

JOINT COMMUNITY FACILITIES AGREEMENT

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the “Agreement”) is entered into effective as of the _____ day of _____, 2019, by and among MENIFEE UNION SCHOOL DISTRICT, a California School District (the “District”), EASTERN MUNICIPAL WATER DISTRICT, a public agency organized and existing pursuant to Division 20 of the California Water Code (“EMWD”), and RIVERSIDE MITLAND 03 LLC, a Delaware limited liability company (“Property Owner”) and relates to Menifee Union School District Community Facilities District No. 2019-2 (the “CFD”), which has been formed for the purpose of financing certain facilities to be owned, operated or maintained by the District or EMWD from the proceeds of bonds issued by the proposed CFD.

RECITALS:

A. The property (the “Property”) depicted in Exhibit “A” hereto, which is located in the County of Riverside, State of California, constitutes the land within the boundaries of the CFD.

B. Property Owner is the master developer of the Property. Property Owner intends to convey the Property to two or more merchant builders for residential development. The Property is described in Exhibit “B” hereto.

C. The Property Owner petitioned the District to form the CFD for the purpose of financing, among other things, certain public facilities to be constructed and owned and operated by EMWD (the “EMWD Facilities”) in lieu of the payment of EMWD Fees (defined herein).

D. In conjunction with the issuance of building permits for the construction of homes on the Property and/or receipt of water meters for such homes, the Property Owner, or its successors or assigns, may elect to advance EMWD Facilities costs in lieu of payment of EMWD Fees (the “Advances”) before Bond Proceeds are available in sufficient amounts to pay for EMWD Facilities. In such case, the Property Owner shall be entitled to (i) reimbursement of such Advances and (ii) credit against EMWD Fees which would otherwise be due to EMWD equal to the amount of Bond Proceeds disbursed to EMWD for EMWD Facilities, all as further described herein.

E. The District will have sole discretion and responsibility for the formation and administration of the CFD.

F. The District is authorized by Section 53313.5 of the Act to assist in the financing of the acquisition and/or construction of the EMWD Facilities. This Agreement constitutes a joint community facilities agreement, within the meaning of Section 53316.2 of the Act, by and among EMWD, the Property Owner, and the District, pursuant to which the CFD will be authorized to finance the acquisition and/or construction of all or a portion of the EMWD Facilities. As authorized by Section 53316.6 of the Act, responsibility for constructing, providing for and operating the EMWD Facilities is delegated to EMWD.

G. The parties hereto find and determine that the residents residing within the boundaries of EMWD, the District and the CFD will be benefited by the construction and/or acquisition of the EMWD Facilities and that this Agreement is beneficial to the interests of such residents.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Recitals. Each of the above recitals is incorporated herein and is true and correct.
2. Definitions. Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified.
 - (a) “Act” means the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.
 - (b) “Advances” means an amount paid by Property Owner or a merchant builder for EMWD Facilities in lieu of payment of EMWD Fees prior to the availability of sufficient Bond Proceeds.
 - (c) “Bond Proceeds” shall mean those net funds generated by the sale of the Bonds of the CFD and investment earnings thereon.
 - (d) “Bond Resolution” means that Resolution, Resolution Supplement, Fiscal Agent Agreement, Indenture of Trust or other equivalent document(s) providing for the issuance of the Bonds.
 - (e) “Bonds” shall mean those bonds, or other securities, issued by, or on behalf of the CFD in one or more series, as authorized by the qualified electors within the CFD.
 - (f) “Payment Request” means a request for payment relating to EMWD Facilities in the form attached hereto as Exhibit “D.”
 - (g) “EMWD Fees” means water supply development fees, water backup fees, sewer backup fees, sewer treatment capacity charges and all components thereof imposed by EMWD upon the Property to finance EMWD Facilities.
 - (h) “EMWD Facilities” means those sewer and water facilities listed on Exhibit “C” hereto, which are necessary for the provision of water and sewer services to the Property and paid for with Bond Proceeds in lieu of the payment of EMWD Fees.
 - (i) “EMWD Representative” means the EMWD Engineer or his designee.
 - (j) “Water District Facilities Account of the Improvement Fund” means the fund, account or sub-account of the CFD (regardless of its designation within the Bond

Resolution) into which a portion of the Bond Proceeds may be deposited to finance EMWD Facilities and which may have subaccounts.

(k) “Party” or “Parties” shall mean any one or all of the parties to this Agreement.

(l) “Rate and Method” means the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes within the CFD pursuant to proceedings undertaken for the formation of the CFD pursuant to the Act.

(m) “State” means the State of California.

(n) “Special Taxes” means the special taxes authorized to be levied and collected within the CFD pursuant to the Rate and Method.

3. Sale of Bonds and Use of Proceeds. In the event that Bonds are issued, the District and Property Owner shall determine the amount of Bond Proceeds to be deposited in the Water District Facilities Account of the Improvement Fund and each subaccount thereof. As Bond Proceeds are transferred to EMWD and reserved to fund EMWD Facilities, as described in Section 4 below, the Property Owner shall receive a credit in the amount transferred against the payment of EMWD Fees. Nothing herein shall supersede the obligation of an owner of the Property to make an Advance or pay EMWD Fees to EMWD when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue Bonds to provide a source of funds to finance EMWD Facilities in lieu of the payment of EMWD Fees. In the event that Bond Proceeds, including investment earnings thereon, are not available or sufficient to satisfy the obligation, then the Property Owner and any merchant builder shall remain obligated to make an Advance or pay EMWD Fees to EMWD as a condition of receiving water and sewer service to the Property. If and when the District determines it will issue Bonds, it shall take such actions necessary in its reasonable discretion and in accordance with the terms of the Rate and Method to ensure that the total effective tax rate for completed homes within the CFD does not exceed 2%. The District agrees not to include references to EMWD in the information provided to the County of Riverside that is to be included in the property tax bills for taxpayers within the CFD.

4. Disbursements for EMWD Facilities.

(a) Upon the funding of the Water District Facilities Account of the Improvement Fund, the Property Owner shall notify EMWD of the amount of Bond Proceeds to be reserved to fund EMWD Facilities and EMWD may execute and submit a Payment Request for payment to the District requesting disbursement of an amount equal to all Advances from the Water District Facilities Account of the Improvement Fund. Upon EMWD’s receipt of funds pursuant to such Payment Request, Property Owner shall receive reimbursement of the Advances from EMWD.

(b) From time to time following the funding of the Water District Facilities Account of the Improvement Fund, the Property Owner may notify EMWD in writing and request a disbursement from the Water District Facilities Account of the Improvement Fund to fund EMWD Facilities by executing and submitting a Payment Request. Upon receipt of such Payment Request completed in accordance with the terms of this Agreement, the CFD shall wire

transfer or otherwise pay to EMWD such requested funds to the extent that Bond Proceeds are available in the Water District Facilities Account of the Improvement Fund for such purpose. Upon such notice and EMWD's receipt of such disbursement relating to EMWD Facilities, Property Owner shall be deemed to have satisfied the applicable EMWD Fees with respect to the number of dwelling units or lots for which the EMWD Fees would otherwise have been required in an amount equal to such disbursement.

(c) EMWD agrees that prior to submitting a Payment Request requesting payment from the CFD it shall review and approve all costs included in its request and will have already paid or incurred such costs of EMWD Facilities from its own funds subsequent to the date of this Agreement, or will disburse such amounts to pay the costs of EMWD Facilities following receipt of funds from the CFD. In the event that EMWD does not disburse any Bond Proceeds received by it to third parties within five banking days of receipt, it will trace and report to the CFD all earnings, if any, earned by EMWD, from the date of receipt of such Bond Proceeds by EMWD to the date of expenditure by EMWD for capital costs of the EMWD Facilities. If required by the preceding sentence, such report shall be delivered at least semiannually until all Bond Proceeds are expended by EMWD.

(d) EMWD agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. EMWD will, upon request, provide the District and/or Property Owner with access to EMWD's records related to the EMWD Facilities and will provide to the District its annual financial report certified by an independent certified public accountant for purposes of assisting the District in calculating the arbitrage rebate obligation of the CFD, if any.

(e) The District or the CFD agrees to maintain full and accurate records of all amounts, and investment earnings, if any, expended from the Water District Facilities Account of the Improvement Fund. The District or the CFD will, upon request, provide EMWD and/or Property Owner with access to the District's or the CFD's records related to the Water District Facilities Account of the Improvement Fund. Notwithstanding the foregoing, the District and EMWD acknowledge that the District has the ultimate responsibility for issuance of the Bonds, the administration of the CFD and the tax exempt status of any Bonds issued by the CFD. Accordingly the Governing Board shall have ultimate responsibility for making all decisions with respect to the issuance of any Bonds and the levy of any Special Taxes.

5. Ownership of EMWD Facilities. The EMWD Facilities shall be and remain the property of EMWD.

6. Indemnification.

(a) Indemnification by District. District shall assume the defense of, indemnify and save harmless, EMWD and Property Owner, their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of District with respect to this Agreement and the issuance of the Bonds; provided, however, that District shall not be required to indemnify

any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(b) Indemnification by Property Owner. Property Owner shall assume the defense of, indemnify and save harmless, the District, the CFD and EMWD, their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of Property Owner with respect to this Agreement; provided, however, that Property Owner shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(c) Indemnification by EMWD. EMWD shall assume the defense of, indemnify and save harmless, the District, the CFD and Property Owner, their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of EMWD with respect to this Agreement, and the design, engineering and construction of the EMWD Facilities constructed by EMWD; provided, however, that EMWD shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

7. Allocation of Special Taxes. The entire amount of any Special Taxes levied by the CFD to repay Bonds, or to fund other obligations, shall be allocated to the CFD. The District agrees not to include references to EMWD in the information provided to the County of Riverside that is to be included in the property tax bills for taxpayers within the CFD.

8. Amendment and Assignment. This Agreement may be amended at any time but only in writing signed by each Party hereto. This Agreement may be assigned, in whole or in part, by a Property Owner to the purchaser of any parcel of land within the Property, provided, however, such assignment shall not be effective unless and until EMWD and the District have been notified, in writing, of such assignment.

9. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the Parties with respect to the subject matter of this Agreement.

10. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either Party shall be deemed to have received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

District: Menifee Union School District
 29775 Haun Road
 Menifee, California 92586
 Attention: Assistant Superintendent, Business Services

EMWD: Eastern Municipal Water District
P.O. Box 8300
2270 Trumble Road
Perris, California 92572-8300
Attention: Secretary to the Board

Property Owner: Riverside Mitland 03 LLC
c/o Brookfield Residential
3200 Park Center Drive, Suite 1000
Costa Mesa, CA 92626
Attention: Adrian Peters

Each Party may change its address for delivery of notice by delivering written notice of such change of address to the other Party hereto.

11. Exhibits. All exhibits attached hereto are incorporated into this Agreement by reference.

12. Attorney's Fees. In the event of the bringing of any action or suit by any Party against any other Party arising out of this Agreement, the Party in whose favor final judgment shall be entered shall be entitled to recover from the losing Party all costs and expenses of suit, including reasonable attorneys' fees.

13. Severability. If any part of this Agreement is held to be illegal or unenforceable by court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

14. Governing Law. This Agreement and any dispute arising hereunder shall be governed by interpreted in accordance with the laws of the State of California.

15. Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party hereto, or the failure by a Party to exercise its rights upon the default of another Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the terms of this Agreement thereafter.

16. No Third Party Beneficiaries. No person or entity other than the CFD, when and if formed, shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than EMWD, the District, the CFD, and Property Owner (and their respective successors and assigns, exclusive of individual homebuyers), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

17. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

MENIFEE UNION SCHOOL DISTRICT

By: _____

ATTEST:

By: _____

EASTERN MUNICIPAL WATER DISTRICT

By: _____

Name: _____

Its: General Manager

ATTEST:

By: _____

Board Secretary

PROPERTY OWNER

RIVERSIDE MITLAND 03 LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

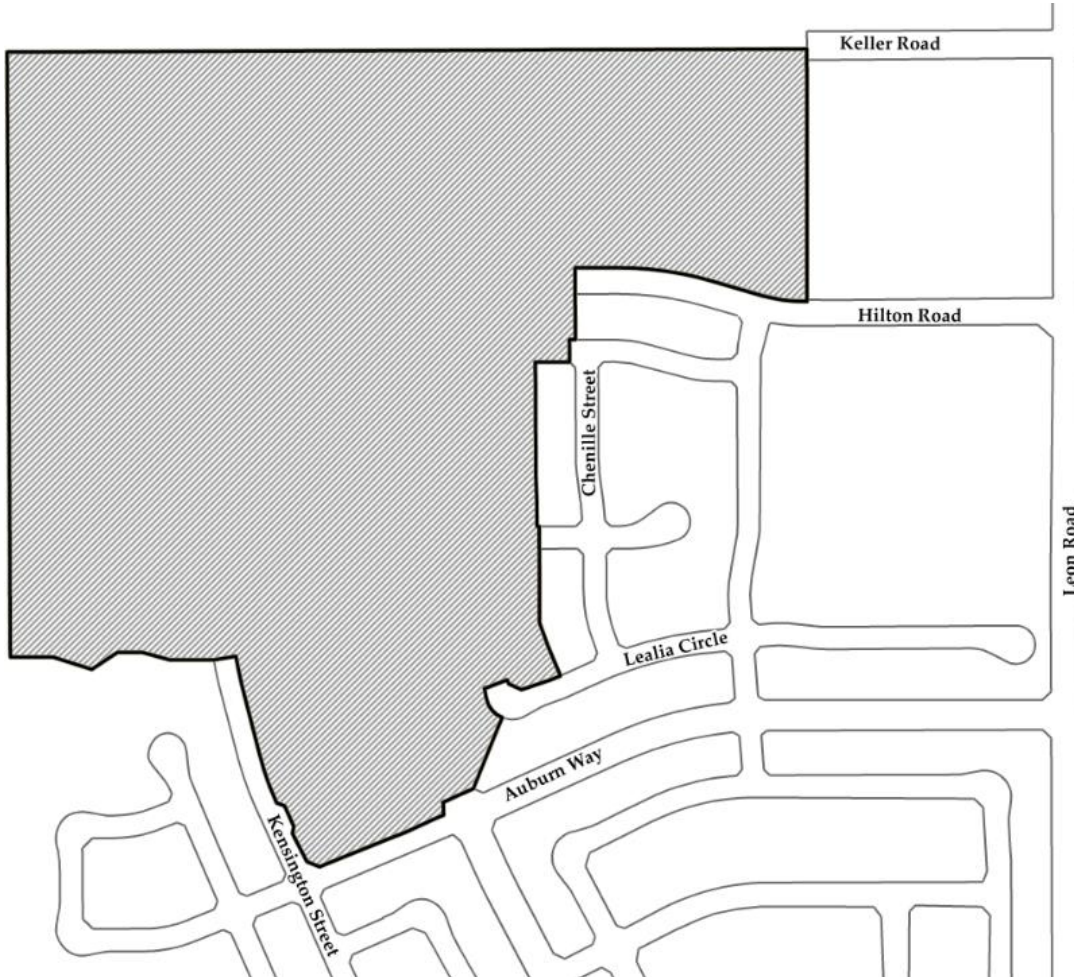
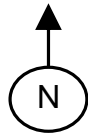
EXHIBIT A

DEPICTION OF PROPERTY

[Attach CFD Boundary Map]

BOUNDARY MAP OF PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2019-2 OF THE
MENIFEE UNION SCHOOL DISTRICT
RIVERSIDE COUNTY
STATE OF CALIFORNIA

copy 84/51



(1) Filed in the office of the Clerk of the Governing Board of the Menifee Union School District this 22nd day of October, 2019.

J. Bls Root
Clerk of the Governing Board

(2) I hereby certify that the within map showing the proposed boundaries of Community Facilities District No. 2019-2 of the Menifee Union School District, Riverside County, State of California, was approved by the Governing Board of the Menifee Union School District at a regular meeting thereof, held on this 22nd day of October, 2019 by its Resolution No. 220-50.

J. Bls Root
Clerk of the Governing Board

(3) Filed this 16th day of November 2019, at the hour of 2:43 o'clock P.M., in Book 84 of Maps of Assessment and Community Facilities Districts at pages 51-52 and as Instrument No. 2019-0454273 in the office of the County Recorder of Riverside County, State of California Fee: \$11.00

Peter Aldana
County Recorder of Riverside County
Peter Aldana

LEGEND

-  Boundary of Community Facilities District No. 2019-2
-  Exhibit A

EXHIBIT "A"
BOUNDARY MAP OF PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2019-2 OF THE
MENIFEE UNION SCHOOL DISTRICT
RIVERSIDE COUNTY
STATE OF CALIFORNIA

Prepared by:
Cooperative Strategies LLC

LEGAL DESCRIPTION

THE ASSESSOR'S PARCEL NUMBERS 480-010-017, 480-010-038, 480-010-039, AND 480-010-040 BEING LOTS 1 THROUGH 178, INCLUSIVE, AND LOTS A THROUGH S, INCLUSIVE, OF TRACT NO. 37053, IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, SUCH TRACT MAP BEING RECORDED ON SEPTEMBER 5, 2019 AS INSTRUMENT NUMBER 2019-0346075 IN BOOK 469, PAGES 47 THROUGH 61, INCLUSIVE, IN THE RECORDS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

copy 84 52

EXHIBIT B

DESCRIPTION OF PROPERTY

Lots 1 through 178, inclusive, and Lots A through S, inclusive, of Tract No. 37053, in the unincorporated area of the County of Riverside, State of California, as per map filed in Book 469, Pages 47 through 61, inclusive, in the office of the County Recorder of said County.

EXHIBIT C

EMWD FACILITIES DESCRIPTION

The type of EMWD Facilities eligible to be financed by the CFD under the Act are as follows:

“EMWD Facilities and Fees,” which is defined to include any of the following: funding of sewer and water capacity and connection fees payable to Eastern Municipal Water District (EMWD) to be used by EMWD to construct facilities; and the construction, acquisition, modification, expansion or rehabilitation of sewer system facilities and water system facilities to be owned, operated and maintained by EMWD, including capacity in existing facilities to the extent permitted by law.

ATTACHMENT NO. 1 TO EXHIBIT D

**CERTIFICATION OF AUTHORIZED REPRESENTATIVES OF
DEVELOPER AND EMWD**

The undersigned authorized representative of _____, certifies the following: (a) The fee amounts listed in the attached documentation are (*check [✓] one*): (i) due and payable to EMWD for the EMWD Fees described below; or (ii) payable to reimburse the Developer for EMWD Fees advanced to EMWD; and, in any case, has not formed the basis of any prior request for payment; and (b) the connection fees fund capital public facilities of EMWD under the fee ordinances of EMWD setting the fees.

Authorized Representative of Developer:

-EXHIBIT-

Signature: _____

Name: _____

Title: _____

Date: _____

The undersigned authorized representative of the Eastern Municipal Water District, certifies the following: (a) The fees amounts listed in the attached documentation are (*check [✓] one*) : (i) due and payable to EMWD for the EMWD Fees described below; or (ii) payable to reimburse the Developer for EMWD Fees advanced to EMWD; and, in any case, has not formed the basis of any prior request for payment; and (b) the connection fees fund capital public facilities of EMWD under the fee ordinances/resolutions of EMWD setting the fees.

Authorized Representative of EMWD:

-EXHIBIT-

Signature: _____

Name: _____

Title: _____

Date: _____