

FORM APPROVED COUNTY COUNSEL 1/25/16
 BY: GREGORY P. PRIAMOS DATE

Departmental Concurrence

**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

623



FROM: TLMA – Transportation Department

SUBMITTAL DATE:
 December 29, 2015

SUBJECT: Joint Community Facilities Agreement by and among the County of Riverside, City of Riverside, Riverside Unified School District, and Lennar Homes of California, Inc., relating to Community Facilities District No. 32. 1st District; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the subject Joint Community Facilities Agreement (JCFA) by and among County of Riverside (County), City of Riverside, Riverside Unified School District (RUSD), and Lennar Homes of California, Inc. (Developer), relating to Community Facilities District (CFD) No. 32; and
2. Authorize the Chairman of the Board to execute the same.

Patricia Romo

Patricia Romo
 Assistant Director of Transportation

Juan C. Perez

Juan C. Perez
 Director of Transportation and Land Management

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (Per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No

For Fiscal Year: N/A

C.E.O. RECOMMENDATION:

APPROVE

BY:

Tina Grande
 Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
 Nays: None
 Absent: None
 Date: February 9, 2016
 xc: Transp.

Kecia Harper-Ihem
 Clerk of the Board

By: *Kecia Harper-Ihem*
 Deputy

Prev. Agn. Ref.:

District: 1

Agenda Number:

3-29

- Positions Added
- Change Order
- A-30
- 4/5 Vote

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Joint Community Facilities Agreement by and among the County of Riverside, City of Riverside, Riverside Unified School District, and Lennar Homes of California, Inc., relating to Community Facilities District No. 32. 1st District; [\$0]
DATE: December 29, 2015
PAGE: 2 of 2

BACKGROUND:

Summary

The Developer petitioned the RUSD to form the CFD, which is located in the unincorporated Lake Mathews area of the County. The proposed boundaries of the CFD No. 32 are the same as the boundaries of the Developer's Tract Map No. 36390 (Tract), which provides for the development of approximately 343 single-family residential lots.

The proposed CFD will provide the means for financing of the construction and acquisition of certain public improvements associated with the Tract, including certain streets, storm drains, and related public improvements that will be constructed by the Developer and owned and maintained by the County in part and that will be owned and maintained by the City of Riverside in part, collectively the Project Facilities, upon completion by the Developer and acceptance by the respective County and City jurisdictions.

The JCFA establishes the responsibilities for the design, construction, inspection, acceptance, operation and maintenance of the Project Facilities and reimbursement for the costs of Project Facilities from the proceeds of the sale and issuance of special tax bonds by the CFD.

By entering into the JCFA, the County is not assuming any liability with regard to the formation of the CFD or the sale and issuance of any special tax bonds. The County Executive Office and the County of Riverside Transportation Department have participated in the negotiation and preparation of the JCFA and recommend that it be approved.

County Counsel has approved the JCFA as to legal form.

Impact on Residents and Businesses

Construction of the proposed Project Facilities will substantially help mitigate potential traffic and drainage issues in this development and provide the facilities funds to support construction on the development.

SUPPLEMENTAL:

Additional Fiscal Information

The Project Facilities constructed under this JCFA will be funded by the proceeds from the sale of special tax bonds issued by Riverside Unified School District Community Facilities District No. 32. The assessments that will be charged to the 343 new homes through the CFD will be disclosed to the potential new buyers.

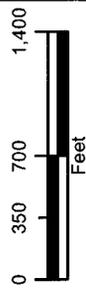
ATTACHMENTS:

Vicinity/Boundary Map
Joint Community Facilities Agreement

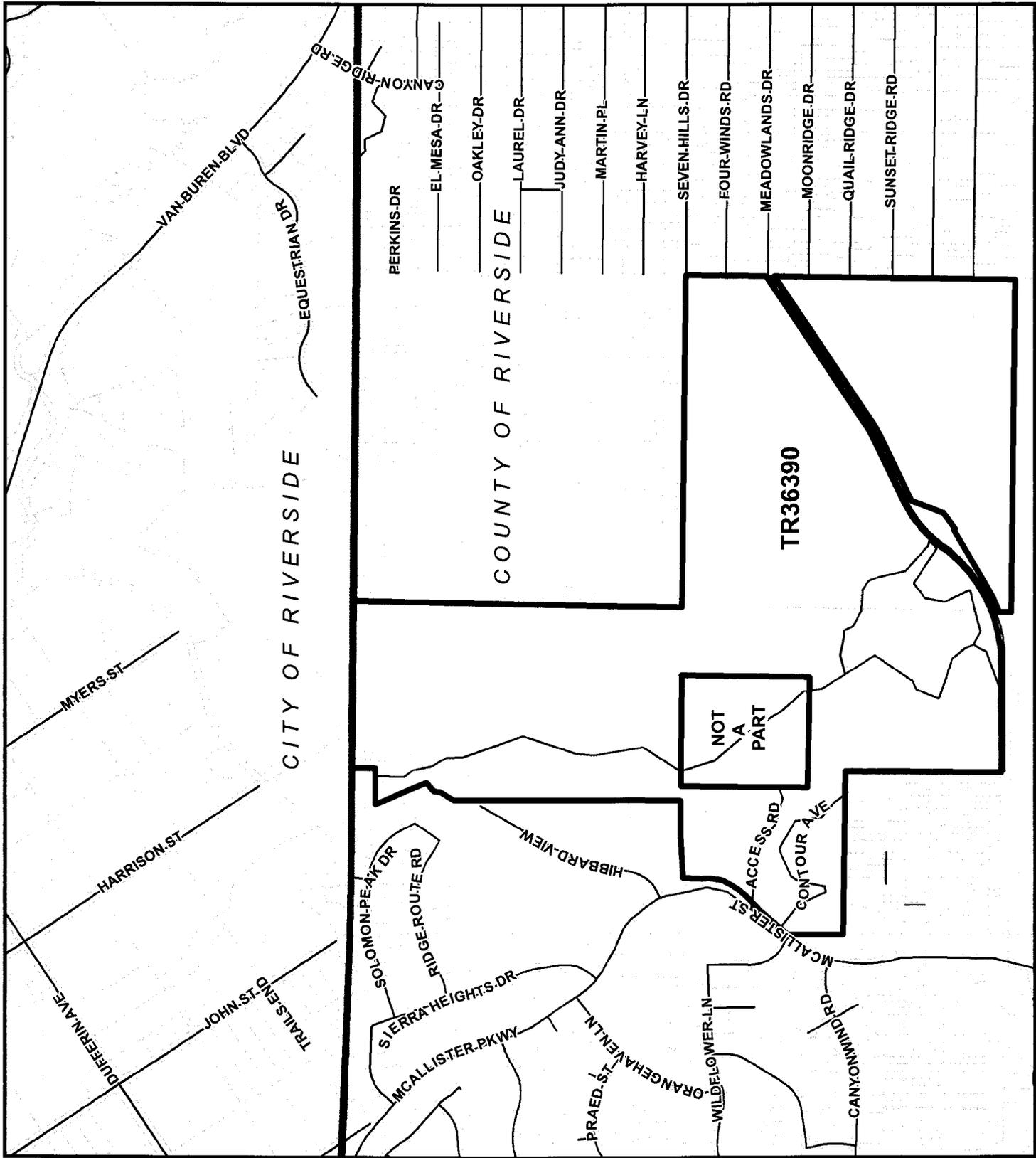
**RIVERSIDE
UNIFIED
SCHOOL
DISTRICT
COMMUNITY
FACILITIES
DISTRICT
NO. 32**

Tract Map 36390

 CDF Boundary



Disclaimer: Map and data are to be used for informational purposes only. Map features are approximate and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content or accuracy of any of the data provided, and assumes no legal responsibility for the information contained on this map. The user of this map shall be the sole responsibility of the user.



WHEN DOCUMENT IS FULLY EXECUTED RETURN

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

Contract No. 15-12-008
Riverside Co. Transportation

**JOINT COMMUNITY FACILITIES AGREEMENT
(Street Improvements)**

by and among

COUNTY OF RIVERSIDE,

CITY OF RIVERSIDE,

RIVERSIDE UNIFIED SCHOOL DISTRICT,

and

LENNAR HOMES OF CALIFORNIA, INC.

Dated as of May 31, 2016

**Relating to:
Community Facilities District No. 32
of Riverside Unified School District**

FEB 09 2016

3-29
2016-12-133665

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JOINT COMMUNITY FACILITIES AGREEMENT

THIS JOINT COMMUNITY FACILITIES AGREEMENT (this "Joint Community Facilities Agreement") is made and entered into as of _____, 2015, by and among the County of Riverside, a public subdivision of the State of California (the "County"), the City of Riverside, a municipal corporation (the "City"), Riverside Unified School District, a California school district (hereinafter the "School District"), and Lennar Homes of California, Inc., a California corporation ("Property Owner").

RECITALS

A. The Board of Education of the School District (the "Board of Education") has been requested to initiate proceedings to form a community facilities district that is to be identified as "Community Facilities District No. 32 of Riverside Unified School District" (the "Community Facilities District") under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") (commencing with Section 53311 of the California Government Code (the "Code")) that is to be located in an unincorporated portion of the County.

B. The Property Owner is the owner of certain real property located as generally shown on Exhibit A, attached hereto, representing Tract Map No. 36390 (the "Tract"), that provides for the development of approximately 343 proposed single family residential lots; the proposed boundaries of the Community Facilities District are coterminous with the boundaries of the Tract.

C. The Property Owner has requested and proposed that the Community Facilities District be formed for the purpose of providing the means of financing the construction and acquisition of certain public improvements, including but not limited to certain roads, streets, storm drains and related eligible public improvements that will be owned by the County in part (each a "County Facility" and, collectively, the "County Facilities") and that will be owned by the City in part (each a "City Facility" and, collectively, the "City Facilities" and together with the County Facilities, the "Project Facilities") to be constructed by the Property Owner with the purchase price therefor to be paid from the proceeds of bonds to be sold and issued by the Community Facilities District and from special taxes levied by the Community Facilities District and allocated to the financing of the Project Facilities (the "Allocated Special Taxes"). Upon the completion of the construction of each Project Facility by the Property Owner and the acceptance thereof by the County and the City as set forth herein, each County Facility is to be owned, maintained and operated by the County and each City Facility is to be owned, maintained and operated by the City. The Project Facilities are generally described in Exhibit B attached hereto and incorporated herein by this reference. In addition, the Community Facilities District will issue Bonds and may levy special taxes on developed property to finance certain public school facilities of the School District and certain facilities of the Western Municipal Water District.

D. Section 53313.5 of the Code provides that a community facilities district may only finance the purchase of facilities whose construction has been completed, as determined by the legislative body of the community facilities district, before the resolution of formation to establish the community facilities district is adopted pursuant to Section 53325.1 of the Code, except that a community facilities district may finance the purchase of facilities completed after the adoption of a resolution of formation if the facility is constructed as if it had been constructed under the direction and supervision, or under the authority of, the local agency.

E. Alternatively, Section 53314.9 of the Code provides that at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds or work in-kind from any source, including, but not limited to, private persons or entities, and may provide, by resolution, for the use of those funds or that work in-kind for any authorized purpose, under all of the following conditions: (a) the proposal to repay the funds or the value or cost of the work in-kind, whichever is less, is included in both the resolution of intention to establish the community facilities district adopted pursuant to Section 53321 of the Code and in the resolution to establish the community facilities district pursuant to Section 53325.1 of the Code, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any work in-kind accepted pursuant to Section 53314.9 of the Code shall have been performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority, of the local agency. For those Project Facilities for which the Property Owner seeks reimbursement pursuant to this Joint Community Facilities Agreement, the Property Owner shall comply with all of the applicable requirements set forth in the Public Contract Code regarding the notice of bidding and award of a contract for a public works project by a public agency.

F. Pursuant to the Act, the Board of Education, intends to consider a resolution of intention stating that it is the intention of the School District to cause the proposed Community Facilities District to be established and if established, the Community Facilities District will use its best efforts to sell and issue special tax bonds the proceeds of which will be used in part to pay the Property Owner the purchase price of the Project Facilities, provided all of the conditions of Sections 53313.5 and 53314.9 of the Code are satisfied and that the purchase price shall only be paid from the proceeds of special tax bonds, if any are sold and issued by the proposed Community Facilities District and from Allocated Special Taxes.

G. The Act provides that the proposed Community Facilities District may finance the Project Facilities only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code.

H. The County, the City, the School District and the Property Owner desire to enter into this Joint Community Facilities Agreement, as required by the aforementioned sections of the Code. The provisions of this Joint Community Facilities Agreement are intended to apply only to the Project Facilities.

I. The School District, the County, and the City by entering into this Joint Community Facilities Agreement will enable the Community Facilities District to finance some or all of the costs of acquiring and constructing the Project Facilities, and, consistent with Section 53316.2 of the Code, each of the School District, the County, and the City have determined that executing this Joint Community Facilities Agreement will be beneficial to the residents of their respective jurisdictions and to the owners of property within the Community Facilities District.

J. The design, construction, inspection, acceptance, operation and maintenance of the Project Facilities shall be accomplished in accordance with the provisions of this Joint Community Facilities Agreement. If the Property Owner wants to be paid or to be reimbursed for the costs of any Project Facility from the proceeds of the Bonds (when and if issued) or Allocated Special Taxes (when and if collected), it must comply with the specific provisions set forth in Article III of this Joint Community Facilities Agreement with respect to the Project

Facility. If the Property Owner chooses not to be paid or to seek reimbursement for a particular Project Facility from the proceeds of the Bonds or the Allocated Special Taxes, then the Property Owner shall not be bound by Article III of this Joint Community Facilities Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual premises and covenants contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Article I shall have the meaning herein specified when used in this Joint Community Facilities Agreement:

"Acceptable Title" means title to land, or an easement therein, delivered free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether any such item is recorded or unrecorded, except those non-monetary items which are reasonably determined by the County or the City, as applicable, not to interfere with the intended use of such land or easement and therefore are not required to be cleared from title.

"Acceptance Date" means, with respect to any Project Facility, the date that the County or the City, as applicable, accepts the Project Facility into its maintained system.

"Act" means the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the Code, as amended.

"Actual Cost" means, with respect to a Project Facility, to the extent authorized by law, an amount equal to the sum of (a) the Property Owner's actual, reasonable cost of constructing such Project Facility, including labor, material and equipment costs, (b) the Property Owner's actual reasonable cost of designing and preparing the Plans and Specifications for such Project Facility, including engineering services provided in connection with designing and preparing such Plans and Specifications, (c) the Property Owner's actual, reasonable cost of environmental evaluations required specifically for such Project Facility and any mitigation measures required by any governmental agency with jurisdiction with regard to such Project Facility, or portions thereof, (d) the amount of any fees actually paid by the Property Owner to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Project Facility, including but not limited to plan check and inspection fees by the County or the City, (e) the Property Owner's actual reasonable cost for professional services directly related to the construction of such Project Facility, including engineering, legal, inspection, construction staking, materials testing and similar professional services, (f) the Property Owner's actual, reasonable cost, as determined by the County Engineer, for construction management, bid administration and contract administration services which shall not exceed 2% of construction costs, (g) the Property Owner's actual reasonable cost of payment, performance or maintenance bonds and insurance for such Project Facility, (h) the Property Owner's actual, reasonable cost of any real property or interest therein acquired after the date on which the Community Facilities District is established pursuant to the Act from a party other

than the Property Owner, which real property or interest therein is either necessary for the construction of such Project Facility (e.g., temporary construction easements, haul roads, etc.) or is required to be conveyed with such Project Facility in order to convey Acceptable Title thereto to the County or City, as applicable, all as specified in a Payment Request that is to be reviewed and approved by the County Engineer; provided, however, that (x) no item of cost relating to a Project Facility shall be included in more than one category of cost specified in clauses (a) through (h) of this definition, and (y) each item of cost shall include only amounts actually paid by the Property Owner to third parties and shall not include overhead or other internal expenses of the Property Owner, except that, if Property Owner employees perform construction management, bid administration or contract administration services with respect to a Project Facility, the actual reasonable cost of the salaries and benefits paid by the Property Owner to such employees for performing such services may be included as an item of cost relating to such Project Facility for the category of cost specified in clause (f) of this definition and subject to the 2% limitation specified in clause (f).

"Administrator" means the Director of Planning and Development of the School District (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

"Allocated Special Taxes" means the special taxes levied and collected by the Community Facilities District that are allocated to the financing of the Project Facilities pursuant to the Mitigation Agreement and the Rate and Method.

"Board of Education" means the Board of Education of the School District.

"Board of Supervisors" means the Board of Supervisors of the County.

"Bonds" means the special tax bonds that the Community Facilities District may attempt to sell and issue in one or more series if the Proceedings are approved, a portion of the proceeds of which will be used to finance the acquisition and construction of the Project Facilities

"Business Day" means a day which is not a Saturday or Sunday or a day of the year on which the County is not required or authorized to be open.

"CEQA" means the California Environmental Quality Act (CEQA), constituting Section 21000 *et seq.* of the California Public Resources Code, as amended.

"City" means the City of Riverside, California, a municipal corporation.

"City Council" means the City Council of the City.

"City Facilities" means the street, roadway and related drainage improvements, including catch basins and connector pipes as identified and described in Exhibit B attached hereto that are to be owned, operated and maintained by the City.

"City Facility" means any individual facility owned by the City as identified and described in Exhibit B.

"Code" means the California Government Code.

"Community Facilities District" means "Community Facilities District No. 32 of Riverside Unified School District," a community facilities district to be organized and existing under the Act.

"Construction Site" means the sites on which the Project Facilities are to be constructed, including off site staging areas and material storage areas.

"County" means the County of Riverside, a political subdivision of the State, and its successors.

"County Engineer" means the Director of Transportation of the County (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

"County Facilities" means the street, roadway and related drainage improvements, including catch basins and connector pipes as identified and described in Exhibit B attached hereto that are to be owned, operated and maintained by the County.

"County Facility" means any individual facility owned by the County as identified and described in Exhibit B.

"General Prevailing Wage Rates" means those rates as determined by the Director of the Department of Industrial Relations of the State pursuant to Sections 1770, *et seq.* of the Labor Code of the State that are applicable to construction activity within the County.

"Hazardous Material" means any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous or toxic substances, material or waste which is or becomes regulated by any local governmental authority, the State or the Federal government and specifically includes, without limitation, any material or substance which is (i) designated as "hazardous substance" pursuant to Section 3111 of the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 *et seq.* (33 U.S.C. Section 1321), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 *et seq.* (42 USC Section 6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, (iv) petroleum or petroleum products, (v) asbestos, (vi) hydrocarbons, or (vii) polychlorinated biphenyl ("PCB" or PCB containing materials).

"Indenture" means each indenture, trust agreement, resolution, fiscal agent agreement or similar instrument, regardless of title, pursuant to which Bonds of the Community Facilities District have been issued and are outstanding, as originally executed or as the same may from time to time be supplemented or amended pursuant to the provisions thereof.

"Joint Community Facilities Agreement" means this Joint Community Facilities Agreement, as of the date hereinabove first written, by and among the County, the City, the School District, and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

"Legislative Body" means the Board of Education, acting *ex officio* as the legislative body of the Community Facilities District.

"Mitigation Agreement" means the Mitigation Agreement to be entered into by and between the School District and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

"Payment Request" means the document to be provided by the Property Owner to the County Engineer to substantiate the Purchase Price of one or more the Project Facilities, which shall be substantially in the form of Exhibit E attached hereto.

"Plans and Specifications" mean the plans and specifications for the Project Facilities prepared or to be prepared at the direction of the Property Owner pursuant to Section 4.1 hereof.

"Proceedings" means those proceedings to be undertaken by the Board of Education to consider the formation of the Community Facilities District and the approval by said Board of Education and the qualified electors of the Community Facilities District of the authorization to levy special taxes therein pursuant to the Rate and Method and to incur bonded indebtedness to finance the construction and acquisition of certain public improvements and by the Legislative Body to sell and issue the Bonds.

"Project Facilities" means the street, roadway and related drainage improvements, including catch basins and connector pipes as identified and described in Exhibit B attached hereto that are to be owned, operated and maintained by the County in part and by the City in part.

"Project Facility" means any individual facility as identified and described in Exhibit B.

"Project Facilities Account" means the account (however denominated) to be established pursuant to the Indenture to hold that portion of Bond proceeds to be applied to pay the Purchase Price for each Project Facility.

"Property Owner" means Lennar Homes of California, Inc., a California corporation, organized and existing under the laws of the State, and its successors and assigns, acting as the master developer of infrastructure within the Community Facilities District, including but not limited to the Project Facilities.

"Property Owner's Representative" means the person executing this Joint Community Facilities Agreement or the person or persons designated as such by the Property Owner in a certificate signed by the Property Owner and delivered to the School District, the Community Facilities District, the County, and the City consistent with Section 6.16., below.

"Public Contract Code" means the Public Contract Code of the State.

"Purchase Price" means, subject to the provisions of Section 3.2 hereof, the Actual Cost of a Project Facility as determined by the County Engineer.

"Rate and Method" means the rate and method of apportionment of special taxes for the Community Facilities District, approved pursuant to the Proceedings.

"**School District**" means the Riverside Unified School District, a school district organized and existing under the laws of the State of California.

"**State**" means the State of California.

"**Tract**" means Tract Map No. 36390.

ARTICLE II

CONDITIONS PRECEDENT

Section 2.1. Proceedings for the Formation of the Community Facilities District; Costs of Formation. The Property Owner has submitted to the School District an application requesting that the Proceedings be initiated by the School District to form the Community Facilities District for the purpose of financing the acquisition and construction of certain public facilities, including the Project Facilities, and to authorize the levy of special taxes within the Community Facilities District pursuant to the Rate and Method and the incurrence of bonded indebtedness to finance the construction and acquisition of said public facilities and for the Legislative Body to authorize the sale and issuance of the Bonds pursuant to the Act and the Indenture.

Should the formation of the Community Facilities District be approved to finance the acquisition and construction of the Project Facilities, the Legislative Body will use its best efforts to cause the Bonds to be sold and issued in one or more series, pursuant to the terms of the Act, the Indenture and the applicable sections of the Mitigation Agreement. A portion of the proceeds of the Bonds are intended to provide funds that will allow the Community Facilities District to finance all or a portion of the costs of constructing and acquiring the Project Facilities. Should the Board of Education not approve the formation of the Community Facilities District, the School District, the County, the City, and the Property Owner will not be bound by the terms of this Joint Community Facilities Agreement and it shall be considered null and void by the parties to it. The School District will notify all parties, pursuant to section 6.7, to this Joint Community Facilities Agreement within fifteen (15) calendar days if the School District determines not to form the Community Facilities District.

The Property Owner acknowledges that the decision of the Board of Education to approve the formation of the Community Facilities District is an exercise of legislative discretion by the Board of Education and Legislative Body, respectively, and the School District may not enter into a contract or obligate either the Board of Education or the Legislative Body to exercise its legislative discretion in a particular manner. This Joint Community Facilities Agreement does not, therefore, in any way create a contractual, legal or equitable obligation of or commitment by the Board of Education to approve the formation of the Community Facilities District.

The Board of Education and the Legislative Body shall have the jurisdiction to and shall be solely responsible for undertaking the Proceedings consistent with the provisions of the Act, the Indenture, and the Mitigation Agreement.

Neither the County nor the City is directly or indirectly approving or responsible in any way whatsoever for: (i) the levy of special taxes within the Community Facilities District or (ii)

the issuance of the Bonds. Neither the County nor the City shall be responsible in any way whatsoever for the costs of formation of the Community Facilities District.

Section 2.2. Addendum to Exhibit B of this Joint Community Facilities Agreement for Modification of the Project Facilities. It is the intent of both the Property Owner and the School District to cause one or more series of Bonds to be issued. All of the Project Facilities eligible to be financed by the Community Facilities District are identified in Exhibit B. The descriptions of the Project Facilities are general and any minor differences between the Project Facilities described in Exhibit B and those Project Facilities actually acquired hereunder shall not prevent the financing of such Project Facilities. Further refinement of the descriptions of the Project Facilities may be addressed by an addendum to Exhibit B that is to be prepared by the County Engineer and executed by the Administrator, the County Engineer and the Property Owner and will not require further amendment to this Joint Community Facilities Agreement. Other than the modifications described in the previous sentence, should there be additional amendments deemed necessary by the County or the City to be made to this Joint Community Facilities Agreement, any necessary amendments to this Joint Community Facilities Agreement shall be made pursuant to Section 6.4., hereof, and such amendments shall be made prior to the authorization by the Legislative Body to sell and issue any additional series of Bonds the proceeds of which will be used to finance the particular Project Facilities requiring a modification of their description.

Section 2.3. Fee Deposit with County for Preparation and Implementation of this Joint Community Facilities Agreement. The Property Owner is to cause to be deposited with the County Executive Officer, or his/her designee (the "Special Districts Administrator") an aggregate amount of \$4,000 for this Joint Community Facilities Agreement being prepared with regard to the Community Facilities District, of which \$4,000 has been deposited by the Property Owner, to be held in a trust account to cover all costs incurred in drafting, preparing and implementing this Joint Community Facilities Agreement. The Special Districts Administrator will prepare an accounting of the costs incurred and provide an accounting to the Property Owner. If the amount deposited is insufficient to cover such costs, the Property Owner will cause an additional amount to be deposited with the Special District Administrator within thirty (30) calendar days of being provided a written request for the additional funds. The amounts deposited with the Special District Administrator that have not been used will be returned to the Property Owner. Any portion of the amounts deposited with the Special District Administrator that are used for the purposes identified above shall be reimbursable to the Property Owner from the proceeds of the Bonds.

ARTICLE III

ACQUISITION OF PROJECT FACILITIES

Section 3.1. Acquisition of Project Facilities. The provisions of this Article III shall apply only to those Project Facilities that the Property Owner elects to finance with the proceeds of the Bonds deposited in the Project Facilities Account or Allocated Special Taxes.

For such Project Facilities, the Property Owner hereby agrees (i) to transfer to the County each of the County Facilities and (ii) to transfer to the City each of the City Facilities, and the Community Facilities District hereby agrees to pay the Purchase Price(s) therefor, subject to the terms and conditions hereof and the Mitigation Agreement. Acceptable Title to any parcels on which such Project Facilities are constructed and for which title is not presently held by the County or City, as applicable, as well as Acceptable Title to such Project Facilities shall be transferred to the County or City, as applicable, as of the Acceptance Date; provided, however, that notwithstanding such transfer, as provided in Section 4.9., hereof, the Property Owner shall be solely responsible for the maintenance of each such Project Facility until the Acceptance Date of said Project Facility.

The Purchase Price for each such Project Facility will be paid solely from the amounts on deposit in the Project Facilities Accounts established by the Indenture for the issuance of Bonds or Allocated Special Taxes, and the Community Facilities District shall not be obligated to pay the Purchase Price of any Project Facility except from the amounts on deposit in said Project Facilities Account or and Allocated Special Taxes of the Community Facilities District. None of the School District, the Community Facilities District, the County, or the City makes any warranty, either expressed or implied, that the proceeds of the Bonds deposited in such Project Facilities Accounts or Allocated Special Taxes, and interest earnings, will be sufficient to pay the full amount of the Purchase Price of the Project Facilities or any specific Project Facility.

It is understood by the Property Owner that the net principal amount of the Bonds that will be deposited in the Project Facilities Account, pursuant to the terms of the Mitigation Agreement and the applicable Indenture, the Allocated Special Taxes, and any investment earnings thereon, may not be sufficient to pay the full amount of the Purchase Prices for the Project Facilities, or any Project Facility, at the time a Payment Request is approved by the County Engineer. If the amounts available at the time a Payment Request is approved by the County Engineer and submitted to the Administrator for payment, are not sufficient to pay the Purchase Price for any Project Facility, the timing of the payment of the Purchase Price and the proportionate amount of the Purchase Price to be paid will be determined consistent with the terms of the Mitigation Agreement. It is understood that, at all times, for the purpose of this Joint Community Facilities Agreement, the construction of the Project Facilities that the Property Owner elects to finance with the proceeds of Bonds and Allocated Special Taxes will be accomplished by the Property Owner with the expectation that the Purchase Price for each such Project Facility is to be paid by the Community Facilities District (but solely from the proceeds of the Bonds, if any, issued for and deposited in the Project Facilities Account(s) and the Allocated Special Taxes), and that the conveyance of any such Project Facility to the County or the City, as applicable, prior to the receipt of the Purchase Price, or any portion thereof, for said

Project Facility will not constitute or be construed as a dedication, gift, or waiver of the payment of the Purchase Price or any unpaid balance thereof.

Notwithstanding any other provision of this Joint Community Facilities Agreement, the fact that there may not be sufficient funds available from the Community Facilities District to pay the Purchase Price for any such Project Facility will not relieve the Property Owner from its obligation to construct such Project Facility consistent with the conditions of approval for the Tract to construct the Project Facilities.

Failure of the Property Owner to fully comply with the terms this Article may result in a denial of the Property Owner's request for reimbursement of costs incurred in the design, engineering and construction of such Project Facilities. Compliance with Articles III shall be determined separately for each Project Facility.

Each Project Facility identified and described in Exhibit B may be acquired by the County and the City, as applicable, pursuant to the terms hereof provided such Project Facility has been accepted by the County and the City, as applicable, in accordance with the terms of this Joint Community Facilities Agreement.

Section 3.2. Determination of the Purchase Price; Processing of Payment Requests. The determination of the Purchase Price for a Project Facility shall be made consistent with the provisions of this Section 3.2.

In order for the County Engineer to be able to determine the Purchase Price and for the Property Owner to receive the Purchase Price for a completed Project Facility, the Property Owner shall deliver to the County Engineer:

- (a) A complete Payment Request for said Project Facility, together with all attachments and exhibits needed to be included therewith;
- (b) A copy of (i) the documents conveying or which previously conveyed to the County Acceptable Title to the real property on, in or over which such County Facility is located, as provided in Section 3.3 hereof, and Acceptable Title to the County Facility and (ii) the documents conveying or which previously conveyed to the City Acceptable Title to the real property on, in or over which such City Facility is located, as provided in Section 3.4 hereof, and Acceptable Title to the City Facility.
- (c) A copy of the Notice of Completion for said Project Facility that will be filed in accordance with Section 3093 of the California Civil Code, if applicable. Final lien releases addressed to the School District, the Community Facilities District, the County, and the City must be received by the County Engineer prior to the County Engineer executing the authorization for the Community Facilities District to pay the Purchase Price.
- (d) The Property Owner's civil engineer of record or construction civil engineer of record duly registered in the State shall provide to the County redlined "as-built" plans and profile sheets for the Project Facility. After the County's approval of the redlined "as-built" drawings, the Property Owner's engineer shall schedule with the County a time to transfer the redlines onto the County's original mylars at the County's office, after

which, said engineer shall review, stamp and sign the original mylars "As-Built." The County will provide copies of the As-Built drawings to the City for the City Facilities.

Notwithstanding anything to the contrary contained herein, no payment of the Purchase Price for any Project Facility shall be made unless the County has by written notice to the Administrator stated that, as applicable, (i) the County has accepted ownership of the County Facility as constructed and to include it as part of its maintained road system as of the Acceptance Date and (ii) the City has accepted ownership of the City Facility as constructed and to include it as part of its maintained road system as of the Acceptance Date.

When the County Engineer has been provided with a complete Payment Request for the Purchase Price and all other documents as required by her/him to determine the Purchase Price, the County Engineer will sign the Payment Request, identifying the completed Project Facility and specifying the Purchase Price to be paid, and forward it to the Administrator for payment.

Upon receipt of such a completed Payment Request from the Contract Administrator, the Administrator shall submit it to the fiscal agent or trustee for the Project Facilities Account from which the Purchase Price is to be paid and/or to the Community Facilities District to be paid from the Allocated Special Taxes, together with such other information as the fiscal agent or trustee or the Community Facilities District may require to authorize payment of the Purchase Price. If at the time such a Payment Request is received by the Administrator, there are not sufficient funds to pay the Purchase Price for the identified Project Facility, the Administrator shall notify the Contract Administrator and the Property Owner of the amount of funds that are to be applied to payment of a portion of the Purchase Price for the Project Facility, and shall authorize the fiscal agent or trustee or the Community Facilities District to pay the available amount to the Property Owner as a partial payment of the Purchase Price for the Project Facility.

Section 3.3. Dedication of Property and Easements to County. Acceptable Title to all property not presently held by the County on, in or over which any County Facility will be located shall be conveyed to the County by way of grant deed, quitclaim, or dedication of such property, or easement thereon, if such easement is approved by the County as being a sufficient interest therein to permit the County to properly own and operate and maintain such County Facility located therein, thereon or thereover, and to permit the Property Owner to perform its obligations as set forth in this Joint Community Facilities Agreement.

The Property Owner shall furnish to the County a title report for such property not previously dedicated or otherwise conveyed to the County for review and approval at least thirty (30) calendar days prior to the notice required by Section 4.6 hereof. The County shall approve the title report unless it reveals a matter that, in the sole judgment of the County, could materially affect the County's use and enjoyment of any part of the property or easement covered by the title report. In the event the County does not approve such title report, the County shall notify the Administrator in writing and the County shall not be obligated to accept title to a County Facility, and the Community Facilities District shall not be obligated to pay any portion of the Purchase Price for a County Facility until the Property Owner has cured such objections to title to the satisfaction of the County.

Consistent with the preceding paragraph, the Property Owner shall obtain and provide, or cause to be obtained or provided, to the County duly executed irrevocable offer(s) of dedication to the public for road and drainage purposes, including ingress and egress, for rights of way

deemed necessary by the County for the construction, inspection, operation and maintenance of the County Facilities. The irrevocable offer(s) of dedication shall be in a form approved by the County and shall be executed by all legal and equitable owners described in the offer.

Section 3.4 Dedication of Property and Easements to City. Acceptable Title to all property not presently held by the City on, in or over which any City Facility will be located shall be conveyed to the City by way of grant deed, quitclaim, or dedication of such property, or easement thereon, if such easement is approved by the City as being a sufficient interest therein to permit the City to properly own and operate and maintain such City Facility located therein, thereon or thereover, and to permit the Property Owner to perform its obligations as set forth in this Joint Community Facilities Agreement.

The Property Owner shall furnish to the City a title report for such property not previously dedicated or otherwise conveyed to the City for review and approval at least thirty (30) calendar days prior to the notice required by Section 4.6 hereof. The City shall approve the title report unless it reveals a matter that, in the sole judgment of the City, could materially affect the City's use and enjoyment of any part of the property or easement covered by the title report. In the event the City does not approve such title report, the City shall notify the Administrator in writing and the City shall not be obligated to accept title to a City Facility, and the Community Facilities District shall not be obligated to pay any portion of the Purchase Price for a City Facility until the Property Owner has cured such objections to title to the satisfaction of the City.

Consistent with the preceding paragraph, the Property Owner shall obtain and provide, or cause to be obtained or provided, to the City duly executed irrevocable offer(s) of dedication to the public for road and drainage purposes, including ingress and egress, for rights of way deemed necessary by the City for the construction, inspection, operation and maintenance of the City Facilities. The irrevocable offer(s) of dedication shall be in a form approved by the City and shall be executed by all legal and equitable owners described in the offer.

Section 3.5. Public Works Bid and Construction Requirements.

(a) In order to ensure that a Project Facility that is to be acquired with the proceeds of the Bonds or the Allocated Special Taxes will be constructed as if it had been constructed under the direction and supervision, or under the authority of, a public agency, so that they may be acquired pursuant to Sections 53313.5 and 53314.9 of the Code, the Property Owner shall comply with all of the applicable requirements set forth in the Public Contract Code regarding the notice of bidding and award of a contract for a public works project by a public agency.

(b) Prior to awarding the construction contract for any Project Facilities, the Property Owner shall submit a bid packet, including the invitation and specifications for submitting a bid and the general and specific conditions regarding the construction of the Project Facility, for review and approval to the County Engineer. A copy of the bid packet, once approved, is to be provided to the Administrator. The contract for construction of any Project Facility is to be awarded to the responsible bidder submitting the lowest responsive bid after public notice inviting sealed bids. Bids are to be publicly solicited consistent with applicable provisions of the Public Contract Code dealing with the bidding of public works projects constructed by the County. Public notice is to be given consistent with the Public Contract Code as to the date, time and place where bids will be opened. The County Engineer is to be provided with copies of all bids received formatted consistent with Exhibit C, attached thereto, and an executed declaration,

the form of which will be provided by the County Engineer, that all public bidding procedures as required by the County have been complied with.

(c) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on a Project Facility, to pay not less than General Prevailing Wage Rates to all workers employed in the execution of the contract, as required by the California Labor Code, to post a copy of the General Prevailing Wage Rates at the job-site in a conspicuous place available to all employees and applicants for employment, and to otherwise comply with applicable provisions of the California Labor Code, the Code, and the California Public Contract Code relating to General Prevailing Wage Rates as required by the specifications approved by the County Engineer. The Property Owner can obtain a current copy of the tables setting forth the General Prevailing Wage Rates through the Department of Industrial Relation on their website at www.dir.ca.gov.

(d) The Property Owner shall require each principal contractor to provide proof of insurance coverage to the County, the City, and the Administrator satisfying the requirements of Section 4.11., hereof, throughout the term of the construction of the Project Facilities. Rather than requiring its principal contractors to provide such insurance, the Property Owner may elect to provide the same for the benefit of its principal contractors.

(e) Each principal contractor engaged to perform work on the Project Facilities shall be required to furnish (i) labor and material payment bonds, and (ii) contract performance bonds, each in an amount equal to 100% of the contract price naming the Property Owner, the Community Facilities District, the County, the City, and the School District, as obligees with an admitted surety insurer which complies with the provisions of Section 995.660 of the California Code of Civil Procedure. All such bonds shall be in a form as shown in Exhibit D. The bonds tendered pursuant to this sub-section are to be accepted and held by the County Engineer.

(f) The Property Owner shall comply, and shall cause each contractor, subcontractor, vendor, equipment operator and owner operator, in each such case to the extent such individual or entity is engaged to perform work on the Project Facilities, to comply, with such other requirements relating to the construction of the Project Facilities as the County may impose by written notification delivered to the Property Owner, to the extent legally required as a result of changes in applicable federal, State, or County laws, regulations, rules or procedures.

(g) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on the Project Facilities, to maintain and submit certified weekly payroll records or other proof of payment of General Prevailing Wage Rates as set forth in the Labor Code.

(h) All change orders shall be reviewed and approved by the County Engineer for the purpose of ensuring that they comply with County standards and for the work represented by the change order to be eligible for consideration in determining the Purchase Price.

(i) The Property Owner shall provide proof to the Administrator and the County Engineer, at such intervals and in such form as the Administrator or the County Engineer may require, that the foregoing requirements have been satisfied as to all of the Project Facilities.

(j) The Property Owner has deposited or will deposit with the County an appropriate amount, as determined by the County, to cover the anticipated costs, deemed necessary and reasonable, associated with the review and approval of the Plans and Specifications, the review and approval of right of way and conveyance documents and with the processing and administration of this Joint Community Facilities Agreement. The Property Owner, within thirty (30) calendar days after receipt of an additional billing for such costs, will forward the billed amount to the County.

(k) At the time the Property Owner submits a "Notice of Intent" to commence construction as set forth in Section 4.6, below, the Property Owner shall deposit with County the estimated cost of providing construction inspection for the Project Facilities, in an amount as determined and approved by County in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County, based upon the bonded value of Project Facilities to be inspected, operated and maintained by the County.

ARTICLE IV

CONSTRUCTION OF THE PROJECT FACILITIES

This Article IV sets forth the terms and conditions which the Property Owner shall follow to ensure acceptance of the Project Facilities by the County or the City, as applicable. Failure of the Property Owner to fully comply with the terms of this Article may result in the County or City not accepting a Project Facility into its maintained system, in which case the Property Owner may not receive reimbursement for any costs incurred in the design, engineering and construction of such Project Facilities under this Joint Community Facilities District. Compliance with this Article shall be determined separately for each Project Facility or segment thereof.

Section 4.1. Preparation and Approval of Plans and Specifications. To the extent that the Property Owner has not already done so, it shall cause the Plans and Specifications to be prepared for the Project Facilities. The Property Owner shall obtain the written approval of the Plans and Specifications from the County Engineer. The Property Owner shall provide the approved copy of all such Plans and Specifications to the Administrator. When the Plans Specifications have been approved, no changes are to be made thereto without prior written consent of the County Engineer, and all modifications to the approved Plans and Specifications are to be provided to the Administrator.

Section 4.2. Duty of Property Owner to Construct. The Property Owner shall construct or cause to be constructed the Project Facilities in accordance with the Plans and Specifications approved by the County Engineer. The Property Owner shall perform all of their obligations hereunder and shall conduct all operations with respect to the construction of the Project Facilities in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Notwithstanding the foregoing, nothing set forth in this Joint Community Facilities Agreement shall be construed (i) to require the Property Owner to perform any work requiring a contractor's license, nor shall the Property Owner be deemed to be performing construction services pursuant to this Joint Community Facilities Agreement or (ii) require the Property Owner to cause the Plans and Specifications to be prepared for the Project Facilities at a specific time or in a manner other than as required by the approved conditions for the development of the Tract.

Section 4.3. Licenses and Regulatory Permits. The Property Owner shall secure all necessary licenses, agreements, permits, rights of entry and temporary construction easements (collectively "Licenses") that may be needed for the construction, inspection, operation and maintenance of the Project Facilities. The Property Owner is to secure all permits approvals or agreements, if any, required by the various Federal and State resource and/or regulatory agencies (collectively, the "Regulatory Permits") for the construction, operation and maintenance of the Project Facilities. The Regulatory Permits include, but are not limited to, those permits issued by the U.S. Army Corps of Engineers, the State Water Resources Control Board ("SWRCB"), California State Department of Fish and Game and the Regional Water Quality Control Board.

All Licenses and Regulatory Permits secured by the Property Owner shall be reviewed by the County Engineer prior to execution or acceptance by the Property Owner to determine whether the conditions they specify are satisfactory to the County to allow the County or the City, as applicable, to operate and maintain the Project Facilities.

Section 4.4. NPDES Compliance. The Property Owner shall prepare and implement, or cause to be prepared and implemented, a Stormwater Pollution Prevention Plan (SWPPP) in accordance with the requirement of the State's National Pollutant Discharge Elimination System (NPDES) General Permit for Stormwater Discharges Associated with Construction and Land Disturbances Activities and any amendments thereto (the "General Permit"). The General Permit is issued by Order of and adopted by the State Water Resources Control Board (SWRCB). The General Permit regulates both stormwater and non-stormwater discharges associated with construction activities required for the Project Facilities covered by this Joint Community Facilities Agreement.

The SWPPP shall identify site specific "Best Management Practices" ("BMP's") to be implemented during and after construction to control pollution of Stormwater runoff and receiving waters. The identified BMP's shall include, but not be limited to, "good housekeeping" practices for the Construction Site, such as establishing stabilized construction access points, providing adequate sanitary/septic waste management, designating vehicle and equipment cleaning/maintenance areas, employing proper material handling and storage practices, maintaining adequate soil stabilization and erosion control practices to control the discharge of pollutants from the Construction Site and any activities thereon. The SWPPP shall also stipulate to an ongoing program for monitoring and maintenance of all BMP's.

The Property Owner shall be solely responsible throughout the duration of constructing the Project Facilities for placing, installing, constructing, inspecting and maintaining all BMP's identified in the SWPPP and amendments thereto and for removing and disposing of temporary BMP's.

The Property Owner shall become fully informed of and comply with the applicable provisions of the General Permit, Federal, State and local regulations that govern the Property Owner's activities and operation pertaining to both stormwater and non-stormwater discharges from the Construction Site of the Project Facilities and any area of disturbance outside said Construction Site relating to the Project Facilities. The Property Owner shall, at all times, keep copies of the General Permit, approved SWPPP and all amendments at the Construction Site. The SWPPP shall be made available upon request of a representative of the SWRCB, the Regional Water Quality Control Board, or the United States Environmental Protection Agency. The Property Owner shall, at reasonable times, allow authorized agents of the above cited agencies, upon the presentation of credentials to: (i) enter upon the Construction Site; (ii) have access to and copy any records required to be kept as specified in the General Permit, (iii) inspect the Construction Site and determine whether related soil stabilization and sediment control BMP's have been implemented and maintained, and (iv) sample or monitor stormwater or non-stormwater runoff for purposes of ensuring compliance with the General Permit.

The Property Owner shall be solely and exclusively responsible for any arrangements made between it and other property owners or entities that result in disturbance of land at the Construction Site.

The Property Owner shall be responsible for all costs and for any liability imposed by law as a result of its failure to comply with the requirements set forth in this Section, including but not limited to, compliance with the applicable provisions of the General Permit and Federal, State and local regulations. For the purpose of this Section, costs and liabilities include, but are not limited to, fines, penalties and damages whether assessed against the County, the City, the School District, the Community Facilities District or the Property Owner, including those levied under the Federal Clean Water Act and the State's Porter-Cologne Water Quality Act.

Section 4.5. Cal/OSHA, Confined Space Entry. At all times during the construction of the Project Facilities, the Property Owner shall require all contractors to comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintenance of a safe working environment for the County, the City, the School District and their respective employees on the site. This will include the preparation of a confined space procedure specific for all storm drain facilities. The procedure shall comply with requirements contained in Sections 5157 and 5158 of Title 8 of the California Code of Regulations and the County's "Program Agency Policy 13." The confined space procedure is to be reviewed and approved by the County Engineer before proceeding with construction of the Project Facilities.

Section 4.6. Notice of Intent to Commence Construction. Not less than twenty (20) calendar days prior to the date on which it intends to commence construction of a Project Facility, the Property Owner is to provide written "Notice of Intent" to the County Engineer. Construction on the Project Facility may not proceed until the County Engineer issues a "Notice to Proceed" to the Property Owner. The "Notice of Intent" is to include the following documents:

(a) Copies of all Licenses and Regulatory Permits secured pursuant to Sections 4.3 and 4.4, above, including a copy of the Notice of Intent ("NOI") and waste discharge identification number ("WDID No.") received from the SWRCB pursuant to Section 4.4, above.

(b) Copies of the bonds required by Section 3.5(d), above.

(c) Construction Inspection Deposit required by Section 3.5(j) above.

(d) Duly executed irrevocable offer(s) of dedication to the public for road and drainage purposes, including ingress and egress, for the rights of way deemed necessary by the County and the City, as applicable, for the construction, inspection, operation and maintenance of the Project Facilities.

(e) Preliminary reports of title dated not more than thirty (30) days prior to date of submission for all property described in the irrevocable offer(s) of dedication.

(f) A complete list of all contractors and subcontractors to be performing work on the Project Facilities, including the corresponding license number and license classification of each. On said list, the Property Owner shall also identify its designated superintendent for construction of the Project Facilities.

(g) A construction schedule which shall show the order and dates in which the Property Owner and the Property Owner's contractor proposes to carry on the various

parts of work, including estimated start and completion dates. As the construction progresses the Property Owner shall update said construction schedule upon request.

(h) The final mylar plan and profile sheets for the Project Facilities and assign ownership of said documents to the County and the City, as applicable, prior to the start of construction of each Project Facility.

(i) Certificates of insurance and endorsements as required by Section 4.11., below.

(j) The confined space procedure as required by Section 4.5, above.

Section 4.7. Bonding Requirements. The Property Owner shall post such subdivision bonds as are required by the County in connection with the recording of all subdivision maps for each tract within the Community Facilities District. The Property Owner's obligations pursuant to this Section will be considered satisfied, in part, through the contract performance bonds to be provided by the Property Owner's contractors pursuant to Section 3.5(d) hereof.

Section 4.8. Additional Conditions to be Satisfied during Construction. Construction of the Project Facilities shall be on a five (5) day, forty (40) hour workweek with no work on Saturday, Sundays or days designated by the County as legal holidays, unless otherwise approved by the County. If the Property Owner feels it is necessary to work more than normal forty (40) hour workweek or on holidays, the Property Owner shall make a written request for permission from the County to work the additional hours. The request shall be submitted to the County at least 72 hours prior to the request date for additional work hours and state the reasons for the overtime and the specific time frames required. The decision granting permission for overtime work shall be made by the County at its sole discretion and shall be final. If permission is granted, the Property Owner will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinances Nos. 671 and 749 of the County, including any amendments thereto.

Section 4.9. Inspection; Completion of Construction. The County Engineer shall have primary responsibility for providing inspection of the construction of the Project Facilities to ensure that the work of construction is accomplished in accordance with the Plans approved by the County. County staff shall have access to the Construction Site at all reasonable times for the purpose of accomplishing such inspection.

The Property Owner is to provide the County with written notice that it considers construction of a Project Facility to have been completed consistent with the Plans and Specifications and, upon receipt of said notice, County's staff will provide written confirmation that construction of a Project Facility is complete consistent with the approved Plans and Specifications and the provisions of this Joint Community Facilities Agreement. For the portion of the Project Facilities that are City Facilities, the County will work with the City staff to review and approve the City Facilities. Upon receipt of both written notice from the Property Owner and from County staff, the County Engineer will in a timely manner notify the Property Owner and the Administrator that the Project Facility has been satisfactorily completed and that the Property Owner is to proceed with the recording of a Notice of Completion with respect to such construction pursuant to Section 3093 of the California Civil Code. The Property Owner is to provide a duplicate copy of the recorded Notice of Completion to the Administrator and the

County Engineer. Within a reasonable time following receipt of the duplicate copy of the recorded Notice of Completion and the Property Owner's compliance with other provisions of Section 3.2., hereof, the County Engineer will issue the written notice required by said Section 3.2. that the County or the City, as applicable, will accept the Project Facility into its maintained road system.

Section 4.10. Maintenance of Project Facilities; Warranties. The Property Owner shall maintain the Project Facilities in good and safe condition until the Acceptance Date of the Project Facilities. Prior to the Acceptance Date, the Property Owner shall be responsible for maintaining the Project Facilities in proper operating condition, and shall perform such maintenance on the Project Facilities as the County Engineer reasonably determines to be necessary. As of the Acceptance Date, the performance bond provided by each of the principal contractors for the Project Facilities pursuant to Section 3.5(d) hereof shall be reduced to an amount equal to 10% of the original amount thereof and shall serve as a warranty bond to guarantee that the Project Facilities will be free from defects due to faulty workmanship or materials for a period of 12 months from the Acceptance Date, or the appropriate principal contractor may elect to provide a new warranty bond or cash in such an amount. As of the Acceptance Date, the Property Owner and each principal contractor shall assign to County and City all of their rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to the Project Facilities.

Section 4.11. Insurance Requirements. Without limiting or diminishing the Property Owner's obligation to indemnify or hold the County, the City, the Community Facilities District, when formed, and the School District harmless pursuant to Section 5.4., hereof, the Property Owner shall procure and maintain or cause to be maintained, at its sole cost and expense the following insurance coverages, or alternate coverages acceptable to the County's Risk Manager, during the term of this Joint Community Facilities Agreement:

(a) *Commercial General Liability:* Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations, explosion, collapse, use of cranes, and other heavy equipment and underground hazards, personal and advertising injury covering claims which may arise from or out of the Property Owner's performance of its obligations hereunder. Policy shall name by endorsement the County, the City, the Community Facilities District, the School District, their respective directors, officers, Board of Supervisors, Board of Education, City Council, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit.

(b) *Vehicle Liability:* Vehicle Liability insurance for all owned, non-owned or hired vehicles in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit. Policy shall name by endorsement the County, the City, the Community Facilities District, the School District, their respective directors, officers, Board of Supervisors, Board of Education, City Council, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds."

(c) *Worker's Compensation Insurance:* Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupation Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of the County, the City, the Community Facilities District, the School District; and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

General Insurance Provisions - all lines:

(i) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. Best rating of not less than an A:VIII (A:8) unless such requirements are waived, in writing, by the County's Risk Manager.

(ii) The Property Owner's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed \$500,000 per occurrence such deductibles and/or retentions shall have the prior written consent of the County's Risk Manager before the commencement of operations under this Joint Community Facilities Agreement. Upon notification of deductibles or self-insured retentions which are deemed unacceptable to the County, at the election of the County's Risk Manager, the Property Owner's carriers shall either: (i) reduce or eliminate such deductibles or self-insured retentions as respects this Joint Community Facilities Agreement with the County, or (ii) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

(iii) The Property Owner shall cause its insurance carrier(s) to furnish the County with (i) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; or (ii) evidence of coverage acceptable to the County's Risk Manager that may include original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect.

(iv) Further, said certificate(s) and endorsements to policies of insurance shall contain the covenant of the insurance carrier(s) that it shall provide no less than sixty (60) days written notice be given to the County, the City, the Community Facilities District, and the School District prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, this Joint Community Facilities Agreement shall terminate forthwith, unless the County, the City, the Community Facilities District and the School District receive, prior to the effective date, of such material modification or cancellation of coverages, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages and the insurance required herein is in full force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

(v) The Property Owner shall not commence construction of the Project Facilities until the County and the Administrator have been furnished either original certificate(s) of insurance and certified original copies of endorsement, policies of

insurance including all endorsements and any and all other attachments as required in this Section, or other evidence of coverage acceptable to County's Risk Manager.

(vi) It is understood and agreed by the parties hereto and the Property Owner's insurance company(s) that the certificate(s) of insurance and policies shall so covenant and shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(vii) The Property Owner may pass down to its principal contractors the insurance obligations contained herein and will require its principal contractors to name on their insurance policies by endorsement, the County, the City, the Community Facilities District, the School District, their respective directors, officers, Board of Supervisors, Board of Education, City Council, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Copies of such certificates and endorsements shall be provided to the County.

Section 4.12. Ownership of Project Facilities. Notwithstanding the fact that some or all of the Project Facilities may be constructed in dedicated street rights-of-way or on property which is owned by or has been or will be dedicated to the County and the City, a Project Facility shall be and remain the property of the Property Owner until Acceptable Title to parcels not owned by the County or City, as applicable, with respect to such Project Facility is conveyed to the County or City, as appropriate, as provided herein, and such Project Facility has been formally accepted by the County or City, as applicable, for ownership, operation and maintenance. Ownership of said parcels by the Property Owner or other third parties shall likewise not be affected by any agreement that the Property Owner may have entered into or may enter into with the County or City, as applicable, pursuant to the provisions of the Subdivision Map Act, Section 66410 *et seq.* of the Code, and the provisions of this Section shall control.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION

Section 5.1. Representations, Warranties and Covenants of the Property Owner.

The Property Owner, as the owner of the Tract encompassed within the proposed boundaries of the Community Facilities District, makes the following representations, warranties and covenants for the benefit of the County, the City, the School District and the Community Facilities District, when formed, as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is a corporation duly organized and validly existing under the laws of the State, is in good standing under the laws of the State, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated in the Community Facilities District.

(b) Authority. The Property Owner represents and warrants that it has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the Property Owner and is enforceable against the Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Completion of Project Facilities. The Property Owner covenants that it will use its commercially reasonable and diligent efforts to do all commercially reasonable things that may be lawfully required of it in order to cause the Project Facilities, the construction of which have been made a condition for the development of the Tract, to be completed in accordance with this Joint Community Facilities Agreement.

(e) Compliance with Laws. The Property Owner covenants that, while the Project Facilities are owned by the Property Owner or required pursuant to this Joint Community Facilities Agreement to be maintained by the Property Owner, it will not commit, suffer or permit any of its agents, employees or contractors to commit any act to be done in, upon or to the Project Facilities in violation in any material respect of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the Project Facilities.

(f) Payment Requests. The Property Owner represents and warrants that (i) it will not request payment from the Community Facilities District under this Joint Community Facilities Agreement for the acquisition of any improvements that are not part of a Project Facility, and (ii) it will diligently follow all procedures set forth in this

Joint Community Facilities Agreement and provide to the County Engineer all information requested by the County Engineer in order for the County Engineer to complete a Payment Request and determine the Purchase Price of a Project Facility.

(g) Financial Records. Until the final Acceptance Date of all Project Facilities, the Property Owner covenants to maintain proper books of record and account for the Project Facilities and all costs related thereto. The Property Owner covenants that such accounting books will be maintained in accordance with generally accepted accounting principles, and will be available for inspection by the Community Facilities District, the County, the City, and the School District, and their respective agents, at any reasonable time during regular business hours on two (2) Business Days' prior written notice, subject to mutually acceptable arrangements regarding the confidentiality of proprietary data.

(h) Hazardous Materials. The Property Owner represents and warrants that neither the Property Owner, nor its principal contractors or any subcontractor, agent or employee thereof will use, generate, manufacture, procure, store, release, discharge or dispose of any Hazardous Material on, under or about the Construction Site or the Project Facilities or transport any Hazardous Material to or from the Construction Site or the Project Facilities in violation of any federal, state or local law, ordinance, regulation, rule, decision or policy statement regulating Hazardous Material.

(i) Permits. The Property Owner covenants that it will pursue in a commercially reasonable manner all governmental or other permits or licenses required to proceed with the construction of the Project Facilities and that it will pay all fees relating thereto. The Property Owner represents and warrants that to the best of the Property Owner's knowledge, as of the date hereof, there is no material legal impediment to the Property Owner's proceeding with and completing the construction of the Project Facilities or to the development of the Construction Site as contemplated by the Property Owner, except for government or other permits to be obtained.

(j) Property Owner's Responsibilities. Whether or not a Project Facility is acquired from the proceeds of the Bonds or Allocated Special Taxes, the Property Owner accepts responsibility for and shall be responsible for identification and compliance with all applicable laws pertaining to constructing and installing the Project Facilities and the contract or contracts pertaining thereto, including the laws that would apply to the County if it were constructing the Project Facilities itself as set forth in the Joint Community Facilities Agreement. Notwithstanding the requirements of this Joint Community Facilities Agreement the County, the City, the School District and the Community Facilities District make no representation as to the applicability or inapplicability of any laws regarding contracts, including contracts related to the construction and installation of the Project Facilities, and especially the matters of competitive bidding and payment of prevailing wages. Any of the County, the City, the School District, or the Community Facilities District may, in its sole discretion, supply guidance to the Property Owner with respect to laws governing the construction of the Project Facilities if requested to do so by the Property Owner. Whether or not any or all of them have done so, the Property Owner will neither seek to hold or hold them liable for any consequences of any failure by the Property Owner to correctly determine applicability of any such requirements to any contract it enters into, irrespective of whether the County, the City, the School

District, or the Community Facilities District, as the case may be, knew or should have known about applicability of any such requirement.

Section 5.2. Representations, Warranties and Covenants of the School District.

The School District makes the following representations, warranties and covenants for the benefit of the County, the City, the Community Facilities District, when formed, and the Property Owner, as of the date hereof:

(a) Authority. The School District represents and warrants that the School District has the power and authority to enter into this Joint Community Facilities Agreement and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the School District.

(b) Binding Obligation. The School District represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the School District and is enforceable against the School District in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Payment Requests. The School District represents and warrants that it will cause the Community Facilities District to process, in a timely manner, all completed and approved Payment Requests submitted to it by the County Engineer and follow all procedures applicable to it as set forth in this Joint Community Facilities Agreement and the Mitigation Agreement.

(d) Financial Records. The School District covenants to maintain, or cause to be maintained, books of record and account for the proceeds of the Bonds, levy and collection of special taxes and the payment of principal of and interest on the Bonds in accordance with the requirements of the Indenture and the Act.

Section 5.3. Representations, Warranties and Covenants of the County.

The County makes the following representations, warranties and covenants for the benefit of the School District, the City, the Community Facilities District, when formed, and the Property Owner, as of the date hereof:

(a) Authority. The County represents and warrants that the County has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of County.

(b) Binding Obligation. The County represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the County and is enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) CEQA Compliance. The County represents and warrants that it has taken all actions necessary under CEQA to allow for the development of the Tract and the construction, of the public improvements identified as the Project Facilities.

(d) Completion of Project Facilities. The County covenants that it will use its reasonable and diligent efforts to take expeditiously all actions that may be lawfully required of it in issuing permits, processing and approving Plans and Specifications and inspecting the Project Facilities in accordance with this Joint Community Facilities Agreement.

(e) Payment Requests. The County represents and warrants that it will cause the County Engineer to process all complete Payment Requests it receives in a timely manner consistent with the procedures set forth in this Joint Community Facilities Agreement.

Section 5.4. Representations, Warranties and Covenants of the City. The City makes the following representations, warranties and covenants for the benefit of the School District, the County, the Community Facilities District, when formed, and the Property Owner, as of the date hereof:

(a) Authority. The City represents and warrants that the City has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of City.

(b) Binding Obligation. The City represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the City and is enforceable against the City in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Completion of Project Facilities. The City covenants that it will use its reasonable and diligent efforts to take expeditiously all actions that may be lawfully required of it in issuing permits, processing and approving Plans and Specifications and inspecting the Project Facilities in accordance with this Joint Community Facilities Agreement.

Section 5.5. The Property Owner Indemnification. The Property Owner agrees to protect, indemnify, defend and hold the School District, the Community Facilities District, when formed, the County, the City, and their respective directors, officers, Board of Education, Board of Supervisors, City Council, Legislative Body, elected officials, employees, representatives and agents (the "Indemnified Parties"), and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs which the Indemnified Parties, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, or any combination thereof, as a result of or by reason of or arising out of or in consequence of (a) the approval of this Joint Community Facilities Agreement, (b) the acquisition, construction, or installation of the Project Facilities, (c) the design, construction, or failure of the Project

Facilities, (d) the untruth or inaccuracy of any representation or warranty made by the Property Owner in this Joint Community Facilities Agreement or in any certifications delivered by the Property Owner hereunder, or (e) any act or omission of the Property Owner or any of its contractors, subcontractors, or their respective officers, employees or agents, in connection with the Project Facilities or its responsibilities or obligations under this Joint Community Facilities Agreement. If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner as to an Indemnified Party for any claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs (a) arising directly from the willful misconduct or sole or active negligence of that Indemnified Party or (b) arising from the use or operation of a Project Facility after the Acceptance Date of the Project Facility, unless such claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs results from the defective or improper design, construction or installation of such Project Facility by the Property Owner or its contractors, subcontractors, or respective officers, employees or agents.

The provisions of this Section shall survive the termination of this Joint Community Facilities Agreement.

ARTICLE VI

MISCELLANEOUS

Section 6.1. The Property Owner as Independent Contractor. In performing under this Joint Community Facilities Agreement, it is understood that the Property Owner is acting as an independent contractor, and not as an agent of the School District, the Community Facilities District, the County, or the City. None of the School District, the County, or the City shall have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. The Community Facilities District shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner unless such entity or individual is specifically listed as a payee on a Payment Request submitted by the Property Owner pursuant to this Joint Community Facilities Agreement in which case the Community Facilities District shall be responsible for making such payment only if such Payment Request is approved pursuant to the provisions of this Joint Community Facilities Agreement and the Mitigation Agreement and only from the proceeds of Bonds and Allocated Special Taxes.

It is not intended by the parties that this Joint Community Facilities Agreement create a partnership or joint venture among them and this Joint Community Facilities Agreement shall not otherwise be construed.

Section 6.2. Other Agreements. Nothing contained herein shall be construed as affecting the School District's, County's, City's, or the Property Owner's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Tract, which obligations are and shall remain independent of the School District's rights and obligations, the Property Owner's rights and obligations the County's rights and obligations, and the City's rights and obligations under this Joint Community Facilities Agreement; provided, however, that the Property Owner shall use its commercially reasonable and diligent efforts to perform each and every covenant to be performed by it under any lien or encumbrance, instrument, declaration, covenant, condition, restriction, license, order, or other agreement, the nonperformance of which could reasonably be expected to materially and adversely affect the acquisition, construction and installation of the Project Facilities to be financed with the proceeds of the Bonds and Allocated Special Taxes.

Section 6.3 Binding on Successors and Assigns. The Property Owner may assign its duties and obligations pursuant to this Joint Community Facilities Agreement to one or more purchasers of its property, except the purchaser of a single-family residential unit, the owner of a multi-family residential complex or the end user of a non-residential parcel, and to whom said Property Owner shall assign the right to receive payment of the Purchase Price for the Project Facilities. Such a purchaser and assignee shall, as a condition to receiving payment of the Purchase Price, enter into an assignment agreement with the County, the City, the School District and the Community Facilities District, in a form acceptable to the County, the City, the School District and the Community Facilities District, whereby such purchaser agrees, except as may be otherwise specifically provided therein, to assume the duties and obligations of the Property Owner pursuant to this Joint Community Facilities Agreement and to be bound thereby. Neither this Joint Community Facilities Agreement nor the duties and obligations of the County, the

City, the School District or the Community Facilities District hereunder may be assigned to any person or legal entity, without the written consent of the Property Owner, which consent shall not be unreasonably withheld or delayed. The agreements and covenants included herein shall be binding on and inure to the benefit of any partners, permitted assigns, and successors-in-interest of the parties hereto.

Section 6.4. Amendments. This Joint Community Facilities Agreement can only be amended by an instrument in writing executed and delivered by the Community Facilities District, once formed, the School District, the County, the City, and the Property Owner, or successor thereto.

Section 6.5. Waivers. No waiver of, or consent with respect to, any provision of this Joint Community Facilities Agreement by a party hereto shall in any event be effective unless the same shall be in writing and signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 6.6. No Third Party Beneficiaries. Other than the Community Facilities District when formed, no person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Joint Community Facilities Agreement (either expressed or implied) is intended to confer upon any person or entity, other than the School District, the Community Facilities District, when formed, the County, the City, and the Property Owner (and its respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Joint Community Facilities Agreement.

Section 6.7 Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County/County Engineer: Assistant Director of Transportation
 County of Riverside
 Attn: Patricia Romo
 4080 Lemon Street, 8th Floor
 Riverside, California 92501
 Telephone: (951) 955-6740
 Fax: (951) 955-3198

City: City of Riverside
 Attn: Brent Mason, Finance Director
 3900 Main Street
 Riverside, California 92522
 Telephone: (951) 826-5660
 Fax: (951) 826-5683

School District and Community
Facilities District: Riverside Unified School District
 Attn: Hayley Calhoun, Director of Planning and
 Development
 3070 Washington St.

Riverside, CA 92504
Telephone: (951) 788-7554
Fax: (951) 275-9349

Property Owner: Lennar Homes of California, Inc.
980 Montecito Avenue, Suite 302
Corona, California 92879
Attn: Jeff Clemens
Telephone: (951) 817-3532
Fax: (951) 817-3599

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of a document confirming satisfactory transmission, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

Section 6.8. Jurisdiction and Venue. Each of the School District, the Community Facilities District, the County, the City, and the Property Owner (a) agrees that any suit action or other legal proceeding arising out of or relating to this Joint Community Facilities Agreement shall be brought in state or local court in the County of Riverside or in the Courts of the United States of America in the district in which said County is located, (b) consents to the jurisdiction of each such court in any suit, action or proceeding, and (c) waives any objection that it may have to the laying of venue or any suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of the School District, the Community Facilities District, the County, the City, and the Property Owner agrees that a final and non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 6.9. Entire Agreement. This Joint Community Facilities 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 Joint Community Facilities Agreement except for such matters that are the subject of the Mitigation Agreement.

Section 6.10. Attorney's Fees. If any action is instituted to interpret or enforce any of the provisions of this Joint Community Facilities Agreement, the party prevailing in such action shall be entitled to recover from the other parties thereto reasonable attorney's fees and costs of such suit (including both prejudgment and postjudgment fees and costs) as determined by the court as part of the judgment.

Section 11. Governing Law. This Joint Community Facilities Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State applicable to contracts made and performed in the State.

Section 6.12. Severability. If any part of this Joint Community Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Joint Community Facilities Agreement shall be given effect to the fullest extent reasonably possible.

Section 6.13. Usage of Words. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 6.14. Counterparts. This Joint Community Facilities Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 6.15. Interpretation. The parties to this Joint Community Facilities Agreement and their counsel have reviewed and revised this Joint Community Facilities Agreement, and the normal rule of construction to the effect that any ambiguities in an agreement are to be resolved against the drafting parties shall not be employed in the interpretation of this Joint Community Facilities Agreement.

Section 6.16. Designation of Party's Representative. Each party is to prepare a certificate designating the person or persons that are to serve as the liaison between the County and the Community Facilities District regarding design, engineering and construction of the Project Facilities. The certificates are to contain an original and specimen signature of each designated person. The certificates are to be provided to the County, the City, and the Community Facilities District at the time the first series of Bonds are issued.

Section 6.17. Nature of Joint Community Facilities Agreement; Allocation of Special Taxes. This Joint Community Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code. The entire amount of the proceeds of the special taxes levied pursuant to the Rate and Method shall be allocated and distributed to the Community Facilities District, who may distribute such special taxes in accordance with the Rate and Method and the Mitigation Agreement, including for Project Facilities.

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IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

RECOMMENDED FOR APPROVAL:

By: 

Juan C. Perez
Director of Transportation and
Land Management

COUNTY OF RIVERSIDE:

By: 

JOHN J. BENOIT
Chairman, Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 

Deputy Clerk

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: 

Dale A. Gardner
Deputy County Counsel

CITY OF RIVERSIDE:

By: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

RECOMMENDED FOR APPROVAL:

COUNTY OF RIVERSIDE:

By: _____
Juan C. Perez
Director of Transportation and
Land Management

By: _____
Marion Ashley
Chairman, Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy Clerk

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: _____
Deputy County Counsel

CITY OF RIVERSIDE:

By:  _____
City Manager **John A. Russo**
City Manager

ATTEST:

By:  _____
City Clerk

APPROVED AS TO FORM:

By:  _____
City Attorney

RIVERSIDE UNIFIED SCHOOL DISTRICT

By: 
President of the Board of Education

ATTEST:

By: 
Clerk of the Board of Education

LENNAR HOMES OF CALIFORNIA, INC.
a California corporation

By: _____
Name: _____
Title: _____

RIVERSIDE UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

ATTEST:

By: _____
Clerk of the Board of Education

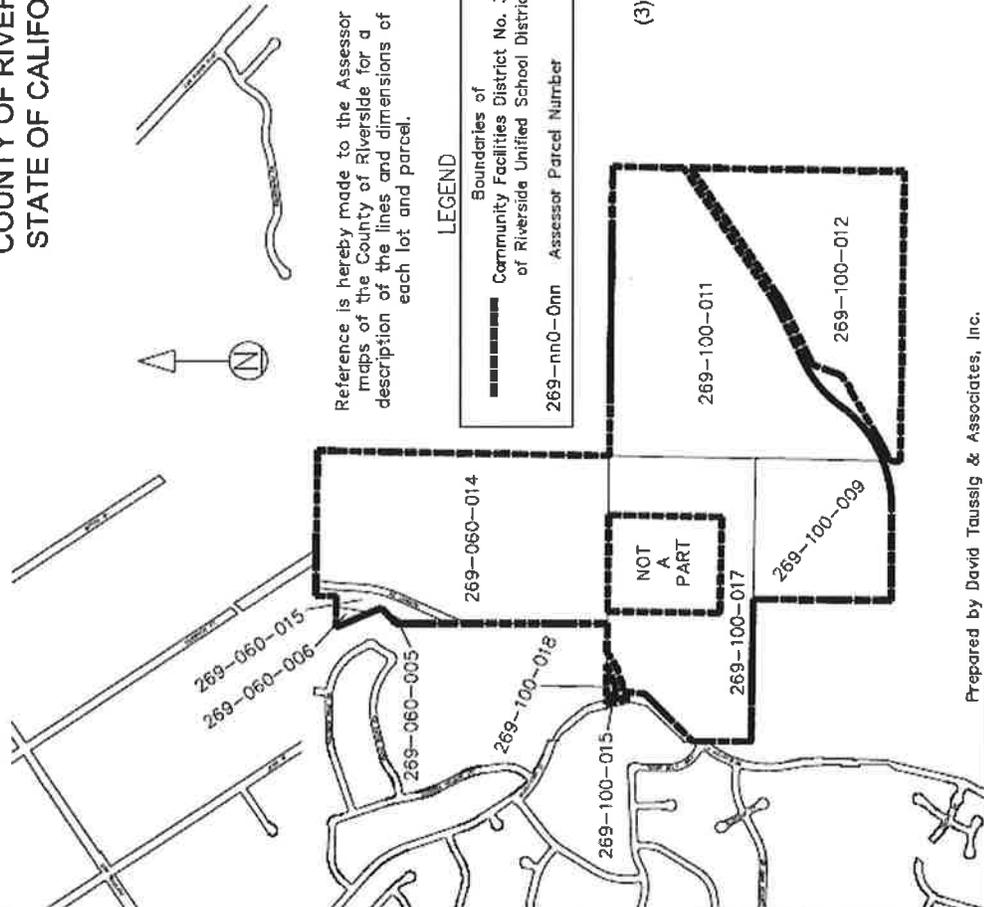
LENNAR HOMES OF CALIFORNIA, INC.
a California corporation

By: 
Name: Jeffrey T. Clemens
Title: Vice President

EXHIBIT A

**Map of Area Proposed to be Included Within
Community Facilities District No. 32
of the Riverside Unified School District**

**BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 32 OF
RIVERSIDE UNIFIED SCHOOL DISTRICT
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**



Reference is hereby made to the Assessor maps of the County of Riverside for a description of the lines and dimensions of each lot and parcel.

LEGEND

 Boundaries of
 Community Facilities District No. 32
 of Riverside Unified School District
 269-nn0-0nn Assessor Parcel Number

(1) Filed in the office of the Clerk of the Board of Education of Riverside Unified School District this ___ day of ___, 2015.

Clerk of the Board of Education
Riverside Unified School District

(2) I hereby certify that the within map showing the boundaries of Community Facilities District No. 32 of Riverside Unified School District, County of Riverside, State of California, was approved by the Board of Education of Riverside Unified School District at a regular meeting thereof, held on the ___ day of ___, 2015, by its Resolution No. _____.

Clerk of the Board of Education
Riverside Unified School District

(3) Filed this ___ day of ___, 2015, at the hour of ___ o'clock ___ m, in Book ___ of Maps of Assessment and Community Facilities Districts at page ___ and as Instrument No. ___ in the office of the County Recorder of Riverside County, State of California.

Peter Aldana
Assessor-County Clerk-Recorder of Riverside County

By _____
Deputy
Fee _____

EXHIBIT B

PROJECT FACILITIES

**Community Facilities District No. 32
of Riverside Unified School District**

FACILITY DESCRIPTION	ESTIMATED COST *
<p>1. Fairway Drive Street Facilities – County of Riverside – Station 13+60.00 to Station 41+46.00. Plan Sheets 1 through 5 and 10 through 14 of 15. Approximately 2,786 linear feet of full width street improvements including, but not limited to site preparation, erosion control, aggregate base, asphalt, fog seal, curbs and gutters, cross gutters, sidewalk, handicap ramps, saw cut existing asphalt, removal of existing asphalt, grinding existing asphalt, street signage, utilities crossings, storm drain piping, headwalls, rip-rap, down drains, grading, street light conduit and handholes and signing and striping.</p>	\$2,850,000
<p>2a. Fairway Drive Street Facilities – City of Riverside – Station 41+46.00 to Station 86+47.00. Plan Sheets 1, 2 and 5 through 15 of 15. Approximately 4,501 linear feet of full width street improvements including, but not limited to site preparation, erosion control, aggregate base, asphalt, fog seal, curbs and gutters, cross gutters, sidewalk, handicap ramps, saw cut existing asphalt, removal of existing asphalt, grinding existing asphalt, street signage, utilities crossings, storm drain piping, headwalls, rip-rap, down drains, grading, street light conduit and handholes, signing and striping, traffic signalization and street intersection work.</p> <p>2b. Van Buren Boulevard Street Facilities – City of Riverside – Station 34+04.49 to Station 42+28.20. Plan Sheet 15 of 16. Approximately 824 linear feet of partial width street improvements including, but not limited to site preparation, erosion control, aggregate base, asphalt, fog seal, curbs and gutters, cross gutters, sidewalk, handicap ramps, saw cut existing asphalt, removal of existing asphalt, grinding existing asphalt, street signage, utilities crossings, storm drain piping, headwalls, rip-rap, down drains, grading, street light conduit and handholes, signing and striping, k-rail and crash cushions; traffic signalization and street intersection work.</p>	\$4,187,000
<p>3. Citrus Heights Street Facilities – In tract (36390) Backbone Street –Sweet Avenue from Station 21+79.10 to Station 60+48.18. Plan Sheets 1 through 7 of 42. Approximately 3,869 linear feet of full width street improvements including, but not limited to aggregate base, asphalt, fog seal, curbs and gutters, cross gutters, driveway approaches, sidewalk, handicap ramps, street signage, street light conduit and handholes, multi-purpose trail and signing and striping. The total cost also includes but is not limited to site supervision, civil & soils engineering, consulting, plan check & inspection, bonding & bond exoneration, bid specification preparation, grading, site preparation and erosion control.</p>	\$1,063,000

**EXHIBIT B
(Continued)**

PROJECT FACILITIES

**Community Facilities District No. 32
of Riverside Unified School District**

FACILITY DESCRIPTION	ESTIMATED COST *
<p>4. Citrus Heights Street Facilities – In tract (36390) Backbone Street –Minneola Avenue from Station 10+00.00 to Station 66+73.10. Plan Sheets 1, 2, 3 and 13 through 18 of 42.</p> <p>Approximately 5,673 linear feet of full width street improvements including, but not limited to aggregate base, asphalt, fog seal, curbs and gutters, cross gutters, driveway approaches, sidewalk, handicap ramps, street signage, street light conduit and handholes, multi-purpose trail and signing and striping. The total cost also includes but is not limited to site supervision, civil & soils engineering, consulting, plan check & inspection, bonding & bond exoneration, bid specification preparation, grading, site preparation and erosion control.</p>	<p>\$1,076,000</p>

* Represents estimated construction costs only and does not include design, planning, and engineering costs. Actual Costs as defined in Article I may be funded.

EXHIBIT C
FORM OF BID SUMMARY

CFD No. 32 of Riverside Unified School District									
Summary of Bids									
Advertised:									
Bids Open:									
PROJECT:									
PROJECT NO.:									
Contractor #1 (Low Bidder)									
City, State									
DEVELOPER'S ESTIMATE									
ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT	
1				0.00	0.00	0.00	0.00	0.00	
2				0.00	0.00	0.00	0.00	0.00	
3				0.00	0.00	0.00	0.00	0.00	
4				0.00	0.00	0.00	0.00	0.00	
5				0.00	0.00	0.00	0.00	0.00	
6				0.00	0.00	0.00	0.00	0.00	
7				0.00	0.00	0.00	0.00	0.00	
8				0.00	0.00	0.00	0.00	0.00	
9				0.00	0.00	0.00	0.00	0.00	
10				0.00	0.00	0.00	0.00	0.00	
11				0.00	0.00	0.00	0.00	0.00	
12				0.00	0.00	0.00	0.00	0.00	
13				0.00	0.00	0.00	0.00	0.00	
14				0.00	0.00	0.00	0.00	0.00	
15				0.00	0.00	0.00	0.00	0.00	
16				0.00	0.00	0.00	0.00	0.00	
17				0.00	0.00	0.00	0.00	0.00	
18				0.00	0.00	0.00	0.00	0.00	
19				0.00	0.00	0.00	0.00	0.00	
20				0.00	0.00	0.00	0.00	0.00	

CFD No. 32 of Riverside Unified School District

Summary of Bids

PROJECT:

Advertised:

Bids Open:

PROJECT NO.

Contractor #1 (Low Bidder)

City, State

DEVELOPER'S ESTIMATE

ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT
1				0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00

CFD No. 32 of Riverside Unified School District

Summary of Bids

PROJECT:

**Advertised:
Bids Open:**

PROJECT NO.

**Contractor #1 (Low Bidder)
City, State**

DEVELOPER'S ESTIMATE

ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT
1				0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00

EXHIBIT D

PAYMENT BOND

(Public Work - Civil Code Section 3247 *et seq.*)

The makers of this Bond are _____ as Principal and Original Contractor and _____, a corporation, authorized to issue Surety Bonds in California, as Surety, and this Bond is issued in conjunction with that certain public works contract dated as of _____, 20__, between Principal, _____, as owner, for _____ dollars (\$ _____) the total amount payable. THE AMOUNT OF THIS BOND IS 100% OF SAID SUM. Said contract is for public work of those certain Project Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, County of Riverside, a political subdivision of the State of California, City of Riverside, a political subdivision of the State, and Lennar Homes of California, Inc., a California corporation" dated as of _____, 20__.

The beneficiaries of this Bond are as is stated in Section 3248 of the Civil Code and the requirements and conditions of this Bond are as is set forth in Sections 3248, 3249, 3250 and 3252 of said Code. Without notice, Surety consents to extension of time for performance, change in requirements, amount of compensation, or prepayment under said Contract.

Signed and Sealed this _____ Day of _____ 200__

(Firm Name - Principal)

(Business Address)

By: _____
(Signature - Attach Notary's Acknowledgment)

(Title)

Affix Seal
if
Corporation

(Corporation Name - Surety)

(Business Address)

By: _____
(Signature - Attached Notary's Acknowledgment)

Affix
Corporate
Seal

ATTORNEY-IN-FACT
(Title-Attach Power of Attorney)

PERFORMANCE BOND

The makers of this Bond, _____ as Principal, and _____ as Surety, are held and firmly bound unto _____, hereinafter called the Owner, and unto the County of Riverside, the Riverside Unified School District, and Community Facilities District No. 32 of the Riverside Unified School District as additional obligees, in the sum of _____ Dollars (\$ _____) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the Principal entered into a certain contract, hereto attached, with the Owner, dated as of _____, 20__ for those certain Project Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, County of Riverside, a political subdivision of the State of California, City of Riverside, a political subdivision of the State, and Lennar Homes of California, Inc., a California corporation" dated as of _____, 20__.

Now therefore, if the Principal shall well and truly perform and fulfill all the undertakings covenants, terms, conditions and agreements of said Contract during the original term of said Contract and any extension thereof that may be granted by the Owner, with or without notice to the Surety, and during the file of any guarantee required under the Contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said Contract that may thereafter be made, then this obligation to be void, otherwise to remain in full force and virtue. Without notice, Surety consents to extension of time for performance, change in requirements, change in compensation or prepayment under said Contract.

Signed and Sealed this _____ Day of _____ 200__

(Firm Name - Principal)

(Business Address)

Affix Seal
if
Corporation

By: _____
(Signature - Attach Notary's Acknowledgment)

(Title)

(Corporation Name - Surety)

(Business Address)

Affix
Corporate
Seal

By: _____
(Signature - Attached Notary's Acknowledgment)

ATTORNEY-IN-FACT
(Title-Attach Power of Attorney)

EXHIBIT E

FORM OF PAYMENT REQUEST

Community Facilities District No. 32 of Riverside Unified School District

_____, hereby requests payment of the Purchase Price for the Project Facility described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Joint Communities Facilities Agreement, dated as of _____, 20__ (the "Joint Community Facilities Agreement"), by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), County of Riverside, a political subdivision of the State of California (the "County"), City of Riverside, a political subdivision of the State (the "City"), and Lennar Homes of California, Inc., a California corporation (the "Property Owner"). In connection with this Payment Request, the undersigned hereby represents and warrants to the County Engineer as follows:

1. The undersigned has been authorized by the Property Owner and is qualified to execute this request for payment on behalf of the Property Owner and is knowledgeable as to the matters set forth herein.

2. The Property Owner has submitted or submits herewith to the County Engineer as-built drawings or similar Plans and Specifications for the Project Facility for which payment is requested, and such drawings or plans and specifications, as applicable, are true, correct and complete.

3. The Project Facility has been constructed in accordance with the Plans and Specifications therefor, and in accordance with all applicable County District standards and the requirements of the Joint Community Facilities Agreement, and the as-built drawings or similar Plans and Specifications referenced in paragraph 2 above.

4. There has not been filed with or served upon the Property Owner notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than material men's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.

5. The representations and warranties of the Property Owner set forth in Section 5.1 of the Joint Community Facilities Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Date: _____

Property Owner

By: _____
Authorized Representative

**ATTACHMENT A
PAYMENT REQUEST - ACTUAL COSTS**

Property Owner is to complete Columns 1 through 7
County Engineer is to complete Columns 8 through 11

CFD Tract Number: _____
Facility Description: _____

1 Bid Item No.	2 Bid Item Description	3 Unit of Measure	4 Unit Price	5 Original Contract Quantity	6 Quantity Invoiced	7 Amount Invoiced	8 Quantity Calculated By County	9 Amount Calculated By County	10 Difference	11 Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	
2			0.00	0	0	0.00	0	0.00	0.00	
3			0.00	0	0	0.00	0	0.00	0.00	
4			0.00	0	0	0.00	0	0.00	0.00	
5			0.00	0	0	0.00	0	0.00	0.00	
6			0.00	0	0	0.00	0	0.00	0.00	
7			0.00	0	0	0.00	0	0.00	0.00	
8			0.00	0	0	0.00	0	0.00	0.00	
9			0.00	0	0	0.00	0	0.00	0.00	
10			0.00	0	0	0.00	0	0.00	0.00	
11			0.00	0	0	0.00	0	0.00	0.00	
12			0.00	0	0	0.00	0	0.00	0.00	
13			0.00	0	0	0.00	0	0.00	0.00	
14			0.00	0	0	0.00	0	0.00	0.00	
15			0.00	0	0	0.00	0	0.00	0.00	
16			0.00	0	0	0.00	0	0.00	0.00	
17			0.00	0	0	0.00	0	0.00	0.00	
18			0.00	0	0	0.00	0	0.00	0.00	
19			0.00	0	0	0.00	0	0.00	0.00	
20			0.00	0	0	0.00	0	0.00	0.00	

Total: 0.00 0.00 0.00

Amount Requested: _____

APPROVAL BY THE COUNTY ENGINEER

The County Engineer confirms that the Project Facility described in Attachment A has been constructed in accordance with the Plans and Specifications therefor. The Actual Cost of each Project Facility as described in Attachment A has been reviewed, verified and approved by the County Engineer. The Purchase Price for said Project Facility is established at \$ _____. Payment of the Purchase Price for the Project Facility is hereby approved.

Date: _____

COUNTY ENGINEER

By: _____