



Memo

To: The Advisory Board of Directors

From: Mike Blondino, District Administrator
Ingrid S. Penney, Administrative Services Manager

Date: February 16, 2023

Subject: Adopt Resolution CP-02162023-01 authorizing the issuance and sale of Election of 2022 General Obligation Bonds, Series 2023, and approving related documents and actions with respect hereto

Background/Discussion:

District voters approved the issuance of general obligation bonds at an election held on November 8, 2022, authorizing the District to issue up to \$31.9 million to finance the acquisition and construction of real property, which bonds are repaid by property tax levies and collections. The Board of Supervisors of the County has certified those election results, and expressly delegated the authority to issue the bonds on its own behalf.

The Resolution authorizes the sale of the bonds through a negotiated sale to an underwriter, which will buy all of the bonds from the District, and thereafter have the responsibility of placing the bonds with separate investors. The Resolution authorizes District officials to bring into final form and execute the Official Statement, the Paying Agent Agreement, the Bond Purchase Agreement and the Continuing Disclosure Certificate, and to execute and deliver related documents in connection with the issuance of the bonds.

Recommendation: Adopt Resolution CP-02162023-01, authorizing issuance of general obligation bonds.

Document Attachments:

- Preliminary Official Statement
- Bond Purchase Agreement
- Paying Agent Agreement

RESOLUTION NO. CP-02162023-01

A RESOLUTION OF CARMICHAEL RECREATION AND PARK DISTRICT ADVISORY BOARD OF DIRECTORS AUTHORIZING THE ISSUANCE AND SALE OF ELECTION OF 2022 GENERAL OBLIGATION BONDS, SERIES 2023, AND APPROVING RELATED DOCUMENTS AND ACTIONS WITH RESPECT THERETO

WHEREAS, more than two-thirds of the qualified voters of the Carmichael Recreation and Park District (the "District"), located in Sacramento County (the "County"), voting at a district election held on November 8, 2022 (the "Bond Election"), authorized the issuance by the District of general obligation bonds in the principal amount of \$31,900,000 to upgrade, construct, renovate and expand park facilities (collectively, the "Projects"); and

WHEREAS, the Board of Supervisors of the County of Sacramento (the "County Board") is the ex-officio board of directors of the District and manages and conducts the affairs of the District in accordance with Resolution No. 2017-1000 of the County Board, adopted on January 10, 2017 (the "Advisory Resolution"); and

WHEREAS, all powers not expressly delegated to the Advisory Board of Directors (the "Board") in the Advisory Resolution are expressly reserved to the County Board; and

WHEREAS, pursuant to Resolution No. 2023-0040 of the County Board, adopted on January 24, 2023, the County Board expressly delegated the authority to issue all bonds authorized at the Bond Election, without further action of the County Board; and

WHEREAS, the District is authorized to issue general obligation bonds pursuant to Article 11, commencing with Section 5790, of Chapter 4 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "Bond Law"); and

WHEREAS, for the purpose of financing the initial phase of Projects, the District has determined at this time to issue its Election of 2022 General Obligation Bonds, Series 2023, in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds") pursuant to the Bond Law; and

WHEREAS, the Bonds will be issued pursuant to a Paying Agent Agreement (the "Paying Agent Agreement"), between the District and The Director of Finance of the County, as paying agent, registrar and transfer agent for the Bonds (the "Paying Agent"); and

WHEREAS, as required by Government Code Section 5852.1, attached hereto as Exhibit A is information relating to the Bonds that has been obtained by the Advisory Board of Directors of the District (the "Board") and is hereby disclosed and made public;

WHEREAS, the Board wishes at this time to take the necessary actions to approve the issuance and sale of the Bonds and documents and actions relating thereto;

NOW, THEREFORE, the Advisory Board of Directors of the Carmichael Recreation and Park District hereby finds, determines, declares and resolves as follows:

Section 1. Issuance of Bonds; Approval of Paying Agent Agreement. The Bonds are hereby authorized to be issued by the District under and subject to the terms of the Bond Law and the Paying Agent Agreement, in the maximum aggregate principal amount of \$10,000,000, for the purpose of financing the Projects and paying certain costs in connection therewith. The Bonds shall be issued as current interest bonds, capital appreciation bonds, or a

combination thereof, upon the terms and conditions set forth in the Paying Agent Agreement in substantially the form on file with the Board, together with any changes therein or modifications thereof which are approved by the District Administrator or the Administrative Services Manager of the District (each, a "District Officer"), whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications. The Paying Agent Agreement shall be executed in the name and on behalf of the District by a District Officer, who is hereby authorized and directed to execute and deliver the Paying Agent Agreement on behalf of the District.

Section 2. Approval of Sale Documents. Pursuant to Section 53508.7 of the Bond Law, the Board hereby authorizes the negotiated sale of the Bonds to Oppenheimer & Co. (the "Underwriter"). The Bonds shall be sold pursuant to a bond purchase agreement (the "Purchase Agreement") in substantially the form on file with the Board, with such changes therein, deletions therefrom and modifications thereto as a District Officer may approve, such approval to be conclusively evidenced by the execution and delivery by a District Officer of the Purchase Agreement, provided that the Purchase Agreement shall contain the following terms:

- (i) the Bonds shall bear a rate of interest of not to exceed 6.0% per annum and the final maturity shall not exceed the limits contained in the Bond Law;
- (ii) the Bonds shall have a ratio of total debt service to principal of not to exceed four to one; and
- (iii) the Underwriter's discount shall not exceed 0.08% of the principal amount of the Bonds.

The Board hereby separately authorizes each District Officer to execute and deliver the final form of the Purchase Agreement in the name and on behalf of the District. The estimated costs of issuance associated with the bond sale are \$160,000, which include bond counsel and disclosure counsel fees, costs of printing the Official Statement, financial advisor fees, rating agency fees, and paying agent fees, but which do not include underwriting fees and the cost of municipal bond insurance, if obtained

In accordance with Section 53508.7 of the Bond Law, the Board has determined to sell the Bonds at a negotiated sale for the following reasons: (i) a negotiated sale will permit the District to select an Underwriter familiar with the financial condition and operations of the District, and (ii) a negotiated sale provides more flexibility to choose the time and date of the sale which is advantageous in a volatile municipal bond market.

As required pursuant to Section 53509.5 of the Bond Law, after the sale of the Bonds, the Board will present actual cost information of the sale at its next scheduled public meeting.

Section 3. Official Statement. The Board hereby approves the Preliminary Official Statement describing the Bonds in substantially the form on file with the Board. The Advisory Board of Directors hereby authorizes the District Officers, on behalf of the Advisory Board of Directors, to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the District and the Bonds. The District Officers, each acting individually, are hereby authorized to execute an appropriate certificate stating such officer's determination the Official Statement has been deemed final within the meaning of such Rule. The Board hereby authorizes the distribution of the Preliminary Official Statement and the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the District by a District Official.

Section 4. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be

entered into in connection with the issuance of the Bonds. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Bonds; however, any Participating Underwriter (as defined in the Continuing Disclosure Certificate for the Bonds) or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order. The District approves the form of Continuing Disclosure Certificate attached as an appendix to the Official Statement, and authorizes and directs the District Officers, each acting alone, to execute said Continuing Disclosure Certificate, with any changes as may be approved by a District Officer.

Section 5. Consultants. The Board hereby affirms the selection of Isom Advisors, a Division of Urban Futures, Inc., as financial advisor to the District (the "Financial Advisor") in connection with the issuance and sale of the Bonds, and Jones Hall, A Professional Law Corporation, as bond and disclosure counsel to the District.

Section 6. Reimbursements. This resolution shall constitute the official intent of the District to issue the Bonds and to reimburse eligible costs expended prior to the issuance of the Bonds from the proceeds of the Bonds.

Section 7. Execution of Documents; Official Actions. Each of the District Officers, and any and all other officers of the District, are each authorized and directed in the name and on behalf of the District to do any and all things and take any and all actions and to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 8. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Advisory Board of Directors of the Carmichael Recreation and Park District, this 16th day of February, 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSAL:
(PER POLITICAL REFORM ACT (§ 18702.5.))

Joyce Carroll, Chair
Advisory Board of Directors

Ingrid Penney, Administrative Services Manager
Clerk of the Advisory Board of Directors

EXHIBIT A

Government Code Section 5852.1 Disclosure

1. True Interest Cost of the Bonds (Estimated): 4.578202%
2. Finance charge of the Bonds, being the sum of all fees and charges paid to third parties (Estimated): \$223,591.65
3. Proceeds of the Bonds expected to be received by the District for the Projects (Estimated): \$9,840,000.00
4. Total Repayment Amount for the Bonds (Estimated): \$20,321,500.00

**Information based on estimates made in good faith by the District, based on information provided by the Underwriter, including certain assumptions regarding rates available in the bond market at the time of pricing.*

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2023

NEW ISSUE — BOOK-ENTRY ONLY

RATING: __: “__”
(See "CONCLUDING INFORMATION — Rating" herein.)

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

\$10,000,000*

CARMICHAEL RECREATION AND PARK DISTRICT (Sacramento County, California) Election of 2022 General Obligation Bonds, Series 2023

Dated: Date of Delivery

Due: August 1; see inside cover

Authorization and Purpose. The above-captioned general obligation bonds (the "Bonds") are being issued by the Carmichael Recreation and Park District (the "District"). The Bonds were authorized at an election of the registered voters of the District held on November 8, 2022, which authorized the issuance of \$31,900,000 principal amount of general obligation bonds to finance the acquisition and construction of District facilities (the "Bond Authorization"). The Bonds are being issued pursuant to (i) the Constitution and laws of the State of California (the "State"), including the provisions of Article 11 (commencing with Section 5790) of Chapter 4 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "Bond Law") and (ii) a Paying Agent Agreement, dated as of March 1, 2023 (the "Paying Agent Agreement"), between the District and the Director of Finance of the County of Sacramento, California, as paying agent (the "Paying Agent"). See "THE BONDS - Authority for Issuance; Purpose."

The Bonds are being issued to (i) finance the renovation, repair, replacement or upgrade of facilities and to construct new park facilities and (ii) pay costs of issuing the Bonds. See "THE BONDS - Authority for Issuance; Purpose."

Security. The Bonds are general obligation bonds of the District, payable solely from *ad valorem* property taxes levied by the District and collected by Sacramento County (the "County"). The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). The Bonds are payable solely from *ad valorem* taxes levied on parcels in the District. The Bonds are the first series of bonds issued pursuant to the Bond Authorization. Following the issuance of the Bonds, there will be no remaining issuance under the Bond Authorization. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS." ***The District is not funding a debt service reserve fund for the Bonds.***

Book-Entry Only. The Bonds will be issued in book-entry form only, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds will be in principal amounts of \$5,000 or in any integral multiples of \$5,000. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and APPENDIX F.

Payments. The Bonds are dated the date of delivery and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing August 1, 2023. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption*. The Bonds are subject to redemption prior to their stated maturity as described in this Official Statement. See "THE BONDS - Redemption of the Bonds."

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds, and will decide prior to the sale of the Bonds whether to purchase such insurance.

MATURITY SCHEDULE (See inside cover)

THIS COVER PAGE CONTAINS INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT FOR A DISCUSSION OF SPECIAL FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH IN THIS OFFICIAL STATEMENT, IN CONSIDERING THE INVESTMENT QUALITY OF THE BONDS. CAPITALIZED TERMS USED ON THIS COVER PAGE AND NOT OTHERWISE DEFINED SHALL HAVE THE MEANINGS SET FORTH IN THIS OFFICIAL STATEMENT.

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall, A Professional Law Corporation is also serving as Disclosure Counsel to the District. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about March 16, 2023.*



The date of this Official Statement is _____, 2023.

*Preliminary; subject to change.

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

\$10,000,000*
CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

MATURITY SCHEDULE
(Base CUSIP†: _____)

\$_____ Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
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\$_____ % Term Bonds due August 1, 20__; Yield; ____%; Price: ____; CUSIP† ____

**Preliminary; subject to change.*

† CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)

DISTRICT BOARD OF DIRECTORS

Joyce Carroll, *Chair*
Christopher Ives, *Vice-Chair*
Brooke Judd, *Secretary*
Joel Levine, *Director*
Michael Rockenstein, *Director*

DISTRICT STAFF

Mike Blondino, *District Administrator*
Ingrid Penney, *Administrative Services Manager*

PROFESSIONAL SERVICES

Municipal Advisor

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Paying Agent, Registrar and Transfer Agent

Director of Finance of the County of Sacramento
Sacramento, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, 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. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The following statement has been provided by the Underwriter: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a 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 completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities 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.

Document Summaries. All summaries of the Paying Agent Agreement or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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Location Map

[TO COME]

\$10,000,000*
CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

INTRODUCTION

This introduction contains only a brief summary of certain terms of the Bonds described in this Official Statement, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement.

General

The purpose of this Official Statement (which includes the cover page, inside cover page and the Appendices) is to provide information concerning the issuance of the above-captioned Bonds (the "**Bonds**").

The District

The Carmichael Recreation and Park District (the "**District**") was organized in 1945 under the laws of the State of California, in accordance with the Public Resources Code section 5780 to serve to serve the community of Carmichael, a census designated place in Sacramento County (the "**County**"). The District operates under the control of an Advisory Board of Directors appointed by the Sacramento County Board of Supervisors.

The District is located in the community of Carmichael in the County, serves a population of approximately 42,000 residents and provides recreation and park community services to its citizens through its 13 park sites on 180 acres, a botanical garden, a 17-acre nature area, and a large community center.

Governing Board and Management

The five-member Board of Directors of the District (the "**Board**") establishes policies for the District that promote and protect the public interest as it is served by District parks and programs. Members of the Board are elected for staggered four-year terms.

For additional information about the District's operations and finances, see APPENDIX A and APPENDIX B hereto.

Authority for the Bonds

The Bonds are being issued pursuant to (i) the Constitution and laws of the State of California (the "**State**"), including the provisions of Article 11 (commencing with Section 5790) of Chapter 4 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "**Bond Law**") and (ii) a Paying Agent Agreement, dated as of March

* Preliminary; subject to change.

1, 2023 (the "**Paying Agent Agreement**"), between the District and The Director of Finance of the County of Sacramento, California, as Paying Agent (the "**Paying Agent**").

The Bonds were authorized at an election of the registered voters of the District held on November 8, 2022, which authorized the issuance of \$31,900,000 principal amount of general obligation bonds to finance improvements and property of the District (the "**Bond Authorization**"). The Bonds represent the first issuance under the Bond Authorization, and \$21,900,000* will remain unissued after the issuance of the Bonds.

Form of the Bonds

The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be dated their date of delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing August 1, 2023. See "THE BONDS – Description of the Bonds" herein.

Purpose

The proceeds of the sale of the Bonds will be used to (i) finance the acquisition and improvement of the District's facilities and (ii) pay costs of issuing the Bonds. See "THE BONDS - Authority for Issuance; Purpose."

Security for the Bonds

The Bonds are general obligations of the District payable from *ad valorem* taxes assessed within the District pursuant to the Bond Authorization. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District in each year that the Bonds or other general obligation debt are outstanding, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), in order to receive amounts sufficient to pay debt service on the Bonds and other general obligation bonds of the District. Such taxes are in addition to other taxes levied upon property within the District.

The Bonds are the first series of bonds issued pursuant to the Bond Authorization. Following the issuance of the Bonds, there will be \$21,900,000* of unused authorization remaining under the Bond Authorization. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - General" and "- Direct and Overlapping Debt."

The District is not funding a debt service reserve fund for the Bonds.

Bond Insurance

The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance. See "BOND INSURANCE."

*Preliminary; subject to change.

Redemption

The Bonds are subject to redemption prior to their stated maturity as described in this Official Statement. See "THE BONDS – Redemption of the Bonds."

Summaries Not Definitive

The summaries and references of documents, statutes, reports and other instruments referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report, or instrument. The capitalization of any word not conventionally capitalized, or otherwise defined in this Official Statement, indicates that such word is defined in a particular agreement or other document and, as used in this Official Statement, has the meaning given it in such agreement or document.

Copies of the documents described in this Official Statement will be available at the District's office, 5750 Grant Avenue, Carmichael, California 95608 telephone: (916) 807-9461. The District may impose a charge for copying, mailing and handling.

THE BONDS

Authority for Issuance; Purpose

The Bonds are being issued pursuant to the Constitution and laws of the State, including the Bond Law, and the Paying Agent Agreement.

Pursuant to the Bond Authorization, the District has the authority to issue bonds in an aggregate principal amount of \$31,900,000 to finance the acquisition and improvement of District facilities.

The Bonds are the first series of bonds issued pursuant to the Bond Authorization. Following the issuance of the Bonds, there will be \$21,900,000* of unused authorization remaining under the Bond Authorization.

Estimated Sources and Uses of Funds

The proceeds to be received from the sale of the Bonds are anticipated to be applied as follows:

SOURCES OF FUNDS:

Principal Amount of Bonds	\$
Original Issue Premium/Discount	

<i>Total Sources:</i>	\$
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USES OF FUNDS:

Building Fund	\$
Costs of Issuance Fund ⁽¹⁾	
Debt Service Fund ⁽²⁾	

<i>Total Uses:</i>	\$
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(1) Includes legal fees, municipal advisory fees, Underwriter's discount, Paying Agent fees, printing expenses, rating fees, bond insurance premium (if any) and other costs of issuing the Bonds.

(2) Represents a portion of interest on the Bonds.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds mature in the years and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "DTC and the Book-Entry Only System" and APPENDIX F.

The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2023 (each, an "**Interest Payment Date**"). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event

* Preliminary; subject to change.

it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2023, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

Building Fund

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Paying Agent Agreement and known as the “Carmichael Recreation and Park District Election of 2022, Series 2023 Building Fund” (the “**Building Fund**”), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund (as defined herein) and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Transfer of Bonds

Any Bond may be transferred upon the registration books kept by the Paying Agent by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed and the payment of such reasonable transfer fees as the Paying Agent may establish.

Bonds may be exchanged at the corporate trust office of the Paying Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Paying Agent shall collect any tax or other governmental charge on the exchange of any Bonds required to be paid with respect to such exchange. The Paying Agent is not required to register the transfer or exchange of any Bond during the period the Paying Agent is selecting Bonds for redemption or any Bond selected for redemption.

Redemption of the Bonds *

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the

* Preliminary; subject to change.

principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For the purpose of selection for optional redemption, Bonds will be deemed to consist of \$5,000 portions (principal amount), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__, (the “Term Bonds”) are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedules set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments in the amounts and on the dates set forth below, without premium.

\$ _____ Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
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\$ _____ Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
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The District shall give the Paying Agent written notice of its intention to redeem Bonds under the Paying Agent Agreement, and the manner of selecting such Bonds for redemption from among the maturities thereof and the amount of the redemption premium thereon, at least 20 but not more than 60 days prior to the date set for redemption to enable the Paying Agent to give notice of such redemption in accordance with the Paying Agent Agreement.

Selection of Bonds for Redemption. Whenever less than all of the outstanding Bonds of any one maturity are to be redeemed, the Paying Agent shall determine by lot by such method as the Paying Agent shall deem fair and appropriate, the Bonds or portions thereof to be redeemed, and shall notify the District thereof. For purposes of such selection, Bonds shall be deemed to be composed of \$5,000 multiples and any such multiple may be separately redeemed. All Bonds redeemed pursuant to the Paying Agent Agreement shall be canceled and shall, upon Written Request of the District, thereupon be delivered to the District. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the District shall execute and the Paying Agent shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same series and maturity of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

So long as the Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with DTC procedures. It is the District’s intent that redemption allocations made by DTC be made in accordance with the provisions described herein. However, neither the District nor the Paying Agent has a duty to assure, and can provide no assurance, that

DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the District nor the Paying Agent shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof. See "– Book Entry System," below.

Notice of Redemption. The Paying Agent on behalf and at the expense of the District shall mail (by first class mail) notice of any redemption at least 20 but not more than 60 days prior to the redemption date, to (i) the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, and (ii) DTC and the Municipal Securities Rulemaking Board; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the stated office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue after the redemption date. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

Neither the failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Paying Agent Agreement, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Paying Agent Agreement.

Defeasance

The Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable under the Paying Agent Agreement by the District:

- (i) by paying or causing to be paid the principal of and interest on Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, at or before maturity, money or securities in the necessary amount to pay Bonds Outstanding; or

(iii) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding.

If the District pays all Bonds Outstanding and also pays or causes to be paid all other sums payable by the District pursuant to the Paying Agent Agreement, then and in that case, at the election of the District, and notwithstanding that any Bonds shall not have been surrendered for payment, the Paying Agent Agreement will cease, terminate, become void and be completely discharged and satisfied.

Investment of Bond Proceeds

Moneys in the Building Fund and the Debt Service Fund (as such are established by and defined in the Paying Agent Agreement) will be invested by the County Treasurer, at the written direction of the Chief Financial Officer of the District, in Permitted Investments (as such are established by and defined in the Paying Agent Agreement) maturing prior to the date on which such moneys are required to be paid out under the Paying Agent Agreement. Moneys in the Debt Service Fund will be invested by the County Treasurer in Permitted Investments that by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any of such funds and accounts will at all times be deemed to be part of each such respective fund and account so invested, and all interest, gain or loss on the investment of moneys in such respective fund and accounts will be credited or charged thereto.

Book-Entry System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX F.

The District, the Underwriter and the Paying Agent cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the 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 and the Paying Agent are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

DEBT SERVICE SCHEDULE

The following table shows the annual debt service schedule for the Bonds, assuming no optional redemptions.

CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

Bond Year Ending (August 1)	Principal	Interest	Total
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
Total			

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

Ad Valorem Tax Collections. The Bonds are general obligations of the District, payable by the District solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy such *ad valorem* taxes upon all property within the District subject to taxation in the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates), as security for the Bonds as described herein. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of the County.

Other Bonds Payable from Ad Valorem Property Taxes. In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See “-Typical Tax Rates” and “- Direct and Overlapping Debt” below.

Levy and Collection. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the District’s timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund established for the Bonds, which is maintained by the County and which is irrevocably pledged by the District for its payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will 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 other *ad valorem* taxes on real property.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County for the District to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District’s control, such as economic recession, deflation of property values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The accrued interest and any premium received by the County from the sale of the Bonds will be deposited in a separate fund known as the “Carmichael Recreation and Park District, Election of 2022, Series 2023 Debt Service Fund” (the “**Debt Service Fund**”) which, together with the collections of *ad valorem* taxes, will be used only for payment of principal of and interest on bond approved at the Bond Authorization. Interest earnings on the investment of monies held in the Debt Service Fund will be retained in the Debt Service Fund and used by the County to pay the principal of and interest on the Bonds when due.

All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by the County promptly upon receipt. The Debt Service Fund has been pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Bonds as the same becomes due and payable. The collections deposited in the Debt Service Fund are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service the Bonds.

***Ad Valorem* Property Taxation Within the District**

Taxes are levied by the County for each Fiscal Year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the Fiscal Year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid by 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the Superior Court Clerk of a county specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's office of the applicable County in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Allocation of Property Taxes

The allocation of *ad valorem* property taxes to local governments and, accordingly, the District, is subject to certain State statutes, which may change from time to time. However, such allocation of *ad valorem* property taxes has received new constitutional protection in recent years, and the District believes that any such change will not adversely affect its ability to pay debt service on the Bonds or any other bonds issued pursuant to the Bond Authorization. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS – California Senate Bill 222" in APPENDIX A to this Official Statement for additional information.

Assessed Valuation

The assessed valuation of property in the District is established by the assessor of the County, except for public utility property which is assessed by the State Board of Equalization, as described above. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed, see APPENDIX A under the heading “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.”

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Shown in the following table is a history of the assessed valuation of property in the District.

CARMICHAEL RECREATION AND PARK DISTRICT Summary of Assessed Valuation Fiscal Years 2004-05 through 2022-23

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2004-05	\$2,606,266,433	\$0	\$52,746,871	\$2,659,013,304	--%
2005-06	2,887,121,260	0	60,885,360	2,948,006,620	10.9
2006-07	3,191,830,504	0	60,251,260	3,252,081,764	10.3
2007-08	3,386,775,660	0	68,352,689	3,455,128,349	6.2
2008-09	3,486,999,008	0	83,755,883	3,570,754,891	3.3
2009-10	3,321,705,001	0	84,554,841	3,406,259,842	(4.6)
2010-11	3,294,730,377	0	73,479,344	3,368,209,721	(1.1)
2011-12	3,239,354,546	0	68,979,396	3,308,333,942	(1.8)
2012-13	3,200,606,533	0	63,682,135	3,264,288,668	(1.3)
2013-14	3,384,191,525	0	62,621,873	3,446,813,398	5.6
2014-15	3,560,337,958	0	60,915,967	3,621,253,925	5.1
2015-16	3,751,989,403	0	63,330,547	3,815,319,950	5.4
2016-17	3,914,692,207	0	55,731,475	3,970,423,682	4.1
2017-18	4,103,425,622	0	62,626,897	4,166,052,519	4.9
2018-19	4,334,031,681	0	64,994,560	4,399,026,241	5.6
2019-20	4,568,699,549	0	58,441,457	4,627,141,006	5.2
2020-21	4,795,651,345	0	61,486,318	4,857,137,663	5.0
2021-22	5,008,452,076	0	61,026,696	5,069,478,772	4.4
2022-23	5,325,499,533	0	68,319,581	5,393,819,114	6.4

Source: California Municipal Statistics, Inc.

Pursuant to the Bond Law, the District may issue bonds in an amount up to 10% of the assessed valuation of taxable property within its boundaries, resulting in a bonding capacity of approximately \$539,000,000. The District will have \$10,000,000* of general obligation bonds outstanding following the issuance of the Bonds.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic

* Preliminary; subject to change.

conditions, supply and demand for real property in the area, government regulations such as zoning, property reclassifications, and man-made or natural disasters such as earthquakes, fires, floods and droughts. Notable natural disasters in recent years include drought conditions throughout the State, wildfires in different regions of the State, including in the vicinity of the District, flooding and mudslides. The District cannot predict or make any representations regarding the effects that any natural or manmade disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.

Wildfires have occurred in recent years in different regions of the State, and related flooding and mudslides have also occurred. The most destructive of the recent wildfires, which have burned thousands of acres and destroyed thousands of homes and structures, have originated in wildlands adjacent to urban areas.

Additionally, the State has experienced drought conditions in recent years, resulting in drought regulations. Local agencies can also impose and enforce their own drought conservation rules. There can be no guarantee that the State will not implement additional strategies to alleviate problems that arise during a period of drought.

In addition, the District is located in a seismically active region. The District cannot predict or make any representations regarding the effects that any natural or manmade disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State. See also "RISKS AFFECTING THE DISTRICT – COVID-19 Global Pandemic" in APPENDIX A of this Official Statement.

Assessed Valuation by Jurisdiction. The following table shows the assessed valuation by jurisdiction in the District.

**CARMICHAEL RECREATION AND PARK DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2022-23**

Jurisdiction:	Assessed Valuation in Park District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in Park District
Unincorporated Sacramento Co.	\$5,393,819,114	100.00%	\$73,283,083,359	7.36%
Total District	\$5,393,819,114	100.00%		
Sacramento County	\$5,393,819,114	100.00%	\$206,742,934,574	2.61%

Source: California Municipal Statistics, Inc.

Taxation of State-Assessed Utility Property

A small portion (less than 1%) of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization ("**SBE**"). Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "**unitary property**", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other

excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation by Land Use

The following table describes a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

CARMICHAEL RECREATION AND PARK DISTRICT 2022-23 Assessed Valuation and Parcels by Land Use

	2022-23 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial	\$275,986,453	5.18%	302	2.25%
Vacant Commercial	9,464,238	0.18	34	0.25
Industrial	31,041,574	0.58	38	0.28
Vacant Industrial	182,022	0.00	2	0.01
Recreational	9,974,172	0.19	4	0.03
Miscellaneous	191,335	0.00	190	1.42
Government/Social/Institutional	<u>87,957,790</u>	1.65	<u>87</u>	<u>0.65</u>
Subtotal Non-Residential	<u>\$414,797,584</u>	7.79%	657	4.90%
Residential:				
Single Family Residence	\$4,121,814,572	77.40%	11,541	86.00%
Mobile Home	1,334,537	0.03	7	0.05
2-4 Residential Units	288,062,697	5.41	793	5.91
5+ Residential Units/Apartments	462,648,093	8.69	124	0.92
Vacant Residential	<u>36,842,050</u>	<u>0.69</u>	<u>297</u>	<u>2.21</u>
Subtotal Residential	<u>\$4,910,701,949</u>	92.21%	12,762	95.10%
Total	\$5,325,499,533	100.00%	13,419	100.00%

(1) Total Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Properties

The following table focuses on single-family residential properties only, which comprise approximately 77.40% of the assessed value of taxable property in the District. The table provides a distribution of single-family residences in the District by assessed value. The average assessed value is \$357,145, and the median assessed value is \$322,320.

CARMICHAEL RECREATION AND PARK DISTRICT Per Parcel 2022-23 Assessed Valuation of Single Family Homes

Single Family Residential	No. of Parcels	2022-23 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
	11,541	\$4,121,814,572	\$357,145	\$322,320

2022-23 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$49,999	71	0.615%	0.615%	\$ 2,347,350	0.057%	0.057%
\$50,000 - \$99,999	847	7.339	7.954	66,570,104	1.615	1.672
\$100,000 - \$149,999	928	8.041	15.995	115,703,144	2.807	4.479
\$150,000 - \$199,999	949	8.223	24.218	167,391,132	4.061	8.540
\$200,000 - \$249,999	1,241	10.753	34.971	279,747,627	6.787	15.327
\$250,000 - \$299,999	1,199	10.389	45.360	328,967,002	7.981	23.308
\$300,000 - \$349,999	1,161	10.060	55.420	376,713,788	9.140	32.448
\$350,000 - \$399,999	1,125	9.748	65.168	421,640,975	10.229	42.677
\$400,000 - \$449,999	1,107	9.592	74.760	469,306,162	11.386	54.063
\$450,000 - \$499,999	802	6.949	81.709	379,850,733	9.216	63.279
\$500,000 - \$549,999	588	5.095	86.804	307,797,868	7.468	70.746
\$550,000 - \$599,999	385	3.336	90.140	220,395,095	5.347	76.093
\$600,000 - \$649,999	277	2.400	92.540	172,563,115	4.187	80.280
\$650,000 - \$699,999	195	1.690	94.229	131,416,371	3.188	83.468
\$700,000 - \$749,999	141	1.222	95.451	101,777,030	2.469	85.938
\$750,000 - \$799,999	94	0.814	96.265	72,449,537	1.758	87.695
\$800,000 - \$849,999	84	0.728	96.993	69,198,381	1.679	89.374
\$850,000 - \$899,999	53	0.459	97.453	46,270,450	1.123	90.497
\$900,000 - \$949,999	53	0.459	97.912	48,962,667	1.188	91.685
\$950,000 - \$999,999	30	0.260	98.172	29,198,872	0.708	92.393
\$1,000,000 and greater	211	1.828	100.000	313,547,169	7.607	100.000
	11,541	100.000%		\$4,121,814,572	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Largest Secured Property Taxpayers in District

The twenty taxpayers in the District with the greatest combined secured assessed valuation of taxable property on the 2022-23 tax roll, and the assessed valuations thereof, are shown below. The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner.

CARMICHAEL RECREATION AND PARK DISTRICT Largest Local Secured Taxpayers Fiscal Year 2022-23

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2022-23 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.	6930 Fair Oaks Blvd TIC LLC	Apartments	\$ 46,000,000	0.86%
2.	Ethan Conrad	Shopping Center	29,078,241	0.55
3.	Wind Chase Investments LP	Apartments	28,644,612	0.54
4.	Abby Creek Apartments LP	Apartments	23,883,394	0.45
5.	VTR Carmichael Oaks LP	Assisted Living Facility	23,496,581	0.44
6.	MP Core Vista Torre LLC	Apartments	23,179,500	0.44
7.	Pearl Investment Company	Apartments	20,467,521	0.38
8.	JL3 Investments LLC	Apartments	20,457,612	0.38
9.	NHP (Ventas Inc.)	Assisted Living Facility	18,797,976	0.35
10.	Carmichael Investments LLC	Shopping Center	14,477,461	0.27
11.	Mark Kramer and Gia Kramer Revocable Trust	Apartments	14,398,686	0.27
12.	Winding Way Seniors LLC	Assisted Living Facility	13,655,184	0.26
13.	2525 Highland Avenue	Apartments	13,500,000	0.25
14.	Realty Income Properties 12 LLC	Shopping Center	13,475,461	0.25
15.	Carmichael Apartments LLC	Apartments	11,878,315	0.22
16.	K/C Investments Private Fund III LP	Apartments	11,476,173	0.22
17.	6041 North Fair Oaks Boulevard	Assisted Living Facility	10,965,233	0.21
18.	4040 Manzanita LLC (Safeway Inc.)	Supermarket	10,555,472	0.20
19.	J Squared Revocable Trust	Apartments	10,238,476	0.19
20.	Courtside Partners LLC	Apartments	9,986,192	0.19
			<u>\$368,612,090</u>	<u>6.92%</u>

(1) Based on 2022-23 total secured assessed valuation of \$5,325,499,533.
Source: California Municipal Statistics, Inc.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities for property in the District which lies in Tax Rate Area 54-304 during fiscal years 2018-19 through 2022-23. The below table does not account for the issuance of the Bonds.

CARMICHAEL RECREATION AND PARK DISTRICT
Assessed Valuation and Parcels by Land Use
Typical Total Tax Rates per \$100 of Assessed Valuation
(TRA 54-304) ⁽¹⁾

Purpose	2018-19	2019-20	2020-21	2021-22	2022-23
General Tax Rate	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Los Rios Community College District	.013100	.023200	.022300	.024900	.022600
San Juan Unified School District	.199300	.179300	.180900	.188700	.187300
Total All Property Tax Rate	\$1.212400	\$1.202500	\$1.203200	\$1.213600	\$1.209900

(1) 2022-23 assessed valuation of TRA 54-304 is \$3,003,483,045, which is 55.68% of the district's total assessed valuation.
 Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See APPENDIX A for additional information.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the applicable County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the applicable County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See APPENDIX A.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Property Tax Collections

The District's total secured tax collections and delinquencies are apportioned on a County-wide basis, according to the District's designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of taxpayers within the tax areas of the District. In addition, the District's total secured tax levy does not include special assessments, supplemental taxes or other charges that have been assessed on property within the District or other tax rate areas of the County.

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**") as provided for in the State Revenue and Taxation Code, which requires the County to pay 100% of secured property taxes due to local agencies in the Fiscal Year such taxes are due. Under these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, districts located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due on delinquent payments or in the interest that accrues on delinquent payments. The District participates in the County's Teeter Plan.

The Teeter Plan, as applicable to the District, is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any Fiscal Year in the County (which commences on July 1), the Board of Supervisors of the County has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts the county, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent Fiscal Year.

The County Board of Supervisors may, by resolution adopted not later than July 15 of the Fiscal Year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in each county if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

So long as the Teeter Plan remains in effect with respect to the County the District's receipt of revenues with respect to the levy of *ad valorem* property taxes in the County will not be dependent upon actual collections of the *ad valorem* property taxes by the County.

Direct and Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of February 1, 2023. The Debt Report is included for general information purposes only. Neither the District or the Underwriter have reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

CARMICHAEL RECREATION AND PARK DISTRICT Statement of Direct and Overlapping Bonded Debt (February 1, 2023)

2022-23 Assessed Valuation: \$5,393,819,114

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 2/1/23</u>
Los Rios Community College District	2.170%	\$ 9,732,450
San Juan Unified School District	12.164	82,774,583
Carmichael Recreation and Park District	100.000	0.0⁽¹⁾
Sacramento Area Flood Control Agency Consolidated Capital Assessment District	4.110	<u>12,582,354</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$105,089,387
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	2.609%	\$ 3,046,937
Sacramento County Pension Obligation Bonds	2.609	14,066,731
Sacramento County Board of Education Certificates of Participation	2.609	68,747
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	6.443	<u>2,266,196</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$19,448,611
Less: Sacramento County supported obligations		<u>324,837</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$19,123,774
GROSS COMBINED TOTAL DEBT		\$124,537,998⁽²⁾
NET COMBINED TOTAL DEBT		\$124,213,161

Ratios to 2022-23 Assessed Valuation:

Direct Debt (\$602,168,565)	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.95%
Gross Combined Total Debt	2.31%
Net Combined Total Debt	2.30%

(1) Excludes the Bonds offered for sale hereunder.

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

Source: California Municipal Statistics, Inc.

BOND INSURANCE

The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance.

TAX MATTERS

Tax Exemption

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

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

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

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

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

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

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX D.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as APPENDIX E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “**Annual Report**”) not later than nine months after the end of the District’s fiscal year (which currently is June 30), commencing [March 31, 2023, with the report for the 2021-22 Fiscal Year], and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth as APPENDIX E. These covenants have been made in order to assist the Underwriter with complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “**Rule**”).

The District has no prior undertakings pursuant to the Rule in connection with its outstanding indebtedness. To assist the District in complying with its continuing disclosure undertakings, including the undertaking to be entered into with respect to the Bonds, the District has engaged Isom Advisors, a Division of Urban Futures, Inc. to serve as its dissemination agent.

CONCLUDING INFORMATION

Underwriting

Oppenheimer & Co. Inc. (the “Underwriter”) has agreed to purchase the Bonds at a price of \$_____ which is equal to the initial principal amount of the Bonds of \$_____, plus original issue premium of \$_____, less an Underwriter’s discount of \$_____. The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter’s obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

Legal Opinion

Bond Counsel will render an opinion substantially in the form of APPENDIX D hereto with respect to the validity of the Bonds. Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the District.

Fees payable to Bond Counsel and Disclosure Counsel are contingent upon issuance of the Bonds.

Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District’s ability to receive ad valorem taxes or to collect other revenues or (iii) contests the District’s ability to issue and sell the Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future.

Rating

___ has assigned a rating of "___" to the Bonds. Such rating reflects only the views of ___, and explanations of the significance of such rating, and any outlooks assigned to or associated with the rating, should be obtained from ___, as appropriate.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The District has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement).

There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely if, in the judgment of ___, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

Municipal Advisor

The District has retained Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, as its municipal advisor (the "**Municipal Advisor**") in connection with the authorization and delivery of the Bonds. The payment of the Municipal Advisor's fees for services rendered with respect to the sale of the Bonds is contingent upon the authorization and delivery of the Bonds. The Municipal Advisor assumes no responsibility for the information, covenants and representations contained herein, in any of the legal documents or otherwise with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Financial Statements

Fechter & Company, Certified Public Accountants, Sacramento, California (the "**Auditor**"), audited the financial statements of the District for the Fiscal Years ended June 30, 2021 and June 30, 2022. The Auditor's examination was made in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. See the District's most recent audited financial statements attached hereto as APPENDIX B.

The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the District.

Miscellaneous

All of the descriptions of applicable law, the Paying Agent Agreement, the District, and the agreements and other documents contained herein are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

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

EXECUTION

The execution and delivery of this Official Statement has been duly authorized by the Board of Directors of the District.

CARMICHAEL RECREATION AND PARK DISTRICT

By: _____
District Administrator

APPENDIX A

DISTRICT FINANCIAL AND OPERATING INFORMATION

The information in this appendix concerning the operations of the District, the District's finances, risks and Constitutional and statutory limitations affecting the District, and the County's economic and demographic characteristics is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or Sacramento County. The Bonds are payable solely from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements, and required to be levied on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the Official Statement.

DISTRICT GENERAL INFORMATION

The Carmichael Recreation and Park District (the "**District**") was organized in 1945 under the laws of the State of California, in accordance with the Public Resources Code section 5780 to serve to serve the community of Carmichael, a census designated place in Sacramento County (the "**County**"). The District operates under the control of an Advisory Board of Directors appointed by the Sacramento County Board of Supervisors. The District is a component unit of Sacramento County, and, as such, is included within the County's financial reporting entity as a special revenue fund.

The District is located in the community of Carmichael in the County, serves a population of approximately 42,000 residents and provides recreation and park community services to its citizens through its 13 park sites on 180 acres, a botanical garden, a 17-acre nature area, and a large community center.

DISTRICT FINANCIAL INFORMATION

Financial Statements

The District's Audited Financial Statements for the Fiscal Year ending June 30, 20__, were prepared by the District and audited by Fechter & Company, Certified Public Accountants, Sacramento, California (the "**Auditor**"). A copy of the District's Comprehensive Annual Financial Report for the Fiscal Years ended June 30, 2021 and June 30, 2022 is attached to the Official Statement as APPENDIX B, and audited financial statements for prior Fiscal Years are on file with the District and available for public inspection at the District Office. *The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in the Official Statement.*

Balance Sheets and Revenue Statement Information

The following tables show (i) the audited balances of the District's General Fund for the District's past five fiscal years, each ended June 30, (ii) the District's audited General Fund revenues, expenditures and changes in fund balance for the District's past five fiscal years, each ended June 30, and (iii) the budgeted General Fund revenues and expenditures for fiscal year 2022-23. The General Fund does not include either proceeds of District bonds or amounts used to pay debt service on such bonds.

CARMICHAEL RECREATION AND PARK DISTRICT Audited General Fund Balance Sheets Fiscal Years 2017-18 through 2021-22

	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22
GENERAL FUND ASSETS:					
Cash and Investments	\$619,955	\$1,013,885	\$401,802	\$798,185	\$1,011,827
Receivables	552,555	325,794	282,115	335,069	187,566
Lease receivable	--	--	--	2,193,735	1,131,027
Due from other funds	--	--	--	--	--
Deposits	--	--	--	--	--
TOTAL GENERAL FUND ASSETS:	1,172,510	1,339,679	683,917	3,326,989	2,330,420
GENERAL FUND LIABILITIES AND BALANCES:					
Liabilities:					
Accounts payable	276,884	145,461	127,123	146,533	153,850
Accrued liabilities	80,440	78,957	61,516	46,251	85,629
Tenant deposits	28,110	97,048	97,047	96,485	96,485
Due to others	9,878	3,267	15,853	--	--
Total liabilities:	395,312	324,733	301,539	289,269	335,964
Deferred inflow of resources	--	--	--	2,370,218	1,095,469
Fund Balances:					
Restricted	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	777,198	1,014,946	382,378	667,502	898,987
Total balances:	777,198	1,014,946	382,378	667,502	898,987
TOTAL GENERAL FUND LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:	\$1,172,510	\$1,339,679	\$683,917	\$3,326,989	\$2,330,420

Source: Carmichael Recreation and Park District Annual Comprehensive Financial Reports.

CARMICHAEL RECREATION AND PARK DISTRICT
Audited General Fund Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2017-18 through 2021-22

	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22
REVENUES:					
Property taxes	\$1,953,692	\$2,062,029	\$1,166,843	\$2,282,153	\$2,407,477
Special assessments	--	--	--	--	--
Intergovernmental	129,092	12,497	19,134	19,904	285,439
Impact and in-lieu fees	--	--	--	--	--
Charges for services and building	2,189,556	2,316,351	1,991,471	1,344,367	1,796,731
Grants and contributions	9,119	33,547	15,212	70,569	75,663
Investment earnings	2,860	7,971	8,271	50,967	32,591
Other revenues	19,950	157,848	13,460	98,964	22,890
Total Revenues:	<u>4,304,269</u>	<u>4,590,243</u>	<u>4,214,391</u>	<u>3,866,924</u>	<u>4,620,791</u>
EXPENDITURES:					
Salaries and benefits	2,416,948	2,717,899	2,635,935	2,207,157	2,436,646
Services and supplies	1,496,072	1,485,922	1,587,691	1,297,861	1,724,144
Capital outlay	356,115	304,969	644,547	440,871	292,976
Total Expenditures:	<u>4,269,135</u>	<u>4,508,790</u>	<u>4,868,173</u>	<u>3,945,889</u>	<u>4,453,766</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	35,134	81,453	(653,782)	(78,965)	167,025
Other Financing Sources					
Capital contributions	--	--	--	--	--
Operating transfers in	--	156,295	21,214	452,039	64,460
Operating transfers out	--	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>156,295</u>	<u>21,214</u>	<u>452,039</u>	<u>64,460</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	35,134	237,748	(632,568)	373,074	231,485
Fund Balance Beginning of Year, as restated	742,064	778,198	1,014,946	382,378	667,502
Prior period adjustment	--	--	--	(87,950)	--
Fund Balance Ending of Year	<u>\$777,198</u>	<u>\$1,014,946</u>	<u>\$382,378</u>	<u>\$667,502</u>	<u>\$898,987</u>

Source: Carmichael Recreation and Park District Annual Comprehensive Financial Reports.

The following table shows the District's General Fund revenues and expenditures for fiscal year 2021-22 and budgeted General Fund revenues and expenditures for 2022-23.

**CARMICHAEL RECREATION AND PARK DISTRICT
Budgeted General Fund Revenues and Expenditures
Fiscal Year 2022-23**

	Fiscal Year 2021-22 (Actuals)	Fiscal Year 2022-23 (Revised Adopted Budget)
EXPENDITURES:		
Salaries and benefits	\$2,378,917	\$3,188,932
Services and supplies	1,742,860	2,238,379
Improvements	260,525	1,328,400
Equipment	33,447	140,400
Appropriations for contingencies	--	500,000
Total	<u>4,415,748</u>	<u>7,396,111</u>
Expenditures/Appropriations:		
Other reimbursements	--	(31,705)
Total Reimbursements	--	(31,705)
Net financing Uses	4,415,748	7,364,406
REVENUES:		
Taxes	2,407,477	2,473,750
Use of money and property	1,367,228	1,456,327
Intergovernmental revenues	51,768	358,602
Charges for services	455,955	724,750
Miscellaneous revenues	8,653	962,598*
Other financing sources	11,500	30,000
Total Revenues:	<u>4,302,580</u>	<u>6,189,016</u>
Use of fund Balance	<u>\$113,168</u>	<u>\$1,175,390</u>

* Increase in revenues is attributed to one-time insurance reimbursement for facility damage.
Source: Carmichael Recreation and Park District Revised Recommended Budget.

Employee Benefits; Pension Obligations

GASB Statement No. 68. In June 2012, the GASB adopted new standards (GASB Statement No. 68, or “**GASB 68**”) with respect to accounting and financial reporting by state and local government employers for defined benefit pension plans. The new standards revise the accounting treatment of defined benefit pension plans, changing the way expenses and liabilities are calculated and how state and local government employers report those expenses and liabilities in their financial statements. Major changes include: (i) the inclusion of unfunded pension liabilities on the government’s balance sheet (previously, such unfunded liabilities were typically included as notes to the government’s financial statements); (ii) pension expense incorporates more rapid recognition of actuarial experience and investment returns and is no

longer based on the employer's actual contribution amounts; (iii) lower actuarial discount rates that are required to be used for underfunded plans in certain cases for purposes of the financial statements; (iv) closed amortization periods for unfunded liabilities that are required to be used for certain purposes of the financial statements; and (v) the difference between expected and actual investment returns to will be recognized over a closed five-year smoothing period. The reporting requirements took effect in fiscal year 2014-15. Based on the adoption of the new accounting standards, beginning with the fiscal year 2014-15 actuarial valuation, the annual required contribution and the annual pension expense will be different. GASB 68 is a change in accounting reporting and disclosure requirements, but it does not change the District's pension plan funding obligations.

Plan Description. The District contributes to the Sacramento County Employees Retirement System ("**SCERS**"), a multiple-employer, cost sharing public employee pension plan (the "**Plan**"). SCERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Copies of SCERS annual financial report may be obtained from their Administrative Office, 980 – 9th Street, Suite 1800, Sacramento, California 95814 and is available on the County System's web site: <http://www.scers.org>.

Funding Policy. Contributions to the Plan are made pursuant to Section 31584 of the County Employees Retirement Law of 1937. The Plan's funding policy provides for periodic contributions at actuarially-determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. Members of the Plan are required to contribute between 1.86% and 14.22% of their annual covered salary. The District is obligated by state law to make all required contributions to the Plan, ranging from 22.02% to 28.26% of covered payroll. The required contributions include current service cost and amortization of prior service cost over a 30-year closed amortization period with 17 and 18 years remaining as of June 30, 2022 and 2021, respectively. Employer contribution rates are determined using the entry age normal funding method based on a level percentage of payroll. The Plan also uses this actuarial method to amortize the unfunded liability, if applicable. The contributions made to SCERS for the 2022 and 2021 years were \$430,160 and \$408,241, respectively.

At June 30, 2022 and 2021, the District reported net pension liabilities of \$198,561 and \$3,789,899, respectively, in the Statement of Net Position for its proportionate share of the net pension liability for each fiscal year. The net pension liabilities were measured as of June 30, 2021 and 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Plan relative to the projected contributions of all Plan participants, which was actuarially determined. For the fiscal year ended June 30, 2022 and 2021, the District recognized pension (income)/expense of \$(60,368) and \$1,241,301, respectively, in its government-wide financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions, and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

Actuarial Assumptions. The District's annual pension cost for the years ended June 30, 2022 and 2021, required and actual contributions were determined as part of the June 30, 2021 and 2020 actuarial valuations. The entry age normal actuarial cost method was used, a discount rate of 6.75%, net of investment expenses, an inflation of 2.75%, and projected salary increases of 4.25% to 10.5%. The long-term expected rate of return on pension plan investments (6.75%) was determined using a building-block method in which best-estimate ranges of expected future

real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	36.0%	46.0%
International Equity	16.0	6.0
Fixed income	20.0	9.0
Hedge Funds	10.0	5.0
Private Equity	9.0	9.0
Real Assets	9.0	25.0

Source: Carmichael Recreation and Park District Audit Report.

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

See Note 6 to the District's most recent audited financial statements, attached as APPENDIX B to the Official Statement, for additional information about the District's Defined Benefit Pension Plan.

Other Post-Employment Retirement Benefits

Plan Description. The plan is a single-employer plan and it does not issue a publicly available report. Sacramento County provides medical insurance and dental insurance, and subsidy/offset payments as authorized by the Board of Supervisors on an annual basis. The Board of Supervisors must approve the benefit annually or it is terminated. All annuitants are eligible to enroll in a retiree medical and/or dental insurance plan in a given calendar year if (1) they began receiving a continuing retirement allowance from SCERS during that calendar year, or (2) they were enrolled in the annual plan previously approved by the County, or (3) they previously waived coverage but elected to enroll during the County authorized enrollment period with a coverage date effective January of the given calendar year (continuous coverage). The Public Employment Relations Board ("PERB") ruled on complaints filed by several Recognized Employee Organizations ("REOs") challenging the County's elimination of the subsidy for County retirees approved by the Board of Supervisors June 5, 2007, and effective January 1, 2008. On June 30, 2009, the PERB decision ordered the County to (1) cease and desist from implementing the subsidy elimination; (2) rescind the changes in eligibility; and (3) make whole the affected parties. On March 11, 2010, the 3rd District Court of Appeals declined the County's request to review the PERB decision. Annuitants who retired on or before May 31, 2007, as well as those REOs who filed suit are eligible for the monthly medical premium subsidy. If the annuitant met the

eligibility criteria to receive a subsidy absent a retirement date of June 1, 2007, or later, the retiree will only receive a subsidy if retired from one of the REOs who filed the complaint with PERB. Annuitants who retired after May 31, 2007, and were not in an REO that filed suit are not eligible for this subsidy.

The amount of any medical subsidy/offset payments made available to eligible annuitants shall be calculated based upon the annuitant's SCERS service credit. For calendar year 2013, the Sacramento County Board of Supervisors approved a monthly subsidy of \$40 to each subsidy-eligible retiree receiving a benefit from the Sacramento County Retirement System of less than \$2,000 (dollars not expressed in thousands). Neither SCERS nor the County guarantees that a subsidy/offset payment will be made available to annuitants for the purchase of County-sponsored medical and/or dental insurance. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership. The amount of the subsidy/offset payment, if any, payable on account of enrollment in a County sponsored retiree medical and/or dental insurance plan shall be established within the sole discretion of the Board of Supervisors. The District follows the County's policy on the subsidy amount.

Long-Term Debt

The Bonds described herein are the first issuance of bonded indebtedness of the District. Following the issuance of the Bonds, there will be \$21.9* million of unused authorization remaining under the Bond Authorization.

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District is a member of the California Association for Park and Recreation Indemnity, an established public entity risk pool that operates as a common risk management and insurance program for government members. This policy covers the District's general liability, property, and equipment located in Carmichael, California. The District pays an annual premium to the pool for its worker's compensation, excess workers compensation, property, and general coverages.

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*Preliminary; subject to change.

Investment of District Funds

At June 30, 2022 the District's total cash and investments were as follows:

CASH AND INVESTMENTS Carmichael Recreation and Park District

Deposits with financial institutions:	
Imprest cash	\$500
County investment pool	<u>1,949,310</u>
Total	<u>\$1,949,810</u>

Source: Carmichael Recreation and Park District Audit Report.

Investment Policy. California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment in the County of Sacramento Investment Pool. The District is an involuntary participant in the Sacramento County Department of Finance investment pool. Investments are stated at fair value. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by section 27134 of the California Government Code.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Concentration of Credit Risk. The District does not have its own investment policy but follows the allowable investments guidelines under section 53635 of the California Government Code. Substantially all of the District's cash and investments at June 30, 2020 and 2019 were invested with the County pool.

Disclosures Relating to Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Sacramento County investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: "the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the

governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.” California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2020 and 2019, the District had \$0, respectively, that was not covered by depository insurance but collateralized by either marketable securities, first trust deed mortgage notes, or a combination of both.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools.

See Note 3 to the District’s most recent audited financial statements, attached as APPENDIX B to the Official Statement, for additional information about the District’s investments.

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RISKS AFFECTING THE DISTRICT

The information in this section concerning risks affecting the District and its ability to pay the principal of or interest on the Bonds is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or the County. The Bonds are payable solely from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements, and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the Official Statement.

The following discussion is not an exhaustive listing of risk factors and other considerations which may be relevant to the District, and the order in which risks are presented and organized here is not intended to reflect the relative importance of such risks. There can be no assurance that other risk factors will not become evident at any future time.

Risk Factors Relating to Property Tax and Other Revenues

The financial condition of the District is subject to risk. If a risk factor materializes to a sufficient degree, it could delay or prevent payment of principal of and interest with respect to the Bonds. Such risk factors include, but are not limited to, the following matters.

Assessed Value of Taxable Property; Delinquent Payment of Property Taxes. Natural and economic forces can affect the assessed value of taxable property within the District. The District is located in a seismically active region, and damage from an earthquake in or near the area could cause moderate to extensive damage to taxable property. Other natural or manmade disasters, such as flood, fire, toxic dumping, coastal erosion or acts of terrorism, as described below, could cause a reduction in the assessed value of taxable property within the District. Economic and market forces, such as a downturn in the regional economy generally, can also affect assessed values. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Levy and Collection. The District does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the District's property tax revenues, and accordingly, could have an adverse impact on the ability of the District to pay debt service on the Bonds. Likewise, delinquencies in the payment of property taxes could adversely impact the payment of principal of and interest with respect to the Bonds.

Reduction in Inflationary Rate. Article XIII A of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation in the following Fiscal Years: 1983-84 (1.010%); 1995-96 (1.194%); 1996-97 (1.115%);

1999-00 (1.853%); 2004-05 (1.867%); 2010-11 (0.998%); 2011-12 (1.008%); and 2012-13 (1.02%). More information about inflationary assessed value adjustments can be accessed through the California State Board of Equalization's website, under the Final CCPI Announcement posted on the "Letters to Assessors" webpage for each year, at <http://www.boe.ca.gov/proptaxes/ltacont.htm>. *The reference to this internet website is shown for reference and convenience only, the information contained within the website may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.*

The District is unable to predict if any adjustments to the full cash value base of real property within the District, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values; Delinquencies. Reductions in the market values of taxable property may cause property owners to appeal assessed values and may also be associated with an increase in delinquency rates for taxes.

No assurance can be given that property tax appeals in the future will not significantly reduce the District's property tax revenues. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

The County Assessor may also unilaterally reduce assessed values under Proposition 8.

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The completion date of new construction or the date of change of ownership determines the base year. Any base year appeal must be made within four years of the change of ownership or new construction date.

Decreases in the aggregate value of taxable property within the District resulting from natural disaster, reclassification by ownership or use, or as a result of the operation Proposition 8 all may adversely impact the payment of principal of and interest with respect to certain of the District's Long-Term Obligations.

In addition, failure by large property owners to pay property taxes when due may also negatively impact the payment of principal of and interest with respect to certain of the District's Long-Term Obligations.

See "- Natural Calamities" below.

Property Tax Allocation by the State; Changes in Law. The responsibility for allocating general property taxes was assigned to the State by Proposition 13, which stated that property taxes were to be allocated "according to law." The formula for such allocation was contained in Assembly Bill 8 ("**AB 8**"), adopted in 1978, which allocates property taxes among cities, counties, and school districts. The formulas contained in AB 8 were designed to allocate property taxes in proportion to the share of property taxes received by a local entity prior to Proposition 13.

Beginning in its Fiscal Year ending June 30, 1993, in response to its own budgetary shortfalls, the State began to permanently redirect billions of dollars of property taxes Statewide from cities, counties, and certain special districts to schools and community college districts. These redirected funds reduced the State's funding obligation for K-14 school districts by a commensurate amount. In response, Proposition 1A of 2004, approved by State voters in November 2004 and generally effective in Fiscal Year ending June 30, 2007, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain limitations. However, pursuant to Proposition 1A and beginning in Fiscal Year ending June 30, 2009, the State could, upon gubernatorial proclamation of fiscal hardship and following approval of two-thirds of both houses of the legislature, and it did, shift to schools and community colleges up to 8% of local government *ad valorem* property tax revenues, which amount must be repaid, with interest, within three years. The State could also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. In November 2010, State voters approved Proposition 22, which amends the State's constitution to eliminate the State's authority to temporarily shift additional *ad valorem* property taxes from cities, counties and special districts to schools, among other things.

No assurance can be given that the State, the County, or other electorate bodies affecting the District will not at some future time adopt initiatives, or that the State Legislature will not enact legislation that will amend the laws of the State in a manner that could result in a reduction of the District's property tax allocations and thus negatively impact the payment of principal of and interest with respect to certain of the District's Long-Term Obligations. However, the District does not believe that any such initiative or legislation will adversely affect the District's ability to pay debt service on the Bonds or the other general obligation bonds issued pursuant to the Bond Authorization.

Natural Calamities. The District is subject to natural calamities, including, but not limited to, earthquake, flood, wildfire, tsunami, drought, global pandemic or pipeline incident, that may adversely affect economic activity in the District, and which could have a negative impact on District finances. In recent years, a number of large wildfires have caused the damage and destruction of a significant amount of property in the State, and related flooding and mudslides have also occurred. The most destructive of the recent wildfires, which have burned thousands of acres and destroyed thousands of homes and structures, have originated in wildlands adjacent to urban areas.

Although the recent natural disasters do not include territory within the District's boundaries, the District cannot predict or make any representations regarding the effects that wildfires, flooding, mudslides or any other natural disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State. The District cannot predict or make any representations regarding the effects that natural disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.

There can be no assurance that the occurrence of any natural calamity would not cause substantial interference to and costs for the District.

COVID-19 Global Pandemic. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, World Health Organization ("WHO") announced the official name for the outbreak of the novel strains of coronavirus that causes the disease known as COVID-19 ("**COVID-19**"), an upper respiratory tract illness. COVID-19 has since spread across the globe. The spread of COVID-19 is having significant adverse health and financial impacts throughout the world, including the Counties. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Governor of the State and the President of the United States.

The COVID-19 outbreak is ongoing, and its duration and severity and its economic effects are uncertain in many respects. Uncertain too are the additional actions, if any, that may be taken by federal and State governmental authorities to contain or mitigate the effects of the outbreak. The ultimate impact of COVID-19 on the District's operations and finances and the economy, real estate market and development within the District's service area is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District's operations and finances.

Hazardous Substances. In general, the owners and operators of a property may be required by law to remedy conditions of the property 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 created or handled the hazardous substance.

The effect, therefore, should any substantial amount of property within the District be affected by a hazardous substance, would be to reduce the marketability and value of the property by the costs of, and any liability incurred by, remedying the condition, since the purchaser, upon becoming an owner, will become obligated to remedy the condition just as is the seller. Reduction in the assessed valuation of property in the District as a whole could thereby reduce *ad valorem* property tax amounts received by the District.

The District conducts reasonable due diligence regarding the existence of hazardous substances on its properties at the time of their acquisition. Before the District acquires any new real property of any size, its staff conducts a Phase 1, basic assessment of the property. For large tracts of real property acquired, staff conducts more in-depth assessment, including, but not limited to, taking and analyzing soil samples, and staff further requires all identified measures to ameliorate the hazard to be completed before closing the escrow for such acquisition transaction.

Cyber Security. The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the District is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. The District maintains several methods to protect and fortify electronic information and consistently implements new procedures and defenses. No assurance can be given that the District's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the District, or the administration of the Bonds.

The District is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the tax collector of the County for the levy and collection of property tax revenues and the Trustee. No assurance can be given that the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the owners of the Bonds.

Risks Affecting the District, Generally

Proposition 218. See "- CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS – Article XIIC and Article XIID of the California Constitution," for information about certain risks to the District's General Fund revenues under Articles XIIC and Article XIID of the California Constitution.

Litigation. The District may be or become a party to litigation that has an impact on the District's General Fund. Although the District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents (see "- DISTRICT FINANCIAL INFORMATION, Risk Management," above, for further information), the District cannot predict what types of liabilities may arise in the future. See also "CONCLUDING INFORMATION – Litigation."

State Law Limitations on Appropriations. Article XIIB of the California Constitution limits the amount that local governments can appropriate annually. The ability of the District to make debt service payments on certain of the District's Long-Term Obligations may be affected if the District should exceed its appropriations limit. The State may increase the appropriation limit of cities in the State by decreasing the State's own appropriation limit. The District does not anticipate exceeding its appropriations limit. See "CONSTITUTIONAL AND STATUTORY

LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS – Article XIII B of the State Constitution" below.

Impact of State Budget on the District. The District cannot predict what actions will be taken in the future by the California State Legislature and the Governor to deal with changing State revenues and expenditures. It is anticipated that there could be additional future legislation that addresses State budget shortfalls. The District cannot predict what measures may be proposed or implemented for the current Fiscal Year or in the future and the impact, if any, of actions by the State affecting special districts. Given the magnitude of the State's budgetary deficits from time to time, it is possible that future legislation will impact revenues of special districts such as the District. Budgetary developments at the State level would most likely adversely affect local governments, possibly including the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

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CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111, 187 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness (which provided the authority for the issuance of the Refunded Bonds), and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004, a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIII B of the California Constitution

Article XIII B ("**Article XIII B**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“**unitary property**”). Under the State Constitution, such property is assessed by the State Board of Equalization (“**SBE**”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIII C and XIII D

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (respectively, “**Article XIII C**” and “**Article XIII D**”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIII C to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch

of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay Lease Payments and therefore debt service on the Notes.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there

are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

California Senate Bill 222

Senate Bill 222 ("**SB 222**") was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* tax collections such as the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("**Proposition 19**"), which amends Article XIII A to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property's tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrows as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocates most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District's assessed values.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 22 and 111 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2022**

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SACRAMENTO COUNTY

The District is located in Sacramento County (the “County”). The following information concerning the County is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the County, the State or any of its political subdivisions, other than the District, and none of the County, the State or any of its political subdivisions, other than the District, is liable therefor.

General

The County was incorporated in 1850 as one of the original 27 counties of the State. The County’s largest city, the City of Sacramento, serves as the seat of government for both the County and the State. Sacramento became the State Capital in 1854. The County is the major component of the Sacramento -Roseville -Arden -Arcade Metropolitan Statistical Area (“MSA”), which includes Sacramento, El Dorado, and Placer and Yolo Counties. The County is the most populous in the Central Valley of the State, and the fifth most populous County in the State.

The County encompasses approximately 994 square miles in the northern portion of the Central Valley, which is California’s prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. The County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of the County has direct access to the San Francisco Bay.

Population

The most recent estimate of the County’s population at January 1, 2022 was 1,576,618 persons according to the State Department of Finance. The table below shows population estimates for the cities in the County for the last five years, as of January 1.

SACRAMENTO COUNTY Population Estimates - Calendar Years 2018 through 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Citrus Heights	87,504	87,629	87,788	87,245	86,367
Elk Grove	171,669	172,956	176,036	176,769	176,972
Folsom	77,598	78,666	81,106	83,075	84,592
Galt	25,720	25,813	26,006	25,383	25,239
Isleton	822	831	832	790	780
Rancho Cordova	75,815	77,259	78,333	79,536	80,359
Sacramento	500,872	507,490	513,626	518,322	518,037
Balance of County	585,099	587,410	589,430	609,504	604,272
County Total	1,525,099	1,538,054	1,553,157	1,580,624	1,576,618

Source: State Department of Finance, Demographic Research.

Employment and Industry

The unemployment rate in the Sacramento-Roseville-Arden-Arcade MSA was 3.3% in December 2022, down from a revised 3.7% in November 2022, and below the year-ago estimate of 4.3%. This compares with an unadjusted unemployment rate of 3.7% for the State and 3.3% for the nation during the same period. The unemployment rate was 2.8% in El Dorado County, 2.5% in Placer County, 3.5% in the County, and 3.6% in Yolo County.

The table below lists employment by industry group for the MSA for the years 2017 through 2021.

**SACRAMENTO-ARDEN-ARCADE-ROSEVILLE MSA
(El Dorado, Placer, Sacramento, Yolo Counties)
Annual Average Labor Force and Employment Industry
Calendar Years 2017 through 2021
(March 2021 Benchmark)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Civilian Labor Force</u> ⁽¹⁾	1,074,000	1,088,300	1,100,800	1,091,700	1,099,300
Employment	1,024,800	1,046,900	1,060,300	994,000	1,028,800
Unemployment	49,200	41,500	40,500	97,700	70,500
Unemployment Rate	4.6%	3.8%	3.7%	9.0%	6.4%
<u>Wage and Salary Employment</u> ⁽²⁾					
Agriculture	9,800	9,100	8,700	8,300	9,000
Mining and Logging	400	500	500	600	700
Construction	58,700	64,500	69,400	70,200	74,100
Manufacturing	35,700	36,000	36,800	36,100	37,500
Wholesale Trade	26,500	28,400	28,600	26,500	26,400
Retail Trade	101,400	102,000	100,500	95,200	101,100
Transportation, Warehousing and Utilities	27,400	29,500	32,200	34,300	37,100
Information	12,600	12,400	11,900	10,200	10,000
Finance and Insurance	37,400	36,700	35,200	34,800	34,300
Real Estate and Rental and Leasing	15,200	16,800	17,300	16,900	17,400
Professional and Business Services	132,400	136,000	137,200	132,500	136,700
Educational and Health Services	153,600	159,800	166,600	164,000	168,400
Leisure and Hospitality	103,300	106,200	109,600	83,900	92,800
Other Services	33,000	34,200	35,400	31,000	32,600
Federal Government	14,200	14,100	14,200	14,800	14,500
State Government	118,400	120,400	121,900	121,700	126,800
Local Government	102,600	103,500	105,300	98,900	98,000
Total, All Industries ⁽³⁾	982,500	1,009,900	1,031,300	979,700	1,017,200

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

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

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Principal Employers

The following table lists the major employers by number of employees in the County as of June 30, 2021.

COUNTY OF SACRAMENTO
Principal Employers
Listed from Greatest to Fewest Number of Employees

Employer Name	No. of Employees	% of Total County Employment
UC Davis Health System	14,618	2.18%
Kaiser Permanente	12,078	1.80
Dignity/Mercy Healthcare	10,888	1.63
Sutter/California Health Services	10,764	1.61
Intel Corporation	5,992	0.90
Raley's Inc. / Bel Air	3,394	0.51
VSP Global	2,834	0.42
Sacramento Municipal Utility	2,099	0.31
Siemens Mobility Inc	2,000	0.30
Safeway	1,823	0.27

Source: County's 2021 Audited Financial Statement.

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Major Employers

The following table lists the largest employers within the County as of January 2023, listed alphabetically.

COUNTY OF SACRAMENTO Major Employers As of January 2023

Employer Name	Location	Industry
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)
Agreeya Solutions Inc	Folsom	Information Technology Services
AMPAC FINE CHEMICALS LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs
Apple Distribution Ctr	Elk Grove	Distribution Centers (whls)
California Department-Crrctns	Sacramento	Insurance Agents Brokers & Service
California State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic
Corrections Department	Sacramento	State Govt-Correctional Institutions
Dept of Transportation In Ca	Sacramento	Government Offices-State
Disabled American Veterans	Sacramento	Veterans' & Military Organizations
Employment Development Dept	Sacramento	Outplacement Consultants
Environmental Protection Agcy	Sacramento	State Government-Air/Water/Solid Waste Manage
Intel Corp	Folsom	Semiconductor Devices (mfrs)
Kaiser Permanente South	Sacramento	Hospitals
L A Care Health Plan	Sacramento	Health Plans
Mercy General Hospital	Sacramento	Hospitals
Mercy San Juan Medical Ctr	Carmichael	Hospitals
Sacramento Bee	Sacramento	Newspapers (publishers/Mfrs)
Sacramento Municipal Utility	Sacramento	Utility Contractors
Sacramento Municipal Utility	Sacramento	Electric Contractors
Securitas Security Svc USA	Sacramento	Security Guard & Patrol Service
State Compensation Ins Fund	Sacramento	Insurance
Summit Funding Inc	Sacramento	Real Estate Loans
Sutter Medical Ctr-Sacramento	Sacramento	Hospitals
Villara Building Systems	Mcclellan	Building Contractors
Water Resource Dept	Sacramento	Government Offices-State

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2023 1st Edition.

Construction Activity

The tables below illustrate the building permits and valuations for the County for calendar years 2017 through 2021.

SACRAMENTO COUNTY Total Building Permit Valuations (Valuations in Thousands)

Permit Valuation	2017	2018	2019	2020	2021
New Single-family	\$512,951.0	\$1,069,568.4	\$1,108,400.0	\$1,008,390.7	\$1,310,379.5
New Multi-family	131,175.3	158,638.0	265,188.8	467,418.7	323,462.6
Res. Alterations/Additions	<u>29,478.7</u>	<u>276,723.6</u>	<u>293,210.5</u>	<u>262,864.6</u>	<u>276,570.4</u>
Total Residential	673,605.0	1,504,930.0	1,666,799.3	1,738,674.0	1,910,412.5
New Commercial	201,676.5	303,805.9	666,664.3	449,494.3	197,946.8
New Industrial	14,087.9	14,151.1	31,851.4	31,155.0	83,171.4
New Other	68,383.0	128,325.7	105,555.1	75,356.7	104,932.9
Com. Alterations/Additions	<u>69,202.2</u>	<u>518,663.2</u>	<u>700,604.0</u>	<u>335,458.0</u>	<u>320,447.6</u>
Total Nonresidential	353,349.6	964,945.9	1,504,674.8	891,464.0	706,498.7
New Dwelling Units					
Single Family	1,886	3,589	3,981	3,588	4,205
Multiple Family	<u>1,135</u>	<u>1,272</u>	<u>2,008</u>	<u>2,868</u>	<u>2,266</u>
TOTAL	3,021	4,861	5,989	6,456	6,471

Source: Construction Industry Research Board, Building Permit Summary.

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Effective Buying Income

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

The following table summarizes the total effective buying income estimations for the County, the State and the United States for the period 2019 through 2023.

SACRAMENTO COUNTY
Effective Buying Income and Median Household Estimations
As of January 1
2019 through 2023

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2019	Sacramento County	\$40,651,806	\$56,387
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	Sacramento County	\$42,705,779	\$59,288
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	Sacramento County	\$45,067,224	\$62,945
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	Sacramento County	\$51,287,459	\$70,279
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	Sacramento County	\$51,865,551	\$70,001
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. During the first three quarters of calendar year 2022, total taxable transactions reported in the County were \$26,949,834,319 a 8.51% increase over the total taxable transactions of \$24,836,833,114 reported in the County during first three quarters of calendar year 2021.

SACRAMENTO COUNTY
Annual Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2017	24,501	\$16,729,885	37,317	\$24,405,149
2018	24,853	17,593,375	39,066	25,443,669
2019	25,530	18,156,992	40,858	26,717,621
2020	28,055	18,288,243	45,361	26,837,392
2021	25,936	23,764,691	42,482	33,875,840

Source: State Department of Tax and Fee Administration.

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

March __, 2023

Board of Directors
Carmichael Recreation and Park District
5750 Grant Avenue
Carmichael, CA 95608

OPINION: \$_____ Carmichael Recreation and Park District Election of 2022
General Obligation Bonds, Series 2023

Members of the Board of Directors:

We have acted as bond counsel in connection with the issuance by the Carmichael Recreation and Park District (the "District") of its \$_____ principal amount Carmichael Recreation and Park District Election of 2022 General Obligation Bonds, Series 2023 (the "Bonds"), pursuant to Article 11 (commencing with Section 5790) of Chapter 4 of Division 5 of the Public Resources Code, and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "Bond Law"), and a Paying Agent Agreement dated as of March 1, 2023 (the "Paying Agent Agreement"), between The Director of Finance of the County of Sacramento, California, as paying agent (the "Paying Agent") and the District. We have examined the Bond Law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Paying Agent Agreement and in certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly created and validly existing as a recreation and park district with the power to execute and deliver the Paying Agent Agreement, perform the agreements on its part contained therein and issue the Bonds.
2. The Paying Agent Agreement has been duly executed and delivered by the District and constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms.
3. Pursuant to the Bond Law, the Paying Agent Agreement creates a valid lien on funds pledged by the District for the security of the Bonds.

4. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding general obligations of the District, and Sacramento County is required to levy an ad valorem tax upon the property in the District, without regard to rate or amount, for the payment of principal of and interest on all outstanding bonds of the District, including the Bonds (except for certain personal property, which is taxable at limited rates).

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Paying Agent Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

This CONTINUING DISCLOSURE CERTIFICATE (this "**Disclosure Certificate**") is executed and delivered by the CARMICHAEL RECREATION AND PARK DISTRICT (the "**District**") in connection with the issuance of its Election of 2022 General Obligation Bonds, Series 2023 (the "**Bonds**"). The Bonds are being issued pursuant to a Paying Agent Agreement, dated as of March 1, 2023, between the District and The Director of Finance of the County of Sacramento, California, as paying agent thereunder.

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5), as amended.

Section 2. Definitions. In addition to the definitions set forth above and in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

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

"*Annual Report Date*" means the date that is nine months after the end of the District's Fiscal Year (currently June 30th), or March 31.

"*Dissemination Agent*" shall mean, initially, Isom Advisors, a Division of Urban Futures, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designed in writing by the District and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official Fiscal Year period under a Certificate of the District filed with the Paying Agent.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Oppenheimer & Co. Inc., 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 it may be amended from time to time.

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

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2023, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall timely provide (or cause the Dissemination Agent to timely provide) notice to the MSRB, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial

statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding Fiscal Year, or, if available at the time of filing the Annual Report, for the fiscal year in which the Annual Report is filed:

- (i) Assessed value of taxable property in the jurisdiction of the District;
- (ii) Assessed value of the properties of the top 20 secured property taxpayers in the District;
- (iii) Property tax collection delinquencies for the District, but only if available from the County at the time of filing the Annual Report and only if the District's general obligation bond levies are not included in Sacramento County's Teeter Plan; and
- (iv) The District's most recently adopted budget.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Significant 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 District or other obligated person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Significant Event, the District shall, or shall cause the Dissemination Agent (if not the District) 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 holders of affected Bonds under the Paying Agent Agreement.

(c) The District 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 District 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 District determines the event's occurrence is material for purposes of U.S. federal securities law.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, Paying Agent, or similar officer for the District 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 District, 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 District.

(e) For purposes of Section 5(a)(xv) and (xvi), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule, and the issuer thereof has entered into a continuing disclosure undertaking for such municipal securities.

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

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the District. Initially, Isom Advisors, a Division of Urban Futures, Inc. will act as dissemination hereunder.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Paying Agent Agreement for amendments to the Paying Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

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

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Paying Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it

by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: March __, 2023

CARMICHAEL RECREATION AND PARK DISTRICT

By _____
District Administrator

**ACCEPTANCE OF APPOINTMENT
BY DISSEMINATION AGENT**

Isom Advisors, a Division of Urban Futures, Inc.,
as Dissemination Agent

By: _____
Managing Principal

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company ("**DTC**"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions 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 District (the "**Issuer**") nor the Paying Agent appointed with respect to the Bonds (the "**Paying Agent**") takes any responsibility for the information contained in this Appendix.*

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

1. DTC, New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest 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 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument 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, in turn, is owned by a number of Direct

Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 and www.dtc.org.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, 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 nor its nominee, 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 securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities 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.

APPENDIX G

SACRAMENTO COUNTY INVESTMENT POLICY AND REPORT

§ _____
CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

BOND PURCHASE AGREEMENT

_____, 2023

Carmichael Recreation and Park District
5750 Grant Avenue
Carmichael, California 95608

Ladies and Gentlemen:

Oppenheimer & Co. Inc. (the “**Underwriter**”), offers to enter into this Bond Purchase Agreement (the “**Bond Purchase Agreement**”) with the Carmichael Recreation and Park District (the “**District**”) which, upon your acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California time, on the date hereof.

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$ _____ in aggregate principal amount of the District’s Election of 2022 General Obligation Bonds, Series 2023 (the “**Bonds**”). The purchase price for the Bonds shall be \$ _____ (being equal to the aggregate principal amount of the Bonds (\$ _____), less an Underwriter’s discount of \$ _____, and less original issue discount of \$ _____). The payment of the principal of and interest on the Bonds when due will be insured by _____ (the “**Municipal Bond Insurer**”). The premium for the Municipal Bond Insurer’s municipal bond insurance policy (the “**Policy**”) in the amount of \$ _____ will be paid by the Underwriter to the Municipal Bond Insurer from the purchase price as an accommodation to the District. Of the net amount (\$ _____), \$ _____ will be remitted by the Underwriter to the Director of Finance of the County of Sacramento, California, as paying agent (the “**Paying Agent**”) for deposit in the costs of issuance fund held by the Paying Agent as costs of issuance custodian for disbursement at the direction of the District.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the District, (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the

District on other matters) or any other obligation to the District except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the District, and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board.

2. The Bonds. Except as hereinafter described, the Bonds shall be as described in, and shall be issued and secured pursuant to, the provisions of the resolution of the District adopted on _____, 2023 (the “**Resolution**”), the Paying Agent Agreement, dated as of [March 1, 2023] (the “**Paying Agent Agreement**”), by and between the Paying Agent and the District, the provisions pursuant to Article 11 of Chapter 4 of Division 5 of the Public Resources Code, and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “**Act**”) and other applicable provisions of law. The Bonds shall be issued, authenticated and delivered under and in accordance with the provisions of this Bond Purchase Agreement and the Resolution.

The Bonds are being issued to (i) finance certain capital projects of the District, and (ii) pay costs of issuing the Bonds.

The Bonds will be dated the date of delivery and accrue interest from such date, payable semiannually on February 1 and August 1 of each year, commencing on [August 1, 2023]. The Bonds will mature on the dates, bear interest at the rates and be subject to redemption on the terms and conditions, all as shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 and any integral multiple thereof.

To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended (the “**Rule**”), the District will undertake, pursuant to the Resolution and a continuing disclosure certificate (the “**Continuing Disclosure Certificate**”), to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement (each as hereinafter defined).

3. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Bond Purchase Agreement, the Official Statement and the Resolution and all information contained herein and therein and all of the documents, Bonds or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement.

4. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield to be set forth on the cover page of the Official Statement and Appendix A hereto. Except as described below in Section 5 subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

5. Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District on the Closing Date an “issue price” or similar certificate substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) The District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). If the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District or to the District’s municipal advisor the prices at which it sells Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

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

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section 5. Further, for purposes of this Section 5:

(i) “public” means any person other than an underwriter or a related party,

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

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

6. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the preliminary official statement with respect to the Bonds, dated _____, 2023 (the “**Preliminary Official Statement**”). The District represents that it has duly authorized and caused the preparation of the Preliminary Official Statement and that it deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), yield(s), selling compensation, aggregate principal amount, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule.

The Underwriter agrees that prior to the time a final Official Statement (hereinafter defined) relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

7. Closing. At [8:00 A.M.], California time, on _____, 2023, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the “**Closing**”), the District will deliver to the Underwriter (except as otherwise provided in the Resolution), through the facilities of The Depository Trust Company (“**DTC**”), or at such other place as we may mutually agree, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of the Paying Agent, on behalf of the District, and the premium for the Policy to the Municipal Bond Insurer.

8. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a recreation and park district duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Bond Purchase Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement, the Paying Agent Agreement and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Resolution, the Paying Agent

Agreement, the Continuing Disclosure Certificate, and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Bond Purchase Agreement, the Resolution, the Paying Agent Agreement, and the Continuing Disclosure Certificate constitute the valid and legally binding obligations of the District; (v) the Bonds, when issued, authenticated and sold to the Underwriter in accordance with the Resolution, the Paying Agent Agreement, and this Bond Purchase Agreement, will be the legal, valid, binding and enforceable obligations of the District enforceable in accordance with their terms; and (vi) the District has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement, the Resolution, the Paying Agent Agreement, and the Continuing Disclosure Certificate. The District will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate or this Bond Purchase Agreement without the prior written consent of the Underwriter prior to the date of the Closing.

(c) Consents. Other than the adoption of the Resolution, no consent, approval, authorization, order, filing, registration, qualification, election or referendum of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has covenanted to comply with the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, with respect to the Bonds.

(e) No Conflicts. The issuance of the Bonds, and the execution, delivery and performance of this Bond Purchase Agreement, the Paying Agent Agreement, the Resolution, the Continuing Disclosure Certificate and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, based on the advice of counsel to the District, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of taxes of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or, the levy of any taxes contemplated by the Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate or this Bond Purchase Agreement;

or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Bond Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution, (b) declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exemption of the interest paid on the Bonds from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued, nor will the District cause Sacramento County (the “**County**”), on behalf of the District, to issue, any bonds, notes or certificates of participation except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Arbitrage Certificate. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage Bonds may not be relied upon.

(i) Bonds. Any Bonds signed by any officer of the District and delivered to the Underwriter shall be deemed a representation by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(j) Official Statement. The District has reviewed the Preliminary Official Statement and, as of its date and as of the date hereof, the information set forth therein contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect. The District will provide to the Underwriter a certificate dated as of the date of the Official Statement and as of the Closing stating that it has reviewed the Official Statement and, as of the Closing, the information set forth therein contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(k) Financial Statements. The financial statements of the District contained in the Preliminary Official Statement and the Official Statement present fairly the financial position of the District as of the dates indicated and the results of its operations for the periods specified.

(l) Continuing Disclosure. Based on a review of its prior undertakings under the Rule, and except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events with respect to the last five years.

(m) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes for the payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the appropriate officials of the County a copy of the Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds.

9. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution and the Paying Agent Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Bond Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board (the "**MSRB**"). The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement until the date which is ninety (90) days following the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. For a period of ninety (90) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, the District shall forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

10. Conditions to Closing. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing as if made at and as of the Closing, and the statements made in all Bonds and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Bond Purchase Agreement, the Paying Agent Agreement, the Resolution, and the Continuing Disclosure Certificate shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Jones Hall, A Professional Law Corporation ("**Bond Counsel**"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of their obligations required under or specified in the Resolution, this Bond Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 8(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and make any payment for the Bonds), by reason of any of the following:

(1) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the

Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California District, with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the District or upon interest received on obligations of the general character of the Bonds which may have the purpose or effect, directly or indirectly, of affecting the tax status of the District, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by United States or State of California legislation, which materially and adversely affects the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(2) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(3) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of California, or a decision by any court of competent jurisdiction within the State of California or any court of the United States of America shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds;

(4) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak or escalation of, or engagement in hostilities or a national or international emergency, calamity or crisis, financial or otherwise, including but not limited to, pandemic, epidemic, civil unrest, bombings or terrorism (whether alleged or proven) relating to the effective operation of government or the financial community or financial markets, in the United States or elsewhere, or the escalation of such emergency, calamity or crisis, which, in the judgment of the Underwriter, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner that are contemplated in the Preliminary Official Statement or the Official Statement;

(5) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(6) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

(7) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental District, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(8) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(9) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status to any rating of the District's outstanding indebtedness (without regard to any insurance) by a national rating agency;

(10) there shall have occurred any materially adverse change in the affairs or financial condition of the District;

(11) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds;

(12) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting the validity of the Bonds, or the existence or powers of the District;

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

(14) any proceeding shall have been commenced or be threatened in writing by the SEC against the District;

(15) the marketability of the Bonds or the market price thereof has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets;

(16) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any

national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds;

(17) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(18) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(19) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(20) the withdrawal or downgrading of any rating of the Bonds or the Municipal Bond Insurer by a national rating agency; or

(21) any other event shall have occurred since the date of hereof that in the reasonable judgment of the Underwriter materially adversely affects the marketability or market price of the Bonds.

(e) Delivery of Documents. At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of the following documents, in each case dated as of the date of the Closing and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, dated the date of the Closing, addressed to the District, in the form attached to the Official Statement as Appendix D;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Supplemental Opinion. A supplemental opinion of Bond Counsel, dated the date of the Closing, addressed to the Underwriter to the effect that:

(A) this Bond Purchase Agreement has been duly executed and delivered by the District and, assuming due authorization, execution and delivery by and validity against the Underwriter, is a valid and binding agreement of the District, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases;

(B) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" and "TAX MATTERS," insofar as such statements purport to summarize certain provisions of the Bonds, the Resolution, the Paying Agent Agreement and Bond Counsel's opinion concerning certain tax matters relating to the Bonds are accurate in all material respects as of the date of the Official Statement and as of the Closing Date; and

(C) the Bonds are not subject to the registration requirements of the Securities Act and the Paying Agent Agreement is exempt from qualification under the Trust Indenture Act;

(4) Disclosure Counsel Opinion. An opinion letter, dated the date of the Closing and addressed to the District and the Underwriter of Bond Counsel, acting as disclosure counsel for the Bonds, to the effect that nothing has come to such counsel's attention that would lead them to believe that the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, and the Official Statement, as of its date and as of the Closing (except that we express no view with respect to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, assessed or appraised valuations, absorption or environmental matters contained in the Official Statement, (ii) any CUSIP numbers or information relating thereto, (iii) any information with respect to The Depository Trust Company and its book-entry system, (iv) any information contained in the Appendices to the Official Statement, (v) any information incorporated by reference into the Official Statement, and (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "CONCLUDING INFORMATION – Underwriting") contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(5) Bonds. Bonds signed by appropriate officials of the District.

(6) District Closing Certificate. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Bond Purchase Agreement and the Paying Agent Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Paying Agent Agreement and this Bond Purchase Agreement, which are necessary to be complied with prior to or concurrently with the Closing and such documents are in full force and effect, (iv) the District has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) no further consent is required for inclusion of the District's audited financial statements in the Official Statement, and (vi) the Bonds being delivered on the date of the Closing to the Underwriter under this Bond Purchase Agreement substantially conform to the descriptions thereof contained in the Paying Agent Agreement;

(7) Non-Arbitrage Certificate. A non-arbitrage certificate of the District in a form satisfactory to Bond Counsel;

(8) Policy. The Policy, issued by the Municipal Bond Insurer;

(9) Certificate of the Municipal Bond Insurer. A certificate of the Municipal Bond Insurer or an opinion of counsel to the Municipal Bond Insurer, dated the date of the Closing, to the effect that the information in the Official Statement regarding the Policy and the Municipal Bond Insurer under the caption "BOND INSURANCE" and contained in an appendix to the Official Statement containing a specimen of the Policy, is accurate in all material respects;

(10) Opinion of Counsel to the Municipal Bond Insurer. An opinion of counsel to the Municipal Bond Insurer as to the validity and enforceability of the Policy, in form and content satisfactory to Bond Counsel and the Underwriter;

(11) Ratings. Evidence satisfactory to the Underwriter that the Bonds shall have received an underlying rating of “___” from S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”), and an insured rating of “___” from S&P, and that such ratings have not been revoked or downgraded;

(12) Resolution. A certificate, together with fully executed copies of the Resolution, of the Secretary of the District Board of Directors to the effect that:

(A) such copies are true and correct copies of the Resolution; and

(B) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(13) Official Statement. Bonds of the appropriate officials of the District evidencing their determinations respecting the Official Statement in accordance with the Rule and not more than 25 copies of the Official Statement;

(14) Paying Agent Agreement. An executed copy of the Paying Agent Agreement.

(15) Continuing Disclosure Certificate. The Continuing Disclosure Certificate as summarized in the Official Statement and in the form attached thereto as Appendix E, satisfactory to the Underwriter which complies with the Rule; and

(16) Underwriter’s Certifications. At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds and the payment of the purchase price thereof, the Underwriter will provide (or cause to be provided) to the District:

(A) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, confirming delivery of the Bonds to the Underwriter, receipt of all documents required by the Underwriter, and the satisfaction of all conditions and terms of this Purchase Agreement by the District and confirming to the District that as of the date of the Closing all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects; and

(B) the certification of the Underwriter, in form satisfactory to Bond Counsel, regarding the prices at which the Bonds have been reoffered to the public; and

(17) Other Documents. Such additional legal opinions, Bonds, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) **Termination.** Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, California Time, on _____, 2023, then the obligation to purchase the Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 11 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Bond Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

11. Conditions to Obligations of the District. The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and Bonds being delivered at the Closing by persons and entities other than the District.

12. Costs and Expenses. Whether or not the transactions contemplated by this Bond Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the District shall pay from the proceeds of the Bonds or otherwise, all expenses and costs of the District incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Paying Agent, including fees and disbursements of its counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the District, and costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Service Bureau charges, regulatory fees imposed on new securities issuers, fees and disbursements of counsel to the Underwriter and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, shall be paid by the Underwriter.

13. Notices. Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the General Manager, or if to the Underwriter, to Oppenheimer & Co. Inc. 580 California Street, Suite 2300, San Francisco, CA 94104, Attention: Municipal Capital Markets Group.

14. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Bond Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Bond Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of

the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Bond Purchase Agreement.

15. Execution in Counterparts. This Bond Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

16. Applicable Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

OPPENHEIMER & CO., INC., as Underwriter

By _____
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

CARMICHAEL RECREATION AND PARK DISTRICT

By _____
[General Manager]

Time of execution: _____

APPENDIX A

MATURITY SCHEDULES AND REDEMPTION PROVISIONS

\$ _____
CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

<i>Maturity (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
	\$	%	%	

Redemption Provisions

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__, are also subject to redemption prior to their stated maturity in part by lot from mandatory sinking account payments on each _____, on and after _____, 20__, to and including _____, 20__, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium, as follows:

Sinking Fund Payment Date
August 1

Sinking Fund
Amount

\$

^t Maturity

The Bonds maturing on August 1, 20__, are also subject to redemption prior to their stated maturity in part by lot from mandatory sinking account payments on each _____, on and after _____, 20__, to and including _____, 20__, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium, as follows:

Sinking Fund Payment Date
(August 1)

Sinking Fund
Amount

\$

^t Maturity

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

§ _____
CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

The undersigned, on behalf of Oppenheimer & Co. Inc. (“**Oppenheimer**”), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned general obligation bonds (the “**Bonds**”).

I. General

1. Oppenheimer and the Carmichael Recreation and Park District (the “**Issuer**”) have executed a bond purchase agreement in connection with the Bonds on the Sale Date. Oppenheimer has not modified the bond purchase agreement since its execution on the Sale Date.

II. Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I.

III. Defined Terms

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

2. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

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

4. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2023.

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

All terms not defined herein shall have the same meanings as in the Certificate as to Arbitrage and Tax Compliance Procedures with respect to the Bonds, to which this Certificate is attached. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Oppenheimer's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. Accordingly, Oppenheimer makes no representation as to the legal sufficiency of the factual matters set forth herein. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party for any other purpose.

IV. Credit

Oppenheimer has calculated that the present value of the amounts paid to obtain the municipal bond insurance policy (the "**Policy**") securing the Bonds is less than the present value of the debt service reasonably expected to be saved as a result of having the Policy, using as the discount factor for this purpose the expected Yield with respect to the Bonds treating the fees paid as interest with respect to the Bonds.

To the best of Oppenheimer's knowledge, the fee paid to obtain the Policy was determined in arm's-length negotiation and was required as a condition to the issuance by _____. of the Policy.

Dated: _____, 2023

OPPENHEIMER & CO. INC., as Underwriter

By _____
Authorized Officer

SCHEDULE I TO ISSUE PRICE CERTIFICATE

\$
CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series A

<i>Maturity</i> <i>(August 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest</i> <i>Rate</i>	<i>Price</i>
	\$	%	

PAYING AGENT AGREEMENT

Relating to the Issuance of

\$ _____

Carmichael Recreation and Park District Election of 2022 General Obligation Bonds, Series 2023

This PAYING AGENT AGREEMENT (the "Agreement"), dated as of March 1, 2023, is between the CARMICHAEL RECREATION AND PARK DISTRICT, a recreation and park district organized and existing under the laws of the State of California (the "District") and the DIRECTOR OF FINANCE OF THE COUNTY OF SACRAMENTO, a County organized and existing under the laws of the State of California, as paying agent (the "Paying Agent").

B A C K G R O U N D :

1. More than two-thirds of the qualified voters of the District, voting at a special district election held on November 8, 2022, authorized the issuance by the District of general obligation bonds in the principal amount of \$31,900,000 to upgrade, construct, renovate and expand park facilities (collectively, the "Projects").

2. The District is empowered to issue general obligation bonds pursuant to Article 11, commencing with Section 5790, of Chapter 4 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "Bond Law") and a resolution of the Board of Supervisors of Sacramento County..

3. In order to finance certain Projects, the District has determined to issue its Election of 2022 General Obligation Bonds, Series 2023 in the aggregate principal amount of \$ _____ (the "Series 2023 Bonds"), pursuant to the Bond Law.

4. The District has requested the Paying Agent to enter into this Agreement for the purpose of providing the terms and provisions upon which the Series 2023 Bonds will be issued.

5. Pursuant to a resolution of the Board of Supervisors of the County of Sacramento (the "Board of Supervisors") adopted on February 16, 2022, the Board of Supervisors has approved the appointment of the Director of Finance of the County to serve as the bond registrar, transfer agent and the paying agent for the Series 2023 Bonds, and the execution and delivery of this Agreement by the Director of Finance to evidence such appointment

A G R E E M E N T :

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Paying Agent formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section, as used and capitalized herein, shall, for all purposes of this Agreement, have the meanings given them below, unless the context clearly requires some other meaning.

“Agreement” means this Paying Agent Agreement between the District and the Paying Agent, as originally executed and including all amendments hereto and supplements hereof which are duly executed and delivered by the District and the Paying Agent from time to time in accordance herewith.

“Board” means the Board of Directors of the District.

“Bond Counsel” means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Law” means, collectively, Public Resources Code Sections 5790 and following and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as in effect on the date of adoption hereof and as amended hereafter from time to time.

“Bond Measure” means the measure submitted to, and approved by, more than two-thirds of the District voters, under which the issuance of the District’s general obligation bond issuance has been authorized.

“Building Fund” means the fund established and held by the County under Section 3.03.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed or authorized to be closed in New York, New York, in the State of California or in any other state in which the Principal Office of the Paying Agent is located.

“Closing Date” means March __, 2022, being the date upon which there is a physical delivery of the Series 2023 Bonds in exchange for the amount representing the purchase price of the Series 2023 Bonds by the Underwriter.

“County” means the County of Sacramento, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

“Debt Service Fund” means the account established and held by the Director of Finance under Section 4.02.

“District” means the Carmichael Recreation and Park District, a recreation and park district organized under the Constitution and laws of the State of California, and any successor thereto.

“District Representative” means the District Administrator or the Administrative Services Manager of the District, the President of the Board, or any other duly appointed officer of the District authorized by resolution of the Board to act as a representative of the District hereunder.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.04.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“Director of Finance” means the Director of Finance of the County.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the full faith and credit of the United States of America.

“Interest Payment Date” means each February 1 and August 1, commencing _____, and continuing so long as any of the Series 2023 Bonds remain unpaid.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.04(a).

“Outstanding,” when used as of any particular time with reference to Series 2023 Bonds, means all Series 2023 Bonds except: (a) Series 2023 Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Series 2023 Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Series 2023 Bonds in lieu of or in substitution for which other Series 2023 Bonds shall have been authorized, executed, issued and delivered by the District under this Agreement.

“Owner”, whenever used with respect to a Series 2023 Bond, means the person in whose name the ownership of such Series 2023 Bond is registered on the Registration Books.

“Paying Agent” means the County of Sacramento, as paying agent, registrar and authenticating agent for the Series 2023 Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

“Principal Office” means the office or offices of the Paying Agent for the payment of the Series 2023 Bonds and the administration of its duties hereunder, as such office or offices shall be identified in a written notice filed with the District by the Paying Agent.

“Record Date” means the 15th calendar day of the month immediately preceding an Interest Payment Date, whether or not such day is a Business Day.

“Registration Books” means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Series 2023 Bonds under Section 2.09.

“Securities Depositories” means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered by the District to the Paying Agent.

“Series 2023 Bonds” means the \$_____ aggregate principal amount of Carmichael Recreation and Park District Election of 2022 General Obligation Bonds, Series 2023, at any time Outstanding.

“Supplemental Agreement” means any agreement which is supplemental to or amendatory of this Agreement, which has been duly authorized, executed and delivered by the District and the Paying Agent in accordance with Article VIII.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2023 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2023 Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Underwriter” means Oppenheimer & Co., as the initial purchaser of the Series 2023 Bonds upon the negotiated sale thereof, as designated pursuant to Section 3.01.

“Written Request of the District” means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District pursuant to a written certificate of a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Agreement; Findings.* This Agreement is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things,

conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Series 2023 Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Series 2023 Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

TERMS OF SERIES 2023 BONDS

SECTION 2.01. *Authorization.* The Series 2023 Bonds shall be issued in the aggregate principal amount of \$_____ under the provisions of the Bond Law and this Agreement for the purpose of raising money to finance facilities authorized under the Bond Measure. This Agreement constitutes a continuing agreement between the District and the Owners of all of the Outstanding Series 2023 Bonds to secure the District's full and final payment of principal and interest on the Series 2023 Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The Series 2023 Bonds are designated the "Carmichael Recreation and Park District Election of 2022 General Obligation Bonds, Series 2023".

SECTION 2.02. *Terms of Series 2023 Bonds.*

(a) Term of the Series 2023 Bonds. Each Series 2023 Bond shall be dated as of the Closing Date and shall be issued in fully registered form without coupons. The Series 2023 Bonds shall mature on August 1 in each of the years, and shall bear interest at the respective rates of interest per annum, as set forth in the following table:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

Interest on the Series 2023 Bonds is payable by the District from the Interest Payment Date next preceding the date of authentication thereof unless:

- (i) a Series 2023 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (ii) a Series 2023 Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable by the District from the Closing Date, or
- (iii) interest on any Series 2023 Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable by the District from the date to which interest has been paid in full.

(b) Payment. Interest on the Series 2023 Bonds (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the

Owner of at least \$1,000,000 aggregate principal amount of the Series 2023 Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Series 2023 Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. The principal of the Series 2023 Bonds at maturity is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

SECTION 2.03. *Redemption of Series 2023 Bonds.*

(a) Optional Redemption of Series 2023 Bonds. The Series 2023 Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturities. The Series 2023 Bonds maturing on or after August 1, 20__, are subject to redemption in whole or in part on any date on or after August 1, 20__, from such maturities as are selected by the District (and by lot within maturity) from any available source of funds, at a redemption price equal to the principal amount of Series 2023 Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

The District shall give the Paying Agent written notice of its intention to redeem Series 2023 Bonds under this subsection (a), and the manner of selecting such Series 2023 Bonds for redemption from among the maturities thereof, in sufficient time to enable the Paying Agent to give notice of such redemption in accordance with subsection (d) of this Section.

(b) Mandatory Sinking Redemption. The Series 2023 Bonds maturing on August 1, 20__ and August 1, 20__ (collectively, the "Term Bonds") are subject to mandatory redemption in whole, or in part by lot, from sinking fund deposits made by the District, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables, respectively:

Term Bonds Maturing August 1, 20__

**Sinking Account
Redemption Date
(August 1)**

**Principal Amount
To Be Redeemed
or Purchased**

(c) Selection of Bonds for Redemption. Whenever less than all of the Outstanding Series 2023 Bonds of any one maturity are to be redeemed, the Paying Agent shall determine by lot by such method as the Paying Agent shall deem fair and appropriate, the Series 2023 Bonds or portions thereof to be redeemed, and shall notify the District thereof. For purposes of such selection, Series 2023 Bonds shall be deemed to be composed of \$5,000 multiples and any such multiple may be separately redeemed. All Series 2023 Bonds redeemed pursuant to the Paying Agent Agreement shall be canceled and shall, upon Written Request of the District, thereupon be delivered to the

District. In the event only a portion of any Series 2023 Bond is called for redemption, then upon surrender of such Series 2023 Bond the District shall execute and the Paying Agent shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Series 2023 Bond or Bonds of the same series and maturity of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2023 Bond to be redeemed.

(d) Redemption Procedure. The Paying Agent on behalf and at the expense of the District shall mail (by first class mail) notice of any redemption to the respective Owners of any Series 2023 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however,* that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Series 2023 Bonds or the cessation of the accrual of interest thereon.

Such notice shall state the date of the notice, the redemption date, the redemption price, shall designate the CUSIP numbers, the bond numbers (if less than all Series 2023 Bonds of a maturity are to be redeemed) and the maturity or maturities (in the event of redemption of all of the Series 2023 Bonds of such maturity or maturities in whole) of the Series 2023 Bonds to be redeemed, and shall require that such Series 2023 Bonds be then surrendered at the Principal Office of the Paying Agent identified in such notice for redemption at the redemption price, giving notice also that further interest on such Series 2023 Bonds will not accrue from and after the redemption date. In addition, the redemption notice shall state that the District has the right to rescind the notice as provided in subsection (f) of this Section.

Upon surrender of Series 2023 Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Series 2023 Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2023 Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest on the Series 2023 Bonds so called for redemption have been duly provided, the Series 2023 Bonds called for redemption will cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Series 2023 Bonds redeemed under this Section and will furnish a certificate of cancellation to the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Series 2023 Bonds under subsections (a), (b) or (c) of this Section by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2023 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The District and the Paying Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption to the respective

Owners of any Series 2023 Bonds designated for redemption at their respective addresses appearing on the Registration Books, and to the Securities Depositories and to the Municipal Securities Rulemaking Board.

SECTION 2.04. *Book Entry System.*

(a) Original Delivery. The Series 2023 Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Series 2023 Bonds. Upon initial delivery, the Paying Agent shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Series 2023 Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Series 2023 Bonds the ownership of which is registered in the name of the Nominee, the District and the Paying Agent have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Series 2023 Bonds. Without limiting the generality of the immediately preceding sentence, the District and the Paying Agent have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2023 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2023 Bond Owner as shown in the Registration Books, of any notice with respect to the Series 2023 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2023 Bonds to be redeemed if the District elects to redeem the Series 2023 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2023 Bond Owner as shown in the Registration Books, of any amount with respect to principal or interest on the Series 2023 Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series 2023 Bonds. The District and the Paying Agent may treat and consider the person in whose name each Series 2023 Bond is registered as the absolute owner of such Series 2023 Bond for the purpose of payment of principal of and interest of such Series 2023 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2023 Bond, for the purpose of registering transfers of ownership of such Series 2023 Bond, and for all other purposes whatsoever. The Paying Agent shall pay the principal of and interest of the Series 2023 Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest of the Series 2023 Bonds to the extent of the sum or sums so paid. No person other than a Series 2023 Bond Owner shall receive a Series 2023 Bond evidencing the obligation of the District to make payments of principal and interest under this Agreement. Upon delivery by the Depository to the District of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Paying Agent.

(b) Representation Letter. In order to qualify the Series 2023 Bonds for the Depository's book-entry system, the District shall execute and deliver to such Depository a letter representing such matters as may be necessary to so qualify the Series 2023 Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the District or the Paying Agent

any obligation whatsoever with respect to persons having interests in the Series 2023 Bonds other than the Series 2023 Bond Owners. Upon the written acceptance by the Paying Agent, the Paying Agent agrees to take all action reasonably necessary for all representations of the Paying Agent in such letter with respect to the Paying Agent to at all times be complied with. In addition to the execution and delivery of such letter, the District may take any other actions, not inconsistent with this Agreement, to qualify the Series 2023 Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Series 2023 Bonds, or (ii) the District determines to terminate the Depository as such, then the District shall thereupon discontinue the book-entry system with such Depository. In that event, the Depository shall cooperate with the District and the Paying Agent in the issuance of replacement Series 2023 Bonds by providing the Paying Agent with a list showing the interests of the Depository System Participants in the Series 2023 Bonds, and by surrendering the Series 2023 Bonds, registered in the name of the Nominee, to the Paying Agent on or before the date such replacement Series 2023 Bonds are to be issued. The Depository, by accepting delivery of the Series 2023 Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the District fails to identify another Securities Depository to replace the Depository, then the Series 2023 Bonds are no longer required to be registered in the Registration Books in the name of the Nominee, but will be registered in whatever name or names the Owners transferring or exchanging Series 2023 Bonds may designate, in accordance with the provisions hereof.

If the District determines that it is in the best interests of the beneficial owners of the Series 2023 Bonds that they be able to obtain certificated bonds, the District may notify the Depository System Participants of the availability of such certificated bonds through the Depository. In such event, the Paying Agent will issue, transfer and exchange Series 2023 Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Paying Agent and the District shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Series 2023 Bonds to any Depository System Participant having Series 2023 Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Series 2023 Bonds, all at the District's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Agreement to the contrary, so long as any Series 2023 Bond is registered in the name of the Nominee, all payments of principal of and interest of that Series 2023 Bond and all notices with respect to that Series 2023 Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.05. *Form of Series 2023 Bonds*. The Series 2023 Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, as set forth in Appendix A.

SECTION 2.06. *Execution of Series 2023 Bonds*. The Series 2023 Bonds shall be signed by the facsimile signature of the President or Chairman of the Board and shall be

attested by the facsimile signature of the Secretary or Clerk of the Board. No Series 2023 Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Agreement unless and until the certificate of authentication printed on the Series 2023 Bond is signed by the Paying Agent as authenticating agent.

Only those Series 2023 Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A and Appendix B, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Paying Agent shall be conclusive evidence that the Series 2023 Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

SECTION 2.07. *Transfer of Series 2023 Bonds.* Any Series 2023 Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney, upon surrender of such Series 2023 Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Series 2023 Bond issued upon any transfer. Whenever any Series 2023 Bond is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Series 2023 Bond or Bonds, for like aggregate principal amount.

SECTION 2.08. *Exchange of Series 2023 Bonds.* Current Interest Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Current Interest Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Series 2023 Bond issued upon any exchange.

SECTION 2.09. *Registration Books.* The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Series 2023 Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Series 2023 Bonds as herein before provided.

ARTICLE III

SALE OF SERIES 2023 BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Issuance of Series 2023 Bonds.* Upon the execution and delivery of this Agreement on the Closing Date, the District shall execute and deliver the Series 2023 Bonds in the aggregate principal amount of \$_____ to the Paying Agent and the Paying Agent shall authenticate and deliver the Series 2023 Bonds to the Underwriters upon receipt of a Written Request of the District therefor.

SECTION 3.02. *Deposit and Application of Proceeds.* On the Closing Date, net proceeds of sale of the Series 2023 Bonds in the amount of \$_____ shall be paid by the Underwriter to the County, to be applied as follows:

- (a) the amount of \$_____, representing premium received by the District on the sale of the Series 2023 Bonds, shall be deposited by the County into the Debt Service Fund, to be applied for the sole purpose of paying interest next coming due and payable on the Series 2023 Bonds; and
- (b) the amount of \$_____ shall be deposited by the County into the Building Fund to be applied for the purposes set forth in Section 3.03.

SECTION 3.03. *Building Fund.* The District hereby requests the Director of Finance to establish, hold and maintain a fund to be known as the “Carmichael Recreation and Park District Building Fund, Election of 2022, Series 2023”, which the Director of Finance shall maintain as a separate account, distinct from all other funds of the County and the District. A portion of the proceeds from the sale of the Series 2023 Bonds shall be transferred to the Director of Finance to be credited to the Building Fund as set forth in Section 3.02(b). Amounts on deposit in the Building Fund shall be expended by the District solely to finance facilities for which the Series 2023 Bond proceeds are authorized to be expended under the Bond Measure, subject to the provisions hereof relating to federal tax covenants. All interest and other gain arising from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof.

ARTICLE IV

SECURITY FOR THE SERIES 2023 BONDS; PAYMENT OF DEBT SERVICE

SECTION 4.01. *Security for the Series 2023 Bonds.* (a) The Series 2023 Bonds are general obligations of the District payable by the District from the levy of *ad valorem* taxes upon all property within the District subject to taxation by the District, without limitation as to rate or amount, for the District’s payment of the Series 2023 Bonds and the interest thereon. In accordance with Section 5790.15 of the Public Resources Code, the District hereby requests the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Series 2023 Bonds are Outstanding in an amount sufficient for the District to pay the principal of and interest on the Series 2023 Bonds when due, including the principal amount of the Term Bonds which is required to be paid upon the mandatory sinking fund redemption thereof, which moneys when collected will be placed in the Debt Service Fund. Amounts held by the Director of Finance in the Debt Service Fund under Section 4.02 shall be credited towards the amount of *ad valorem* property taxes which is required to be levied by the County in any Fiscal Year during the term of the Series 2023 Bonds. Additionally, the County is directed to include in the tax levy the expense of paying the Series 2023 Bonds.

(b) No part of any fund or account of the County is pledged or obligated to the payment of the Series 2023 Bonds. The principal of and interest on Series 2023 Bonds do not constitute a debt (or a pledge of the full faith and credit) of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers,

agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event are the principal and interest on the Series 2023 Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District, except as provided in this Section.

(c) Nothing in this Agreement is intended or shall be construed to limit the ability of the District to pay any portion of the principal of or interest due on the Series 2023 Bonds from any source of legally available funds of the District. Any amounts so paid by the District shall be deposited in the Debt Service Fund and credited towards the levy of *ad valorem* property taxes next required to be made under this Section.

SECTION 4.02. *Establishment of Debt Service Fund.* The District hereby requests the Director of Finance to establish, hold and maintain a fund to be known as the "Carmichael Recreation and Park District General Obligation Bond Debt Service Fund, Election of 2022, Series 2023," to be maintained by the Director of Finance as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, as requested by the District herein, for the District's payment of the principal of and interest on the Series 2023 Bonds, in accordance with Section 4.01 shall be deposited in the Debt Service Fund by the Director of Finance promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund for the District's payment of the principal of and interest on the Series 2023 Bonds when and as the same become due. The Director of Finance shall transfer amounts in the Debt Service Fund to the Paying Agent, to the extent necessary for the District to pay the principal of and interest on the Series 2023 Bonds as the same become due and payable.

SECTION 4.03. *Disbursements From Debt Service Fund.* The Director of Finance shall administer the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section. The Director of Finance shall transfer amounts on deposit in the Debt Service Fund, to the extent necessary for the District to pay the principal of and interest on the Series 2023 Bonds, including the principal amount of the Term Bonds which is required to be paid upon the mandatory sinking fund redemption thereof, when due and payable, to the Paying Agent which, in turn, shall apply such moneys to pay such principal of and interest on the Series 2023 Bonds. Any moneys remaining in the Debt Service Fund after the Series 2023 Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, as provided in Section 5790.11(b) of the Public Resources Code.

Amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Series 2023 Bonds elsewhere than at the office of the Director of Finance. Pursuant to such provision, the District hereby authorizes the application of amounts in the Debt Service Fund to reimburse the Director of Finance for all costs and expenses incurred by it in processing the District's payments from time to time for the services of the Paying Agent which is designated for the Series 2023 Bonds under Section 6.01.

SECTION 4.04. *Investments.* All moneys held in any of the funds or accounts established with the Director of Finance hereunder shall be invested in accordance with the Government Code of California and the investment policies of the County, as such policies exist at the time of investment. Investment in the County's investment pool and the Local Agency Investment Fund is permitted. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Agreement, or otherwise containing proceeds of the Series 2023 Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, or (ii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

FINANCIAL COVENANTS

SECTION 5.01. *Punctual Payment.* The District will punctually pay, or cause to be paid, the principal of and interest on the Series 2023 Bonds, in strict conformity with the terms of the Series 2023 Bonds and of this Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and of the Series 2023 Bonds. Nothing herein prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Books and Accounts; Financial Statement.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries shall be made of all transactions relating to the expenditure of the proceeds of the Series 2023 Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Series 2023 Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.03. *Protection of Security and Rights of Series 2023 Bond Owners.* The District will preserve and protect the security of the Series 2023 Bonds and the rights of the Series 2023 Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Series 2023 Bonds by the District, the Series 2023 Bonds shall be incontestable by the District.

SECTION 5.04. *Tax Covenants.*

(a) Generally. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured

would cause, interest on the Series 2023 Bonds to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The District shall not use the proceeds of the Series 2023 Bonds in a manner which would cause the Series 2023 Bonds to become “private activity bonds” within the meaning of Section 141(a) of the Tax Code or to meet the private loan financing test of Section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2023 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the Series 2023 Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Series 2023 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(e) Exemption from Rebate Requirement. The District is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the District; the Series 2023 Bonds are not private activity bonds within the meaning of section 141 of the Internal Revenue Code of 1986 (the “Code”); and ninety-five percent (95%) of the Net Sale Proceeds of the Series 2023 Bonds are to be used for local governmental activities of the District. The aggregate face amount (or, issue prices, in the case of issues with a net original issue discount or net original issue premium in excess of two percent (2%) of the principal amount of the issue, excluding original issue premium used for reasonable underwriter’s compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Code) issued by the District, including all subordinate entities of the District and all entities which may issue obligations on behalf of the District, during the calendar year during which the Series 2023 Bonds are being issued, is not reasonably expected to exceed \$15,000,000, of which no more than \$5,000,000 is for other than the construction of public park and recreation facilities, excluding, however, that portion of current refunding obligations having a principal amount not in excess of the principal amount of the refunded obligation. By reason of the statements set forth in this subparagraph, the District will not rebate excess investment earnings, if any, to the federal government.

(f) Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the Series 2023 Bonds for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Tax Code, except certain qualified 501(c)(3) bonds as defined in section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Series 2023 Bonds, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2022.

The Paying Agent has no duty to monitor the compliance by the District with any of the covenants contained in this Section.

SECTION 5.05. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Series 2023 Bonds of the rights and benefits provided in this Agreement.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* The Director of Finance, or such other County official as designated by the Director of Finance, is hereby appointed to act as Paying Agent for the Series 2023 Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and even during the continuance of an event of default with respect to the Series 2023 Bonds, no implied covenants or obligations shall be read into this Agreement against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Agreement by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor, if not an official of the County, shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Series 2023 Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. *Paying Agent May Hold Series 2023 Bonds.* The Paying Agent may become the owner of any of the Series 2023 Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. *Liability of Agents.* The recitals of facts, covenants and agreements herein and in the Series 2023 Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Series 2023 Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Agreement. The Paying Agent is not liable in

connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Agreement.

No provision of this Agreement requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.04. *Notice to Paying Agent.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Agreement the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Agreement upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement. The District will indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

REMEDIES OF SERIES 2023 BOND OWNERS

SECTION 7.01. *Events of Default.* The following events constitute events of default hereunder:

- (a) Failure to pay any installment of the principal of or interest on any Series 2023 Bonds when due.
- (b) Failure by the District to observe and perform any of the other covenants, agreements or conditions on its part contained in this Agreement or in the Series 2023 Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the District by the Paying Agent or the owners of a majority in aggregate principal amount of the outstanding Series 2023 Bonds; provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an event of default if the District institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (c) The filing by the District of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the District, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

SECTION 7.02. *Remedies of Series 2023 Bond Owners.* Any Series 2023 Bond Owner has the right, for the equal benefit and protection of all Series 2023 Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Series 2023 Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series 2023 Bond Owners' rights; or

- (c) upon the happening and continuation of any default by the District hereunder or under the Series 2023 Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.03. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of Series 2023 Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Series 2023 Bond Owners.

SECTION 7.04. *Non-Waiver.* Nothing in this Article VII or in any other provision of this Agreement or in the Series 2023 Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Series 2023 Bonds to the respective Owners of the Series 2023 Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Series 2023 Bonds.

A waiver of any default by any Series 2023 Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series 2023 Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Series 2023 Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Series 2023 Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Series 2023 Bond Owners, the District and the Series 2023 Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VIII

AMENDMENT OF THIS AGREEMENT

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* For any one or more of the following purposes and at any time or from time to time, a Supplemental Agreement may be approved by the District and Paying Agent, which, without the requirement of consent of the Owners of the Series 2023 Bonds, shall be fully effective in accordance with its terms:

- (a) To add to the covenants and agreements of the District in this Agreement, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Agreement as theretofore in effect;

- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Agreement, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Agreement; or
- (c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Agreement, which in any event shall not materially adversely affect the interests of the Series 2023 Bond Owners, in the opinion of Bond Counsel filed with the District.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* Any modification or amendment of this Agreement and of the rights and obligations of the District and of the Owners of the Series 2023 Bonds, in any particular, may be made by a Supplemental Agreement, with the written consent of the Owners of a majority in aggregate principal amount of the Series 2023 Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Series 2023 Bonds or of any interest payable thereon by the District or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Series 2023 Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged by the District for the repayment of the Series 2023 Bonds without the consent of all the Owners of such Series 2023 Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. *Benefits Limited to Parties.* Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the County, the Paying Agent and the Owners of the Series 2023 Bonds, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Series 2023 Bonds.

SECTION 9.02. *Defeasance.*

(a) Discharge of Agreement. The Series 2023 Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal of and interest on such Series 2023 Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Series 2023 Bonds; or

- (iii) by delivering such Series 2023 Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Series 2023 Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Agreement), and notwithstanding that any Series 2023 Bonds have not been surrendered for payment, this Agreement and other assets made under this Agreement and all covenants, agreements and other obligations of the District under this Agreement shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Agreement which are not required for the District's payment of Series 2023 Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Series 2023 Bonds. Upon the deposit, at or before maturity, of money or securities in the necessary amount to pay or redeem any Outstanding Series 2023 Bond (whether upon or prior to its maturity or the redemption date of such Series 2023 Bond), provided that, if such Series 2023 Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Series 2023 Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest of such Series 2023 Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Series 2023 Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Series 2023 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Agreement it is provided or permitted that there be deposited with or held by the Paying Agent money or securities in the necessary amount to pay or redeem any Series 2023 Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Agreement and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Series 2023 Bonds and all unpaid interest thereon to maturity, except that, in the case of Series 2023 Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been

made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Series 2023 Bonds and all unpaid interest thereon to the redemption date; or

- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series 2023 Bonds to be paid or redeemed, as such principal and interest become due, provided that, in the case of Series 2023 Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Series 2023 Bonds After Discharge. Notwithstanding any provisions of this Agreement, any moneys held by the Paying Agent for the payment of the principal or redemption price of, or interest on, any Series 2023 Bonds and remaining unclaimed for two years after the principal of all of the Series 2023 Bonds has become due and payable (whether at maturity or upon call for redemption), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Series 2023 Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Agreement, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series 2023 Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series 2023 Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 9.03. *Execution of Documents and Proof of Ownership by Series 2023 Bond Owners.* Any request, declaration or other instrument which this Agreement may require or permit to be executed by Series 2023 Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series 2023 Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series 2023 Bond Owner or such Owner's attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Series 2023 Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series 2023 Bond shall bind all future Owners of such Series 2023 Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest on the Series 2023 Bonds. Nothing herein contained relieves any such Board member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.05. *Limited Duties of County; Indemnification.* Notwithstanding anything in this Agreement to the contrary, (a) the County (including its Board of Supervisors, officers, agents and employees) shall undertake only those duties of the County under this Agreement which are specifically set forth in this Agreement and in applicable provisions of the Bond Law, and even during the continuance of an event of default by the District with respect to the Series 2023 Bonds, no implied covenants or obligations shall be read into this Agreement against the County (including its Board of Supervisors, officers, agents and employees) and (b) the District further agrees to indemnify, defend and save the County (including its Board of Supervisors, officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith, and the District shall also reimburse the County (including its Board of Supervisors, officers, agents and employees) for any legal or other costs and expenses incurred in connection with investigating or defending any such liabilities or claims which are not due to its negligence or bad faith.

SECTION 9.06. *Destruction of Canceled Series 2023 Bonds.* Whenever in this Agreement provision is made for the surrender to the District of any Series 2023 Bonds which have been paid or canceled under the provisions of this Agreement, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series 2023 Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series 2023 Bonds therein referred to.

SECTION 9.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series 2023 Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the District Administrator of the District in trust for the benefit of the Series 2023 Bond Owners.

SECTION 9.08. *Payment on Business Days.* Whenever in this Agreement any amount is required to be paid on a day which is not a Business Day, such payment shall

be required to be made on the Business Day immediately following such day, provided that interest shall not accrue from and after such day.

SECTION 9.09. *Notices.* Any notice, request, complaint, demand or other communication under this Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The District or the Paying Agent may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District: Carmichael Recreation and Park District
5750 Grant Avenue
Carmichael, California 95608
Attention: District Administrator

If to the Paying Agent: County of Sacramento
700 H. Street, Room 3650
Sacramento, California 95814
Attention: Department of Finance

SECTION 9.10. *Unclaimed Moneys.* Anything in this Agreement to the contrary notwithstanding, subject to the laws of the State of California, any moneys held by the Paying Agent for the payment and discharge of any of the Series 2023 Bonds which remain unclaimed for two years after the date when such Series 2023 Bonds have become due and payable, either at their stated maturity dates, if such moneys were held by the Paying Agent at such date, or for two years after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Series 2023 Bonds become due and payable, shall, at the Written Request of the District, be repaid by the Paying Agent to the District, as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Series 2023 Bond Owners shall look only to the District for the payment of such Bonds; *provided, however,* that before being required to make any such payment to the District, the Paying Agent shall, at the expense of the District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the District.

SECTION 9.11. *Execution in Several Counterparts.* This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the District and the Paying Agent shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 9.12. *Governing Law.* This Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the CARMICHAEL RECREATION AND PARK DISTRICT has caused this Agreement to be signed in its name by its duly authorized officers and the COUNTY OF SACRAMENTO, in token of its acceptance of the trust created hereunder, has caused this Agreement to be signed in its corporate name by its duly authorized officer, all as of the day and year first above written.

CARMICHAEL RECREATION AND PARK DISTRICT

By _____
District Administrator

THE COUNTY OF SACRAMENTO,
as Paying Agent

By _____
Director of Finance

Approved as to Form:

By _____
County Counsel

APPENDIX A

FORM OF SERIES 2023 BOND

REGISTERED BOND NO.

\$

CARMICHAEL RECREATION AND PARK DISTRICT
(Sacramento County, California)
Election of 2022 General Obligation Bonds, Series 2023

INTEREST RATE: **MATURITY DATE:** **DATED AS OF:** **CUSIP**
% per annum August 1, _____, 2022

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Carmichael Recreation and Park District (the "District"), located in Sacramento County, California (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on February 1 and August 1 of each year, commencing _____ (each an "Interest Payment Date"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before _____, in which event it shall bear interest from the dated date. The principal hereof and interest hereon are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the paying agent, initially the County of Sacramento (the "Paying Agent").

The principal hereof is payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); provided, however, that at the written request of the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent before any Record Date, interest on such Bonds shall be

paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a series of \$_____ of bonds issued for the purpose of raising money for the acquisition, construction and rehabilitation of recreation and park facilities, issued under a resolution of the Board of Directors of the District adopted on February 16, 2022 (the "Bond Resolution"), under Sections 5790 and following of the Public Resources Code and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 of said Code (the "Bond Law") and under a Paying Agent Agreement dated as of March 1, 2022 (the "Paying Agent Agreement"), between the District and the Paying Agent. This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

All capitalized terms herein shall have the same meaning as the capitalized terms used in the Paying Agent Agreement. Reference is hereby made to the Paying Agent Agreement (copies of which are on file at the office of the District) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which the Owner of this Bond, by acceptance hereof, assents and agrees.

The principal of and interest on this Bond do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution and the Paying Agent Agreement. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 20__ shall be subject to redemption at the option of the District in whole or in part on any date on or after August 1, 20__ from such maturities as are selected by the District (and by lot within a maturity) from any available source of funds, at a redemption price equal to the principal amount of Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

The Bonds maturing on August 1, _____ (the "Term Bonds") are subject to mandatory redemption in whole, or in part by lot, from sinking fund deposits made by the District pursuant to the Paying Agent Agreement, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the Paying Agent Agreement, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to the optional redemption provision described above, the total amount of all future sinking fund redemption payments shall be reduced by the aggregate principal amount of Term Bonds so redeemed, to be allocated as directed by the District or, if not so directed, among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 as determined by the District (notice of which determination shall be given by the District to the Paying Agent).

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 20 days, but not more than 60 days, before the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th calendar day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a day on which the applicable notice of redemption is given; or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution, the Bond Law and the Paying Agent Agreement for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution, the Bond Law and the Paying Agent Agreement.

It is hereby certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution, the Bond Law and the Paying Agent Agreement until the Certificate of Authentication below has been manually signed by the Paying Agent.

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

IN WITNESS WHEREOF, the Carmichael Recreation and Park District has caused this Bond to be executed by the facsimile signature of the President of its Board of Directors, and attested by the facsimile signature of the Secretary of the Board, all as of the date stated above.

CARMICHAEL RECREATION AND PARK DISTRICT

By _____
Chair
Board of Directors

Attest:

Clerk
Board of Directors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Paying Agent Agreement referred to herein.

Date of Authentication:

THE COUNTY OF SACRAMENTO

as Paying Agent

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by a an eligible guarantor institution.

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