 1 described in the deed recorded December 18, 1944; in Book 4663 at Page 35, and a portion of Parcel 1 described in the deed recorded August 9, 1945, in Book 4757 at Page 138, said parcels being also portions of FISC North as described in the Quitclaim Deed recorded June 2, 2003, as Document Number 2003316321, and a portion of the lands described in the Quitclaim Deed to Catellus Alameda Development, LLC, recorded December 12, 2013, as Document Number 2013096672, Alameda County Official Records, said portions being more particularly described as follows:

BEGINNING at the northwesterly corner of said FISC North;

THENCE easterly along the northerly line of said FISC North the following three (3) courses:

- 1) North 86°38'46" East 402.97 feet;
- 2) South 84°06'14" East 567.60 feet;
- 3) North 87°53'46" East 296.93 feet;

THENCE leaving the last said line South 747.47 feet to the southerly line of said land of Catellus (2013096672);

THENCE westerly along said southerly line the following three (3) courses:

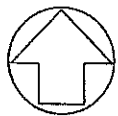
- 1) North 89°46'04" West 958.16 feet;
- 2) along a curve to the left having a radius of 1136.01 feet through a central angle of 03°03'09", an arc distance of 60.52 feet;
- 3) South 87°10'47" West 238.39 feet to the westerly line of said lands of Catellus (2013096672);

THENCE northerly along said westerly line and the westerly line of said FISC North (2003316321) North 00°30'14" West 780.54 feet to the **POINT OF BEGINNING**.

Containing an area of 22.122 acres, more or less

Bearings are based on the California Coordinate System of 1927, Zone III. All distances shown herein are ground distances; multiply ground distances by 0.9999295 to obtain grid distances.

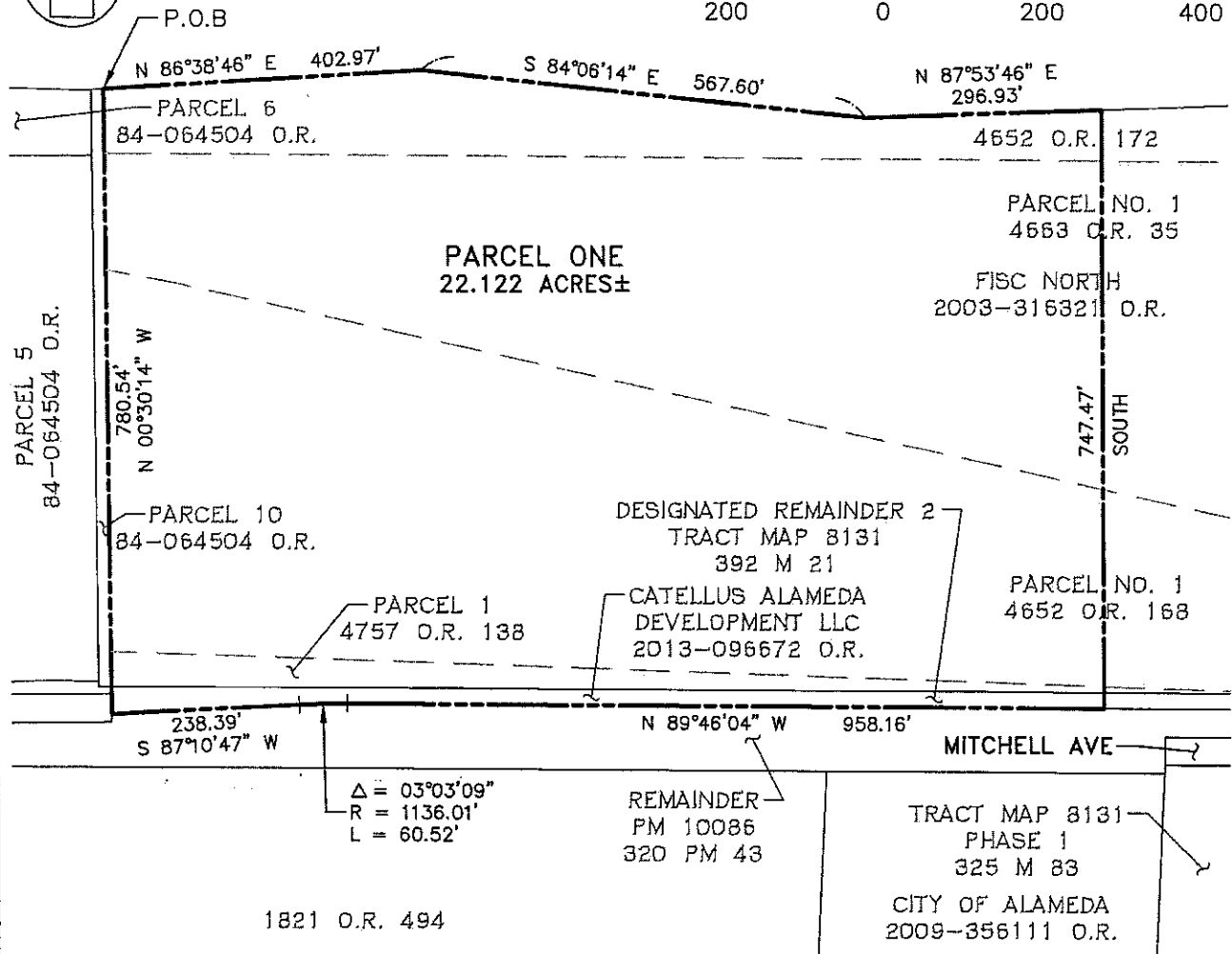
A plat showing the above described property is attached hereto and made a Part hereof.



OAKLAND ESTUARY

GRAPHIC SCALE

200 0 200 400



LEGEND:

M MAP
O.R. OFFICIAL RECORDS
PM PARCEL MAP
P.O.B. POINT OF BEGINNING

CITY OF ALAMEDA
COUNTY OF ALAMEDA
STATE OF CALIFORNIA

EXHIBIT "B"



1646 NORTH CALIFORNIA BLVD.
SUITE 400
WALNUT CREEK, CA 94596
925-940-2200
925-940-2299 (FAX)

Subject PLAT TO ACCOMPANY
DESCRIPTION
Job No. 20065092-35
By MLH Date 06/30/17 Chkd. BTW
SHEET 1 OF 1

APPENDIX C

SUMMARY OF THE FISCAL AGENT AGREEMENT

[to come]

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

October __, 2021

City Council
City of Alameda, California
2263 Santa Clara Avenue
Alameda, California 94501

OPINION: \$_____ City of Alameda Community Facilities District No. 13-1
(Alameda Landing Public Improvements) 2021 Special Tax Subordinate
Bonds

Members of the City Council:

We have acted as bond counsel to the City of Alameda, California (the "City") in connection with the issuance by the City, for and on behalf of the City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) (the "District"), of its \$_____ City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) 2021 Special Tax Subordinate Bonds (the "Bonds"), pursuant to the City of Alameda Special Tax Financing Improvement Code, constituting Section 3-70.1 of the Alameda Municipal Code (the "Law"), a Fiscal Agent Agreement, dated as of October 1, 2021, by and between the City, for and on behalf of the District, and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent Agreement"), and Resolution No. _____ adopted by the City Council of the City on September 7, 2021 (the "Resolution").

In connection with this opinion, we have examined the law and such certified proceedings and other documents 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 Resolution and in the Fiscal Agent Agreement, and in the certified proceedings and certifications of public officials and others 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 a municipal corporation and chartered city organized and existing under its charter and the laws of the State of California, with the power to enter into the Fiscal Agent Agreement and perform the agreements on its part contained therein and issue the Bonds.
2. 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 in accordance with its terms.
3. Pursuant to the Law, the Fiscal Agent Agreement creates a valid lien on the funds pledged by the Fiscal Agent Agreement for the security of the Bonds, on a parity with the pledge thereof with respect to any future Parity Bonds that may be issued under, and as such capitalized term is defined in, the Fiscal Agent Agreement.

4. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding limited obligations of the City for the District, payable solely from the sources provided therefor in the Fiscal Agent Agreement.

5. Subject to the City's compliance with certain covenants, interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the alternative minimum tax under the Internal Revenue Code of 1986, as amended. Failure by the City to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively 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.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Resolution and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the City and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and facts that we deem relevant to render our opinion and is not a guarantee of a result. 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.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE CITY

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated as of October 1, 2021, is by and between NBS, as dissemination agent (the "Dissemination Agent"), and the City of Alameda, California (the "City").

RECITALS:

WHEREAS, the City has issued, for and on behalf of the City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) (the "District"), its City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements), 2021 Special Tax Subordinate Bonds (the "Bonds") in the initial principal amount of \$_____; and

WHEREAS, the Bonds have been issued pursuant to a Fiscal Agent Agreement, dated as of October 1, 2021, by and between U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and the City, for and on behalf of the District (the "Fiscal Agent Agreement"); and

WHEREAS, this Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the owners and beneficial owners of the Bonds and in order to assist the underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5).

AGREEMENT:

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

Section 1. **Definitions.** In addition to the definitions of capitalized terms set forth in Sections 1.03 of the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the Recitals above, the following terms shall have the following meanings when used in this Disclosure Agreement:

"Annual Report" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including persons holding any Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Disclosure Representative" means the Finance Director of the City, or the Finance Director's designee, or such other officer or employee as the City shall designate as the Disclosure Representative hereunder in writing to the Dissemination Agent from time to time.

"Dissemination Agent" means NBS, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" or "Electronic Municipal Market Access" means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and

disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“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 which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the Official Statement, dated September __, 2021, relating to the Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Significant Event” means any of the events listed in Section 5(a) of this Disclosure Agreement.

Section 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The City shall, or shall cause the Dissemination Agent to, not later than the March 31 occurring after the end of each fiscal year of the City, commencing with the report for the 2020-21 fiscal year, which is due not later than March 31, 2022, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b), and subsequent Annual Report filings shall be made no later than seven months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b) of this Section 3 for providing the Annual Report to EMMA), the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the City.

(d) *Report of Non-Compliance.* If the City is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the City in a timely manner shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the City is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination

Agent in a timely manner shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(c) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Agreement, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. It is acknowledged that the Closing Date for the Bonds occurred after the end of the 2020-2021 fiscal year of the City. In light of the foregoing, submission of the Official Statement shall satisfy the City's obligation to file an Annual Report for fiscal year 2020-2021.

The Annual Report for each fiscal year commencing with the Annual Report for the 2021-2022 fiscal year, shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the City for the most recently completed fiscal year, prepared in accordance 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 time the Annual Report is required to be filed pursuant to Section 3(a), the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* The Annual Report for each fiscal year commencing with fiscal year 2021-2022 shall also include the following information:

(i) The principal amount of Bonds Outstanding as of the September 30 next preceding the date of the Annual Report.

(ii) The balance in the Reserve Fund, and a statement of the Reserve Requirement, as of the September 30 next preceding the date of the Annual Report.

(iii) The balance in the Improvement Fund, if any, and the balance in the Cash Flow Account, if any, in each case as of the September 30 next preceding the date of the Annual Report.

(iv) The total assessed value of all parcels within the District on which the Special Taxes are levied, as shown on the assessment roll of the City Assessor last equalized prior to the September 30 next preceding the date of the Annual Report, and a statement of assessed value-to-lien ratios therefor, either by individual parcel or by categories.

(v) The Special Tax aggregate delinquency rate for all parcels within the District on which the Special Taxes are levied, the aggregate number of parcels within the District on which the Special Taxes are levied and which are delinquent in payment of Special Taxes, and the percentage of the most recent annual Special Tax levy that is delinquent, all as of the September 30 next preceding the date of the Annual Report.

(vi) The status of foreclosure proceedings for any parcels within the District on which the Special Taxes are levied and a summary or the results of any foreclosure sales, or other collection efforts with respect to delinquent Special Taxes, as of the September 30 next preceding the date of the Annual Report.

(vii) The identity of any property owner representing more than five percent (5%) of the annual Special Tax levy who is delinquent in payment of such Special Taxes, as shown on the assessment roll of the City Assessor last equalized prior to the September 30 next

preceding the date of the Annual Report, the number of parcels so delinquent, and the total dollar amount of all such delinquencies.

(viii) A land ownership summary listing property owners responsible for more than five percent (5%) of the annual Special Tax levy, as shown on the assessment roll of the County Assessor last equalized prior to the January 1 next preceding the date of the Annual Report.

(ix) The principal amount of any Parity Bonds issued during the Fiscal Year to which the Annual Report pertains, and if Parity Bonds have been so issued, an update to the debt service table under the heading "THE 2021 BONDS – Scheduled Debt Service" in the Official Statement that includes the debt service on the outstanding Bonds and such Parity Bonds for the remaining years that the Bonds are scheduled to be outstanding.

(x) A statement as to any conveyance of property in the Annexation Area of the District from the Successor Agency to the Community Improvement Commission of the City of Alameda to a nongovernmental entity, including the date that conveyance occurred, the party to whom the conveyance was made, the number of acres conveyed and the number of homes that may be constructed in the area so conveyed.

(xi) The most recent annual information required to be provided to the California Debt and Investment Advisory Commission pursuant to Section 5.19 of the Fiscal Agent Agreement.

(c) *Cross References.* 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 EMMA. The City shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) The City shall, or shall cause the Dissemination (if not the City) to, give notice of the occurrence of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the obligated person, or the sale of all or substantially all of the assets of the obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant 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 Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a)(xv) of this Section 5 contain the qualifier "if material." 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 the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018).

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(xii) 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.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the 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 Significant Event under Section 5(b).

Section 8. Dissemination Agent.

(a) *Appointment of 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 Agreement and may discharge any such agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NBS.

If the Dissemination Agent is not the City, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the City. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Agreement and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the City shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the City.

(b) *Compensation of Dissemination Agent*. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder as agreed to between the Dissemination Agent and the City from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder, with payment to be made from any lawful funds of the District. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the City, the owners of the Bonds, the Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any written direction from the City or a written opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the City. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent*. In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the City to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the City under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the City that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances*. If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), 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 the type of business conducted.

(b) *Compliance as of Issue Date*. The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion*. The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Agreement is amended or any provision of this Disclosure Agreement is waived, the City shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Significant Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or future notice of occurrence of a Significant Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, any Bond owner, any Beneficial Owner, the Fiscal Agent or the Participating Underwriter 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 Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and the owners and

the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

CITY OF ALAMEDA, CALIFORNIA

By: _____
Eric Levitt,
City Manager

NBS, as Dissemination Agent

By: _____
Its: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Alameda, California

Name of Bond Issue: \$_____ City of Alameda Community Facilities District No. 13-1
(Alameda Landing Public Improvements), 2021 Special Tax Subordinate
Bonds

Date of Issuance: October __, 2021

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Bonds as required by Section 5.17 of the Fiscal Agent Agreement, dated as of October 1, 2021, between the Obligor and U.S. Bank National Association, as fiscal agent. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

By: NBS, as Dissemination Agent

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT – HOMEBUILDER

This Continuing Disclosure Agreement – Homebuilder (the “Disclosure Agreement”) dated as of October 1, 2021, is executed and delivered by Pulte Home Company, LLC, a Michigan limited liability company (the “Homebuilder”), and NBS, as dissemination agent (the “Dissemination Agent”), in connection with the issuance by the City of Alameda, California (the “City”), for and on behalf of the City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) (the “District”), of its City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements) 2021 Special Tax Subordinate Bonds (the “Bonds”). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of October 1, 2021, by and between U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), and the City, for and on behalf of the District (the “Fiscal Agent Agreement”).

The Homebuilder covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Homebuilder for the benefit of the Participating Underwriter, the Bondowners and Beneficial Owners.

SECTION 2. Definitions. In addition to the definitions set forth in Section 1.03 of the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings when used herein:

“Affiliate” means, any person directly (or indirectly through one or more intermediaries) and currently under managerial control of the Homebuilder, and about whom information could be material to potential investors in their investment decision regarding the Bonds, including without limitation information relevant to the development of the Property or the Homebuilder’s ability to pay Special Taxes levied and to be levied on the Property.

“Annual Report” means any Annual Report provided by the Developer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” means any person who (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of the Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“Business Day” means any day other than (a) a Saturday or a Sunday or (b) a day which is a federal or State of California holiday.

“Disclosure Representative” means the [Division President – Northern California] of the Homebuilder, or his or her designee, or such other officer or employee as the Homebuilder shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” means NBS, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Homebuilder and which has filed with the Homebuilder, the Fiscal Agent and the City a written acceptance of such designation.

“District” means the City of Alameda Community Facilities District No. 13-1 (Alameda Landing Public Improvements).

“EMMA” means the Electronic Municipal Market Access system of the MSRB, currently located at <http://emma.msrb.org>.

“Listed Event” means any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Official Statement” means the Official Statement, dated September __, 2021, relating to the Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds.

“Person” means any natural person, corporation, partnership, firm, association, Government Authority or any other Person whether acting in an individual fiduciary, or other capacity.

“Property” means the real property within the boundaries of the District that is owned by the Homebuilder or any Affiliate as of the date that an Annual Report, Semiannual Report or Listed Event disclosure is provided.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Semiannual Report” means any report to be provided by the Homebuilder on or prior to December 15 of each year pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

SECTION 3. Provision of Annual Reports and Semiannual Reports.

(a) The Homebuilder shall, or shall cause the Dissemination Agent to, not later than June 15 of each year, commencing June 15, 2022, provide to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If, in any year, June 15 does not fall on a Business Day, then such deadline shall be extended to the following Business Day. 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 Agreement.

In addition, the Homebuilder shall, or shall cause the Dissemination Agent to, not later than December 15 of each year, commencing December 15, 2021, provide to EMMA a Semiannual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If, in any year, December 15 does not fall on a Business Day, then such deadline shall be extended to the following Business Day.

(b) Not later than fifteen (15) calendar days prior to the date specified in subsection (a) for providing the Annual Report and Semiannual Report to EMMA, the Homebuilder shall provide the Annual Report or the Semiannual Report, as applicable, to the Dissemination Agent or shall provide notification to the Dissemination Agent that the Homebuilder is preparing, or causing to be prepared, the Annual Report or the Semiannual Report, as applicable, and the date which the Annual Report or the Semiannual Report, as applicable, is expected to be available. If by such date, the Dissemination Agent has not received a copy of the Annual Report or the Semiannual Report, as applicable, or notification as described in the preceding sentence, the Dissemination Agent shall notify the Homebuilder of such failure to receive the report.

(c) If the Dissemination Agent is unable to provide an Annual Report or Semiannual Report to EMMA by the date required in subsection (a) or to verify that an Annual Report or Semiannual Report has been provided to EMMA by the date required in subsection (a), the Dissemination Agent shall send in a timely manner a notice to EMMA in a form that is accepted by EMMA.

(d) The Homebuilder shall, or shall cause the Dissemination Agent to:

(i) determine each year prior to the date for providing the Annual Report and the Semiannual Report the name and address of EMMA; and

(ii) promptly file a report with the Homebuilder and the City certifying that the Annual Report or the Semiannual Report, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided to EMMA.

(e) Notwithstanding any other provision of this Disclosure Agreement, any of the required filings hereunder shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 4. Content of Annual Report and Semiannual Report.

(a) The Homebuilder's Annual Report and Semiannual Report shall contain or include by reference the information which is available as of the date of the filing of the Annual Report or the Semiannual Report, as applicable, relating to the following:

1. The acquisition by the Homebuilder or any Affiliate of any land in the District since the date of the issuance of the Bonds (for the first Semi-Annual Report) or since the last Annual Report or Semiannual Report, including the number of acres and lots acquired, and the number of homes expected to be constructed on the land so acquired.

2. To the extent not previously disclosed in the Official Statement or in a prior Annual Report or Semiannual Report, a discussion of the sources of funds to finance development of the Property, and whether any material defaults exist under any loan arrangement related to such financing.

3. A summary of development activity conducted by the Homebuilder or any Affiliate with respect to the Property, including the number of parcels for which building permits have been issued, and the number of parcels for which sales to homebuyers have closed, all since the most recent Annual Report or Semiannual Report.

4. Any sale by the Homebuilder or any Affiliate of the Homebuilder of any portion of the Property to another Person, other than to buyers of completed homes, including a description of the property sold (acreage, number of lots, etc.) and the identity of the Person that so purchased the property, all since the most recent Annual Report or Semiannual Report.

5. Any major legislative, administrative and judicial challenges known to the Homebuilder to or affecting the development of the Property or the time for construction of any homes to be constructed on the Property by the Homebuilder or any Affiliate (the "Homebuilder Improvements").

6. Information regarding any failure by the Homebuilder or any of its Affiliates to pay any real property taxes (including Special Taxes) levied on any Property owned by the Homebuilder or any Affiliates.

(b) In addition to any of the information expressly required to be provided under paragraph (a) above, the Homebuilder shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(c) Any and all of the items listed above may be included by specific reference to other documents, including official statements of debt issues which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Homebuilder shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) So long as the Homebuilder's obligations under this Disclosure Agreement have not terminated pursuant to Section 7 below, pursuant to the provisions of this Section 5, the Homebuilder shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material under clauses (b) and (c) in a timely manner within 10 Business Days after the Homebuilder obtains knowledge of the occurrence of any of the following events:

1. Failure to pay any real property taxes, special taxes or assessments levied on the Property prior to the delinquency date therefor.

2. Damage to or destruction of any of the Homebuilder Improvements which has a material adverse effect on the value of the Property.

3. Material default by the Homebuilder or any Affiliate of the Homebuilder on any loan with respect to the construction or permanent financing of the Homebuilder Improvements (as defined in Section 4(a) 5. above).

4. Material default by the Homebuilder or any Affiliate of the Homebuilder on any loan secured by the Property.

5. The filing of any proceedings with respect to the Homebuilder, in which the Homebuilder may be adjudicated as bankrupt or discharged from any or all of their respective debts or obligations or granted an extension of time to pay debts or a reorganization or readjustment of debts.

6. The filing of any proceedings with respect to an Affiliate of the Homebuilder, in which such Affiliate of the Homebuilder may be adjudicated as bankrupt or discharged from any or all of its respective debts or obligations or granted an extension of time to pay debts or a reorganization or readjustment of debts if such adjudication could materially adversely affect the completion of the Homebuilder Improvements or the development of the Property (including the payment of special taxes of the District).

7. The filing of any lawsuit against the Homebuilder or any of its Affiliates (with service of process on the Homebuilder or its Affiliates having occurred) which, in the reasonable judgment of the Homebuilder, if successful, will (i) materially adversely affect the completion of the Homebuilder Improvements or the development of the Property, or (ii) materially adversely affect the financial condition of the Homebuilder or its Affiliates in a manner that would materially adversely affect the completion of the Homebuilder Improvements.

8. A sale or transfer of all or substantially all of the Homebuilder's assets or a sale of a majority of the partnership interests, membership interests or outstanding stock of the Homebuilder.

(b) Whenever the Homebuilder obtains knowledge of the occurrence of a Significant Event occurs under Section 5(a), subsection (2), (3), (4), (6) or (7), the Homebuilder shall as soon as possible determine if such event would be material under applicable federal securities laws. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Significant Events.

(c) If an event described in Section 5(a), subsection (1), (5) or (8) occurs, or if the Homebuilder determines that knowledge of the occurrence of an event described in Section 5(a), subsection (2), (3), (4), (6) or (7) would be material under applicable federal securities laws, the Homebuilder shall file in a timely manner within 10 Business Days after the Homebuilder obtains knowledge of the occurrence of the respective event a notice of such occurrence with EMMA or with the Dissemination Agent which shall then distribute such notice to EMMA in a timely manner within the 10 Business Day period, with a copy to the City.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Homebuilder's obligations under this Disclosure Agreement shall terminate upon the earliest to occur of the following events:

(a) the legal defeasance, prior redemption or payment in full of all of the Bonds,
or

(b) the date, following the date of conveyance by the Successor Agency to the former Community Improvement Commission of the City of Alameda to the Homebuilder of the property in Phase 3, as described in the Appraisal of Real Property of Integra Realty Resources, with an effective date of June 15, 2021 of certain property in the District, or the date the Homebuilder terminates its option to acquire the property in Phase 3, in each case on which the Homebuilder and any Affiliate no longer own property in the District that includes less than 50 residential units in the District, or

(c) with respect to Property transferred to another Person, the assumption of the Homebuilder's obligations under this Disclosure Agreement in accordance with Section 13 below.

If such termination occurs prior to the final maturity of the Bonds, the Homebuilder shall give notice of such termination in the same manner as for an Annual Report hereunder.

SECTION 8. Dissemination Agent. The initial Dissemination Agent under this Disclosure Agreement shall be NBS. The Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Homebuilder pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing (i) thirty days written notice to the Homebuilder and the City and (ii) upon appointment of a new Dissemination Agent hereunder.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Homebuilder may amend this Disclosure Agreement, and any provision of this Disclosure Agreement 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, 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 the Homebuilder with respect to the Bonds, or the type of business conducted;

(b) The amendment or waiver either (i) is approved by the Bondowners in the same manner as provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of Bondowners, or (ii) does not, in the opinion of nationally recognized bond counsel addressed to the City and the Fiscal Agent, materially impair the interests of the Bondowners or Beneficial Owners of the Bonds; and

(c) The Homebuilder, or the Dissemination Agent, shall have delivered copies of the amendment and any opinions delivered under (b) and (c) above.

If the financial information or operating data to be provided in an Annual Report or Semiannual Report is amended pursuant to the provisions of this Disclosure Agreement, the Homebuilder shall describe such amendment in the next Annual Report or Semiannual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Homebuilder.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, Semiannual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Homebuilder chooses to include any information in any Annual Report, Semiannual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Homebuilder shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Semiannual Report or notice of occurrence of a Listed Event.

The Homebuilder acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Homebuilder, and that under some circumstances compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Homebuilder under such laws.

SECTION 11. Default. In the event of a failure of the Homebuilder to comply with any provision of this Disclosure Agreement, the Participating Underwriter or any Bondowner 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 Homebuilder or the Dissemination Agent to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Homebuilder to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement and the Homebuilder 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 their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding losses, expenses and liabilities due to the Dissemination Agent's or its officers', directors', employees' or agents' negligence or willful misconduct, or its failure to perform its duties hereunder. The Homebuilder agrees to pay the Dissemination Agent a reasonable annual fee for the performance of its duties hereunder in accordance with the Dissemination Agent's schedule of fees, as amended from time to time. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Homebuilder, the Participating Underwriter, Bondowners or Beneficial Owners or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon a direction from the Homebuilder or an opinion of nationally recognized bond counsel. The obligations of the Homebuilder under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement. The Dissemination Agent may conclusively rely upon the Annual Reports and Semiannual Reports provided to it by the Homebuilder as constituting an Annual Report or Semiannual Report, as applicable, required of the Homebuilder in accordance with this Disclosure Agreement and shall have no duty or obligation to review any such Annual Report or Semiannual Report. The Dissemination Agent shall have no duty to prepare any Annual Report or Semiannual Report nor shall the Dissemination Agent be responsible for filing any Annual Report or Semiannual Report not provided to it by the Homebuilder in a timely manner in a form suitable for filing with the Repository. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act.

SECTION 13. Reporting Obligation of Homebuilder's Transferees. If a portion of the Property owned by the Homebuilder planned for _____ or more residential units is conveyed to a Person, the obligations of the Homebuilder hereunder with respect to the property conveyed may be assumed by such Person and the Homebuilder's obligations hereunder with respect to the property conveyed will be terminated. In order to effect such assumption, such Person shall enter into an assumption agreement in form and substance equivalent to this

Disclosure Agreement or as otherwise satisfactory to the City and the Participating Underwriter. However, such Person shall not be required to enter into an assumption agreement if they are already a party to a continuing disclosure agreement in form and substance similar to this Disclosure Agreement with respect to the Bonds, and under which the property conveyed to such Person will become subject to future reporting.

SECTION 14. Homebuilder as Independent Contractor. In performing under this Disclosure Agreement, it is understood that the Homebuilder is an independent contractor and not an agent of the City or the District.

SECTION 15. Notices. Notices should be sent in writing by regular mail or overnight mail to the following addresses. The following information may be conclusively relied upon until changed in writing.

Homebuilder and Disclosure Representative:	Pulte Home Company, LLC 4511 Willow Pass Road, Suite 8 Pleasanton, CA 94588 Attention: Division Controller-Northern California Email: gretchen.washington@pultegroup.com
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with a copy to:	Pulte Group 27401 Los Altos, Suite 400 Mission Viejo, CA 92691-8556 Attn: Don Sajor, Area General Counsel, Vice President-West Area Email: don.sajor@pultegroup.com
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Dissemination Agent:	NBS Financial Services 32605 Temecula Parkway, Suite 100 Temecula, CA 92592 Attention: Sara Mares
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Fiscal Agent:	U.S. Bank National Association 1 California Street, Suite 1000 San Francisco, CA 94111 Attention: Corporate Trust
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Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street, Suite 3700 San Francisco, CA 94104 Attention: Eileen Gallagher
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City or District:	City of Alameda Alameda City Hall - Finance 2263 Santa Clara Avenue, Room 220 Alameda, CA 94501 Attention: Finance Director
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SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Homebuilder, the City, the Dissemination Agent, the Fiscal Agent, the Participating Underwriter and Bondowners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 17. Assignability. The Homebuilder shall not assign this Disclosure Agreement or any right or obligation hereunder except to the extent permitted to do so under the provisions of Section 13 hereof. The Dissemination Agent may, with prior written notice to the Homebuilder and the City, assign this Disclosure Agreement and the Dissemination Agent's rights and obligations hereunder to a successor Dissemination Agent.

SECTION 18. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

SECTION 19. Governing Law. The validity, interpretation and performance of this Disclosure Agreement shall be governed by the laws of the State of California applicable to contracts made and performed in California.

SECTION 20. Counterparts. This Disclosure Agreement 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.

PULTE HOME COMPANY, LLC, a
Michigan limited liability company

By: _____

Its: _____

NBS, as Dissemination Agent

By: _____

Its: _____

APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix G has been provided by The Depository Trust Company (“DTC”), New York, NY, for use in securities offering documents, and the City does not take responsibility for the accuracy or completeness thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the 2021 Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the 2021 Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

The following description of DTC, the procedures and record keeping with respect to beneficial ownership interests in the 2021 Bonds, payment of principal, interest and other payments on the 2021 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2021 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the 2021 Bonds (the “Issuer”) nor the trustee, fiscal agent or paying agent appointed with respect to the 2021 Bonds (the “Agent”) take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2021 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2021 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2021 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2021 Bonds (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.

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.

THE FISCAL AGENT, AS LONG AS A BOOK-ENTRY-ONLY SYSTEM IS USED FOR THE 2021 BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE. ANY FAILURE OF CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE 2021 BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

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. The 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.

12. THE DISTRICT, THE CITY AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE 2021 BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE DISTRICT, THE CITY AND THE UNDERWRITER ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE 2021 BONDS OR AN ERROR OR DELAY RELATING THERETO.

APPENDIX H

APPRAISAL REPORT