### JOINT COMMUNITY FACILITIES AGREEMENT

## by and among

## CALIFORNIA MUNICIPAL FINANCE AUTHORITY

and

## COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY

and

CITY VENTURES HOMEBUILDING, LLC

Dated as of \_\_\_\_\_ 1, 2024

California Municipal Finance Authority Community Facilities District No. 2024-8 (City of Lancaster – Avanti North) THIS JOINT COMMUNITY FACILITIES AGREEMENT (this "Facilities Agreement"), dated as of \_\_\_\_\_\_\_\_ 1, 2024, is by and among the CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), the COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY, a county sanitation district organized and existing under the laws of the State of California (the "Sanitation District"), and CITY VENTURES HOMEBUILDING, LLC, a corporation organized and existing under the laws of the State of California (the "Developer").

#### WITNESSETH:

**WHEREAS**, Developer owns property which consists of approved Tentative Tract Map No. 73507, consisting of Assessor Parcel Number 3204-002-126 planned for 873 single family detached homes (together, the "Property"); and

**WHEREAS**, Developer has submitted applications requesting that the Board of the Authority institute proceedings under the Mello-Roos Community Facilities Act of 1982 (the "Act") to establish a community facilities district encompassing the Property, as depicted on the boundary map attached hereto as Exhibit C and incorporated herein; and

WHEREAS, pursuant to the Act, the Board of the Authority has instituted proceedings to establish California Municipal Finance Authority Community Facilities District No. 2024-8 (City of Lancaster – Avanti North) (the "Community Facilities District") within the boundaries of the Property and designate five improvement areas therein (each an "Improvement Area"), to authorize the levy of special taxes within each of the Improvement Areas (the "Special Taxes"), and the issuance of bonds (the "Bonds") secured by the Special Taxes levied within each respective Improvement Area, the proceeds of which are to be used to finance certain public facilities authorized to be financed through the Community Facilities District; and

WHEREAS, the facilities proposed to be financed by the Community Facilities District include certain facilities to be owned and operated by the Sanitation District (the "Sanitation District Facilities") and certain facilities to be owned and operated by the City of Lancaster and certain other public agencies (the "Other Agency Facilities"); and

WHEREAS, Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by a public agency other than the agency that created the community facilities district only pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to said Section; and

WHEREAS, Section 53316.2 of the Act further provides that at any time prior to the adoption of the resolution of formation creating a community facilities district or a resolution of change to alter a district, or a resolution or resolutions authorizing issuance of bonds pursuant to Section 53356 of the Act, the legislative bodies of two or more local agencies may enter into a joint community facilities agreement pursuant to said Section and Sections 53316.4 and 53316.6 of the Act to exercise any power authorized by the Act with respect to the community facilities district being created if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

**WHEREAS**, the Board of the Authority and the Board of Directors of the Sanitation District have each adopted such a resolution; and

**WHEREAS**, development of the Property will require the payment to the Sanitation District of certain sewerage system connection fees (the "Connection Fees"); and

WHEREAS, the Authority, the Sanitation District, and the Developer desire to enter into this Facilities Agreement in accordance with Sections 53316.2, 53316.4 and 53316.6 of the Act in order to provide for the financing of the Sanitation District Facilities through the issuance of one or more series of Bonds by the Community Facilities District.

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

Section 1. <u>Issuance of Bonds</u>. It is anticipated that the Community Facilities District will issue Bonds to finance the acquisition, construction, and installation of the Sanitation District Facilities and the Other Agency Facilities. The Board of the Authority, acting as the legislative body of the Community Facilities District, shall, in its sole discretion, determine whether, when, under what conditions, and to what extent Bonds shall be issued to finance the acquisition, construction, and installation of the Sanitation District Facilities or the Other Agency Facilities, or any combination thereof. In no event shall the Sanitation District have any right to compel the Community Facilities District to issue Bonds to finance the acquisition, construction, and installation of Sanitation District Facilities.

The Authority shall consult the Sanitation District prior to the issuance of Bonds to determine if the Sanitation District can comply with federal tax requirements for the Bonds if issued on a tax-exempt basis. If the Sanitation District does not believe it can meet such expectations, the Sanitation District's portion of the Bonds shall be issued on a taxable basis and Sanitation District shall not be required to comply with Section 5 herein.

#### **Section 2. Sanitation District Facilities.**

- (a) The Sanitation District Facilities, including any real or tangible property which is to be purchased, constructed, expanded or rehabilitated, are described in Exhibit A attached hereto.
- (b) It is anticipated that the Community Facilities District will provide Bond proceeds to finance the acquisition, construction, and installation of the Sanitation District Facilities. If the Community Facilities District issues Bonds, a portion of the proceeds of which are to be available to finance the acquisition, construction, and installation of the Sanitation District Facilities, the Authority shall, or shall cause the Community Facilities District to, notify the Sanitation District of the amount of such proceeds available for such purpose within fifteen (15) days of such proceeds becoming so available. The Authority makes no representation that, if proceeds of Bonds are made available to finance the acquisition, construction, and installation of the Sanitation District Facilities, such proceeds will be sufficient to finance the acquisition, construction, and installation of all of the Sanitation District Facilities, and neither the Authority nor the Community Facilities District shall have any liability to the Sanitation District if such

proceeds are insufficient for such purpose. If the Community Facilities District does not issue Bonds to finance the acquisition, construction, and installation of the Sanitation District Facilities, neither the Authority nor the Community Facilities District shall have any obligation to provide any amounts to finance or pay the costs of the acquisition, construction, and installation of the Sanitation District Facilities. Notwithstanding the foregoing, if Bonds are not issued, or are issued in an amount which is insufficient to finance the acquisition, construction, and installation of all of the Sanitation District Facilities, Developer shall remain responsible for the payment of all Connection Fees up to the amount of the Sanitation District Facilities not funded from proceeds of Bonds.

(c) The Sanitation District shall apply proceeds of the Bonds to the payment of costs of construction of any portion of the Sanitation District Facilities only if such portion of the Sanitation District Facilities is constructed under the direction and supervision, or under the authority of, the Sanitation District or is constructed as if it had been constructed under the direction and supervision, or under the authority of, the Sanitation District.

## Section 3. <u>Disbursements</u>.

- (a) Bond proceeds available for the acquisition, construction, and installation of the Sanitation District Facilities shall be deposited in a special fund or account (howsoever the same may be denominated, the "Sanitation District Facilities Account") to be established under the fiscal agent agreement, indenture, or other instrument pursuant to which the Bonds are issued (howsoever the same may be denominated). Moneys on deposit in the Sanitation District Facilities Account shall be invested and disbursed at the direction of the Community Facilities District and may be commingled with funds available for the Other Agency Facilities; provided, however, that such moneys can also be disbursed upon receipt of a written request from the Sanitation District in substantially the form attached hereto as Exhibit B.
- (b) To the extent that moneys are available in the Sanitation District Facilities Account, such fiscal agent agreement, indenture, or other instrument pursuant to which the Bonds are issued shall allow for disbursements to be made therefrom from time to time to pay the costs of the acquisition, construction, and installation of the Sanitation District Facilities upon direction of the Community Facilities District or submission of a written request of the Sanitation District in substantially the form attached hereto as Exhibit B.
- (c) The Community Facilities District shall assist Sanitation District in processing written requests for disbursements from the Sanitation District that conform to the requirements hereof in a timely manner.

# Section 4. <u>Construction</u>, <u>Ownership and Maintenance of Sanitation District</u> Facilities.

(a) The Authority shall have no responsibility for the acquisition, construction, and installation of the Sanitation District Facilities. The Sanitation District Facilities shall be and remain the sole and separate property of the Sanitation District and shall be operated, maintained, and utilized by the Sanitation District. The Authority shall not have any ownership interest in the

Sanitation District Facilities, and the Authority shall have no responsibility for the operation, maintenance, or utilization of the Sanitation District Facilities.

(b) The Sanitation District shall have no responsibility for the acquisition, construction, and installation of the Other Agency Facilities. The Other Agency Facilities financed by the Community Facilities District for a public agency shall be and remain the sole and separate property of such public agency and shall be operated, maintained, and utilized by such public agency. The Sanitation District shall not have any ownership interest in the Other Agency Facilities, and the Sanitation District shall have no responsibility for the operation, maintenance, or utilization of the Other Agency Facilities.

## Section 5. Tax Matters.

- (a) In connection with the issuance of any Bonds which are federally tax-exempt, a portion of the proceeds of which are to be made available to finance the acquisition, construction, and installation of the Sanitation District Facilities, the Sanitation District agrees to execute and deliver such certifications and agreements as may be reasonably required in order for bond counsel to conclude that interest on such Bonds will be excluded from gross income under Section 103 of the Internal Revenue Code of 1986.
- (b) If the Sanitation District's portion of the Bonds are issued on a tax-exempt basis, after consultation with the Sanitation District as set forth in Section 1 above, the Sanitation District shall assist the Authority in complying with the arbitrage rebate requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations which relate thereto, by keeping accurate records of the investment earnings on any and all investments which the Sanitation District may make with amounts drawn on the Sanitation District Facilities Account.

### Section 6. Connection Fee Returns and Credits.

(a) Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

"Available Return Amount" means an amount equal to the remainder of (i) the amount of Bond proceeds deposited in the Sanitation District Facilities Account, less (ii) the amount of \$35,000 (allocated amongst the Improvement Areas in proportion to the number of Subject Units therein), and less (iii) the operational component of the Connection Fee.

"Connection Fee Payor" means an entity that has, prior to the date that proceeds of the Bonds are deposited in the Sanitation District Facilities Account, paid the Connection Fees for a Subject Unit.

"Credit Amount" means an amount equal to the remainder of (i) the Available Return Amount, less (ii) the amount required to be returned by the Sanitation District to Connection Fee Payors pursuant to subsection (b) of this Section.

"Subject Unit Fee Amount" means, as of any date, the amount of Connection Fees applicable to a Subject Unit as of such date.

"Subject Units" means the approximately 873 residential units, consisting of single-family homes, to be constructed on the Property within the boundaries of the Community Facilities District, for which entitlements have been obtained by the Developer or an affiliate thereof; of said 873 units, 188 are located in Improvement Area No. 1, 202 are located in Improvement Area No. 2, 179 are located in Improvement Area No. 3, 151 are located in Improvement Area No. 4, and 153 are located in Improvement Area No. 5.

- (b) If, upon the issuance of Bonds, proceeds thereof are deposited in the Sanitation District Facilities Account as provided in Section 3 hereof, the Sanitation District shall, within forty five (45) days of such deposit, return to each Connection Fee Payor an amount which is equal to the lesser of (i) the total amount of Connection Fees paid by such Connection Fee Payor (less the operational component, if any), and (ii) the Available Return Amount; provided, however, that, if the Available Return Amount is less than the total amount of Connection Fees paid by all such Connection Fee Payors (less the operational component), the amount to be returned to each such Connection Fee Payor shall be determined by allocating the Available Return Amount to such Connection Fees in the order of the dates on which such Connection Fees were paid until the amount so allocated is equal to the Available Return Amount.
- (c) If, upon the deposit of proceeds of Bonds in the Sanitation District Facilities Account as provided in Section 3 hereof, the Available Return Amount is greater than the amount required to be returned by the Sanitation District to Connection Fee Payors pursuant to subsection (b) of this Section, the Developer shall be deemed to have paid Connection Fees that would otherwise subsequently become payable for the number of Subject Units equal to the largest whole number that is not greater than the quotient of (i) the Credit Amount, divided by (ii) the Subject Unit Fee Amount as of the date such proceeds of the Bonds were so deposited. Prior to receipt of any credits, Developer shall provide information regarding the number of Subject Units and other parcel-related information as requested by the District.
- (d) If proceeds of the Bonds are insufficient to finance the full amount of Sanitation District Facilities, the Developer and affiliates shall have no claim for reimbursement from the Sanitation District in excess of the Available Return Amount, regardless of whether the Developer or affiliates remain responsible to pay such Connection Fees in full. If the amount derived from Bond proceeds, including investment earnings thereon, if any, are not sufficient to fund the total cost of the Sanitation District Facilities for the Project, the parties hereto agree that all responsibility and liability for the amount of such shortfall(s) shall be and remain with the Developer.
- Section 7. <u>Indemnification</u>. The Developer agrees to indemnify, defend, and hold the Sanitation District and the Authority, and their respective officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees and court costs that the Sanitation District or the Authority, or their respective officers, employees and agents, or any combination thereof, may suffer or that may be sought against or recovered or obtained from the Sanitation District or the Authority, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of, in consequence of or with respect to this Facilities Agreement, the formation of the Community Facilities District, the issuance of the Bonds, or the financing of the Sanitation District Facilities or the Other Agency Facilities. If the Developer

fails to do so, the Sanitation District and the Authority shall each have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the Developer.

No indemnification is required to be paid by the Developer for any claim, loss or expense arising from the willful misconduct of the Sanitation District (if indemnification is sought by the Sanitation District) or the Authority (if indemnification is sought by the Authority), or their respective officers, employees or agents (if indemnification is sought thereby).

**Section 8.** Costs and Expenses. The Developer shall, upon demand therefor, pay, or reimburse the Sanitation District for the payment of (a) the fees and expenses of the Sanitation District's attorneys incurred in connection with the discussion, negotiation, structuring and implementation of the matters covered hereby and the drafting, review, and revision of this Facilities Agreement, and (b) the fees and expenses of the Sanitation District's attorneys incurred in connection with the issuance of the Bonds.

Section 9. Nature of Agreement; Allocation of Special Taxes. This Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Act. The entire amount of the proceeds of the Special Taxes shall be allocated and distributed to the Authority.

**Section 10.** <u>Third-Party Beneficiary</u>. The Community Facilities District shall be a third-party beneficiary of this Facilities Agreement.

Section 11. <u>Limitation of Rights to Parties</u>. Nothing in this Facilities Agreement expressed or implied is intended or shall be construed to give to any person or entity other than the Authority, the Sanitation District, the Developer, and the Community Facilities District any legal or equitable right, remedy, or claim under or in respect of this Facilities Agreement or any covenant, condition, or provision herein contained, and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Sanitation District, the Developer, and the Community Facilities District.

**Section 12.** <u>Notices</u>. All written notices 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 parties in writing from time to time, namely:

If to the Authority:

California Municipal Finance Authority 2111 Palomar Airport Road, Suite 320 Carlsbad, California 92011 Attention: BOLD Program

#### If to the Sanitation District:

County Sanitation District No. 14 of Los Angeles County 1955 Workman Mill Road Whittier, California 90601 Attention: Secretary to the Board

## With a copy to:

Best Best & Krieger LLP 3390 University Avenue, 5<sup>th</sup> Floor Riverside, California 92501 Attention: Mrunal Shah

## If to the Developer:

City Ventures Homebuilding, LLC 3121 Michelson Drive, Suite 150 Irvine, CA 92612 Attention: Mike White

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 given by courier or delivery service or if personally served or delivered, upon delivery, (b) 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, or (c) if given by any other means, upon delivery at the address specified in this Section.

Section 13. Governing Law; Venue. This Facilities Agreement and any dispute arising hereunder shall be governed and construed in accordance with the laws of the State of California. Venue of any action brought hereunder will be in the Superior Court of the State within Los Angeles County, California, and the parties consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding. The parties expressly waive any right to transfer venue, including, but not limited to, any right to transfer venue pursuant to California Civil Code Section 394.

**Section 14.** Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Facilities Agreement by any other party hereto, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Facilities Agreement thereafter.

**Section 15.** <u>Severability</u>. If any part of this Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Facilities Agreement shall be given effect to the fullest extent reasonably possible.

**Section 16.** <u>Successors</u>. This Facilities Agreement shall be binding upon and inure to the benefit of the successors of the parties hereto.

**Section 17.** Entire Agreement. This Facilities Agreement contains the entire agreement between the parties hereto with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter herein.

**Section 18.** <u>Amendment and Assignment</u>. This Facilities Agreement may be amended at any time but only in writing signed by each party hereto. This Facilities Agreement may be assigned, in whole or in part, by Developer or its affiliates which own the Property to the purchaser of any parcel of land within the Property, provided, however, such assignment shall not be effective unless and until the Authority and Sanitation District have been notified, in writing, of such assignment and the assignment specifies whether the Developer or such assignee is authorized to execute disbursement requests and whether the Developer or such assignee is to be reimbursed for Connection Fees which have not been reimbursed at the time of such notice.

**Section 19.** <u>Termination</u>. This Facilities Agreement shall terminate upon the earliest occurrence of the following events: (a) the dissolution of the Community Facilities District pursuant to Section 53338.5 of the Act; or (b) the written agreement of the parties to terminate this Facilities Agreement. Notwithstanding the foregoing, this Facilities Agreement shall remain in full force and effect for as long as any Bonds are outstanding.

**Section 20.** <u>Counterparts</u>. This Facilities Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

(Signature pages follow)

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

# CALIFORNIA MUNICIPAL FINANCE AUTHORITY

By:			
Name:			
Title:			

-Signature Page-Joint Community Facilities Agreement California Municipal Finance Authority Community Facilities District No. 2024-8 (City of Lancaster – Avanti North)

# COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY

By:		
Name:		
Title:		

-Signature Page-Joint Community Facilities Agreement California Municipal Finance Authority Community Facilities District No. 2024-8 (City of Lancaster – Avanti North)

# CITY VENTURES HOMEBUILDING, LLC

By:	
Name:	
Title:	

-Signature Page-Joint Community Facilities Agreement California Municipal Finance Authority Community Facilities District No. 2024-8 (City of Lancaster – Avanti North)

### **EXHIBIT A**

## **DESCRIPTION OF SANITATION DISTRICT FACILITIES**

The types of facilities to be owned and operated by the Sanitation District and financed by the Community Facilities District are sewer treatment, collection, transmission and reclamation facilities, including sewer collection lines, wastewater treatment facilities, reclaimed water facilities, treated wastewater facilities and related and appurtenant facilities, and land, rights-of-way and easements necessary for any of such facilities.

## **EXHIBIT B**

## FORM OF SANITATION DISTRICT WRITTEN REQUEST

# WRITTEN REQUEST FOR DISBURSEMENTS FROM SANITATION DISTRICT FACILITIES ACCOUNT

County Sanitation District No. 14 of Los Angeles County (the "Sanitation District"), hereby states and certifies:

notedy states and certifies.	
that certain Indenture of Trust, dated as of the California Municipal Finance Authority (thereby requested to disburse from the Sanitation to the Indenture, to the payees set forth on Att	onal Association, as trustee (the "Trustee") under1, 20 (the "Indenture"), by and between the "Authority") and the Trustee, the Trustee is n District Facilities Account established pursuant tachment 1 attached hereto and by this reference achment 1 opposite each such payee, for payment d on said Attachment 1;
defined in that certain Joint Community Facilities and among the Authority, the County Sanitation	tes a cost of the Sanitation District Facilities (as ies Agreement, dated as of
(c) that each such amount has not b Sanitation District Facilities Account; and	een the subject of a prior disbursement from the
requested was constructed under the direction	ation District Facilities for which payment is and supervision, or under the authority of, the t had been constructed under the direction and ation District.
	COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY
	By:Authorized Representative
	Authorized Representative

## **ATTACHMENT 1**

Payee Name and Address	Purpose of Obligation	<u>Amount</u>
		\$
		\$
		Total: \$

## **EXHIBIT C**

## **BOUNDARY MAP OF PROPERTY**

[attached]

# PROPOSED BOUNDARIES OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2024-8 (CITY OF LANCASTER - AVANTI NORTH)

CITY OF LANCASTER
LOS ANGELES COUNTY
STATE OF CALIFORNIA

